



## **Long-Term Care Workforce and Value-Based Payment Readiness Directed Payment**

Information for Providers

*Updated March 2022*

### **Payment Logistics:**

1. The New York State Department of Health (DOH) submitted a directed payment template to the Centers for Medicare & Medicaid Services (CMS) on November 15, 2021 and expects a response in the near future. Funding is not guaranteed until CMS approves DOH's submission. If CMS does not approve the directed payment arrangement in time for distribution by March 31, 2022, the initiative will be delayed into State Fiscal Year 2023.
2. Agencies will qualify for the directed payment based on their revenue in each region of the state (see page 7). DOH will notify agencies as to the region(s) for which they are receiving funding.
3. Payments will flow to agencies through managed long-term care (MLTC) plans—including partial cap MLTCs and Medicaid Advantage Plus-- with which they contract. DOH will send schedules of payments to plans and agencies in February 2022. The payment schedules will total to the agencies' total awards.
4. Pending timely CMS approval, DOH anticipates that LHCSAs will begin to receive funding by March 31, 2022, but LHCSAs should not begin to account for such dollars in their financial projections or statements until CMS approval is received. Assuming CMS approval is received timely, DOH will make payments to plans by February 4, 2022. It will take about one month for MLTCs to receive payments from DOH. The MLTC plans will have 30 days to distribute funding to agencies.

### **Reporting:**

1. Agencies will be required to submit quarterly spending reports and survey responses to DOH beginning July 2022. These submissions must be made quarterly for agencies to retain their awards and maintain eligibility for future HCBS enhanced FMAP funding opportunities.
2. DOH will provide agencies with a reporting form each quarter. The form is similar to the initial attestation and survey. It includes a budget section in which agencies can update their budget allocations, if necessary, and are required to track quarterly spending by investment category. It also requires an updated spending narrative detailing how the agency has spent the award and how it plans to spend the remainder.



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- Agencies must keep track of spending such that any expenditures for which the award is being used are clearly documented. Agencies will not be required to provide documentation in their quarterly reports but must keep them available until March 31, 2028.
- Any expenditures that do not have direct documentation or justification, such as hours worked by an existing employee, should be tracked and recorded. Staff hours dedicated to these investments by staff who also serve in other roles may be allocated as a use of funding and tracked using hourly rates as the cost.
- Agencies may cover administrative expenses incurred in the implementation of these investments with this funding. Administrative expenses must be tracked and recorded in the same manner as all other expenses.

Each quarterly report will include survey questions similar to those asked in the initial survey. **If your agency did not have the data required to answer all the questions in the initial survey, it should begin collecting the information now so that it is available for the first quarterly survey submission in July 2022.**

### Spending and Implementation:

1. Agencies must use their awards to develop and implement the programs and strategies outlined in the spending narratives submitted to DOH as part of the attestation and survey.
2. Agencies may adjust their spending plans and budgets in their quarterly reports. Any adjustments must comply with the spending guidelines in this document.
3. Agencies must spend their awards on home and community-based services (HCBS) workforce development and/or preparation for participation in value-based payment (VBP) arrangements.
4. DOH identified seven categories of expenses on which agencies can choose to spend their awards. They are:
  - a. **Workforce Recruitment and Retention:** Adopting strategies, including recognition and retention bonuses, employee development and promotion initiatives, enhanced job benefits (e.g., health insurance for part-time and full-time workforce), paid training time, and other job satisfaction strategies that support workforce recruitment and retention.
  - b. **Training:** Developing training programs and promoting completion of training programs for new and current home care workers. Includes providing paid training opportunities for home care worker skill development, including the qualification of home care workers as Advanced Home Health Aides that are



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authorized under New York law to perform advanced tasks (e.g., administration of routine or pre-filled medications under the supervision of a registered nurse).

- c. **Technology:** Utilizing innovative technologies that assist with VBP contracting and increasing employee satisfaction, such as technologies to improve matching between staff and service recipients for your LHCSA services, technologies that enable aides to maximize hours to achieve full-time work, and other technologies that improve care management.
  - d. **Diversity and Cultural Competency:** Developing or utilizing strategies to recruit and retain a racially and ethnically diverse and culturally competent workforce, with adequate levels of demographic and linguistic representation based on historical client populations.
  - e. **Care Management:** Implementing strategies for effective care management and reductions in health care spending associated with effective service delivery, which would include long-term relationship development between consumers and their home care worker.
  - f. **Emergency Preparedness:** Building appropriate personal protective equipment (PPE) stockpiles from state-authorized sources for ensuring that home care workers are able to deliver care in a safe and effective manner through the end of COVID-19 and other public health emergencies.
  - g. **Preparing for Value-Based Payment:** Building the capacity to collect and report data, adopting key performance metrics, and investing in a culture that prioritizes value over volume of care.
5. Agencies must implement their efforts in the regions in which they qualified for funding and may use the funding to implement efforts across their full New York service area.
  6. Providers may use their awards to fund recruitment, retention, and training for personal care aides, home health aides, and nurses who directly provide, or supervise the provision of, personal care or nursing services. Funding cannot be used to pay for current wage levels, including overtime, for any employees or salary increases for administrative staff, managers, and executive staff.
  7. Funding cannot be used to supplant current or already planned expenses. For example, an agency cannot use this funding to cover existing trainings or monthly payments on technology purchased prior to the receipt of the award.
  8. Agencies may begin spending their awards as of the date on this notification letter. Any expenses incurred prior to this date are not eligible for funding.
  9. Funding must be spent by March 31, 2023. Agencies should budget expenditures accordingly. If an agency chooses to use its award to cover recurring costs, such as



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salary increases, the agency should identify additional funding to cover these costs beyond March 2023.

10. Agencies that fail to expend funds, or expend funds on non-approved uses, will be ineligible for future awards and/or subject to recoupment of their award.
11. Please reference the Guidance for Investments on pages 3 through 9 of this document for a list of allowable and non-allowable investments.

### Assistance and Resources:

1. Any questions can be sent to DOH at [LHCSA.FMAP@health.ny.gov](mailto:LHCSA.FMAP@health.ny.gov).
2. More information on New York's enhanced FMAP for Home and Community-Based Services efforts [can be found here](#) or by typing [https://www.health.ny.gov/health\\_care/medicaid/redesign/hcbs/enhanced\\_funding/](https://www.health.ny.gov/health_care/medicaid/redesign/hcbs/enhanced_funding/) into your browser.



## Guidance for Investments:

The following guidance details expenses for each investment category that are allowable and not allowable. Providers may select from the list of allowable expenses in deciding how to use their awards. Providers cannot invest this funding in any non-allowable expenses. Other investments may be approvable; however, if your idea is not on this list, you *must* seek prior approval before using award funds for the proposed purpose. To request approval, please email us at [LHCSA.FMAP@health.ny.gov](mailto:LHCSA.FMAP@health.ny.gov). The Department may issue an update to this guidance with any new pre-approved investment ideas.

Please remember that funding cannot be used to supplant current or already planned expenses, including any portion of any settlement obligations or other liabilities owed by the provider, or any related person or entity, prior to receipt of final awards and confirmation of CMS approval from DOH. Any investment your agency makes using this funding must be a **new** investment.

### A. *Preparation and Planning*

1. You may choose to work with outside entities, such as New York State-approved Workforce Investment Organizations, to help implement new programs and strategies. You may use your award to pay for appropriate costs as long as the scope of work covered by the funding is strictly focused on one of the approved investment areas.
2. Technology software investments *are* eligible uses of funding, but most other capital expenses are not eligible. If you have a question regarding a specific capital expense, please email us at [LHCSA.FMAP@health.ny.gov](mailto:LHCSA.FMAP@health.ny.gov).
3. Agencies may begin spending their awards as of the date on this notification letter. Any expenses incurred prior to this date are not eligible for funding.
4. Funding must be used for investment in your LHCSA. Investments in other programs or services your organization may operate, such as a Consumer Directed Personal Assistance Program (CDPAP), are not allowable uses of funding.
5. Funding cannot be used to pay for activities that are also funded by other ARPA initiatives. It is the LHCSA's responsibility to ensure no duplication of payment/spending occurs. There is a separate HCBS eFMAP investment for NHTD/TBI waiver providers.

### B. *Workforce Recruitment and Retention Investments and Strategies*

*Investing in your workforce can help increase employee satisfaction, build employee morale, and ultimately, improve recruitment and retention by making your workplace a more attractive place to work. Options for such investments include:*



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1. Employee recognition and retention bonuses, including:
  - a. Retention incentives. Retention bonuses that recognize employees' prior service are allowable if they are newly added to your compensation structure, paid out following the start of the spending period, and only paid to current employees
  - b. Recruitment incentives for employees who are not laterally moving from another LHCSA
  - c. End of year lump sum bonuses
  - d. Performance bonuses
  - e. Wage increases
2. Employee development and promotion initiatives, including:
  - a. Paid study time for competency certification
  - b. Reimbursement for certification costs
  - c. Group study programs
3. Enhanced employee benefits, including:
  - a. Health insurance for part-time and full-time employees
  - b. Transportation benefits, such as coverage of fuel and mileage costs, parking expenses, public transportation, and ride share services. Purchasing and leasing vehicles are not eligible expenses.
  - c. Wellness benefits
  - d. Child and family-caregiver benefits and support
  - e. Paid vacation days
4. Taxes associated with allowable expenses, such as incentives or increased wages, are eligible expenses.
5. Establishing support systems for direct care workers, such as employee support groups or mentorship programs, which provide connection between employees, create a supportive environment, and allow for sharing of experience and knowledge
6. Providing direct care workers with information and resources that prepare them for the challenges or roadblocks they may face in their profession
7. Designing systems that include frontline staff members' ideas and concerns in operational and strategic decisions
8. Structuring promotion systems to encourage career development



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9. Placing advertisements and articles in local publications to promote awareness of investments in the workforce, such as pay increases, culture changes, and training and promotion opportunities
10. Hosting realistic job previews that prepare potential applicants with a full view of the direct care worker role including opportunities and challenges

### ***Ineligible Recruitment and Retention Investments:***

1. Base wages and salaries of current and new direct care workers and nurses who provide, or supervise the provision of, personal care. This funding cannot be used to pay for expenses that are already covered by Medicaid rates
2. Compensation for overtime work. Agencies may instead use this funding to recruit additional staff so that fewer overtime hours are necessary
3. Signing bonuses for direct care workers and nurses moving laterally from another LHCSA
4. Salary increases for administrative staff, managers, and executive staff
5. Purchase or lease of vehicles
6. New recruitment offices

### **C. Training Strategies**

*Training opportunities can help employees improve their job-related skills and abilities. Increased competency results in greater employee satisfaction as well as improved delivery of care. There are a number of strategies that your agency can adopt to incentivize and increase access to trainings. These strategies include:*

1. Incentives for completing training programs, such as:
  - a. Compensation for training hours, including for personal care aide or home health aide training programs completed just prior to an employee's onboarding
  - b. Childcare or other caregiver coverage during training
  - c. Bonuses or wage increases for training completion or certification
  - d. Career advancement or mobility within the agency
2. Partnerships with local organizations, such as Workforce Investment Organizations (WIOs), community colleges, and other home care agencies, to develop and deliver training to direct care workers
3. Increasing the number and types of trainings your agency offers



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4. Establishing new home health aide and/or personal care aide training programs
5. Investing in technology to improve the quality of trainings and the trainee experience

### ***Ineligible Training Investments:***

1. Trainings that assist direct care workers to transition to office positions. Trainings must be geared toward helping direct care workers and nurses who provide, or supervise the provision of, personal care develop the knowledge and skills they need to succeed in their roles

### ***Resources for Implementing Trainings***

*There are a number of resources available through the Department of Health (DOH) that can assist your agency in developing and implementing its own trainings or in connecting your employees to other organizations' trainings. They include:*

1. For resources, including guidance for implementing and operating home health aide training programs, please visit the DOH webpage: [Home Care – Information for Health Care Professionals](#)
2. For a comprehensive set of modules provided by DOH for home care workers, please visit: [Home Care Curriculum \(ny.gov\)](#)

### ***D. Technology Investments***

*Care management technology and software are critical tools for your agency to improve and streamline access to and management of personal care and support services. Investing in and training employees to effectively use innovative technology can improve administrative processes, make services more accessible to consumers, and increase employee satisfaction. Innovative technologies that enhance the provider and consumer experience include:*

1. Technology to improve matching between staff and service recipients
2. Incident tracking systems
3. Scheduling systems
4. Internet connectivity
5. Remote monitoring devices
6. Systems that provide online access to service records and virtual visits

Purchasing and installing new or upgraded software technology are allowable investments.





***Ineligible Technology Investments:***

1. Purchasing and installing Electronic Visit Verification (EVV) systems

**E. Diversity and Cultural Competency**

*Building adequate levels of demographic and linguistic representation based on historical client populations will allow your agency to provide services that best meet its clients' needs. Your agency can recruit and support a diverse and culturally competent workforce using strategies that include:*

1. Reviewing client demographics to better understand the populations you serve
2. Updating recruitment materials and external communications to include non-English language versions and showcase a diverse group of employees
3. Implementing new marketing strategies to attract a more diverse group of employees
4. Diversifying and casting a wider net for recruitment sources
5. Developing a roadmap for increasing diversity and cultural competency over time
6. Offering cultural competency trainings to employees
7. Providing a staff member or team with time dedicated to learning about, promoting, identifying, and sharing educational resources about culturally and linguistically appropriate services (CLAS) and the [National CLAS Standards](#) throughout the agency
8. Utilizing CLAS Standards Checklist to implement self-assessments, trainings and assistance, and analysis of internal data relating to diversity and cultural competency: [An Implementation Checklist for the National CLAS Standards \(hhs.gov\)](#)

***Ineligible Diversity and Cultural Competency Investments:***

1. Opening new recruitment offices

**F. Effective Care Management Strategies**

*Providing a person-centered system that aims to effectively meet the individual preferences, needs, and goals of consumers will improve the quality of services and level of satisfaction. You can enhance the effectiveness of your care system by incorporating processes that increase the coordination of resources between and the availability of information for staff and providers. Strategies for improving the effectiveness of care management include:*

1. Using service planning processes and tools, including the development of roadmaps, to best meet consumers' individualized preferences, needs, and goals



2. Implementing matching technologies that consider preferences and cultural competencies of consumers and direct care workers
3. Improving coordination and communication with clients' support networks (other health care and service providers)

### **G. Emergency Preparedness**

*The COVID-19 pandemic drastically affected agencies' abilities to provide support services to clients. The pandemic necessitated changes in care practices, caused an increased demand for services, and placed stress on PPE stockpiles. As your agency returns to usual service delivery, keep sight of lessons learned from the pandemic. Having a preparedness plan in place to respond to emergency situations will be key to avoiding many of the issues that arose as a result of the pandemic. A preparedness plan can include steps such as:*

1. Developing sufficient supply stockpiles and planning to replenish as needed. The purchase of new PPE is an allowable use of funding even if previously planned.
  - a. Ensuring that stockpiles only contain functional equipment
2. Developing employee networks for back-up or standby care providers. Funding can be used to incentivize employees to sign up for on-call shifts or to be on standby but cannot be used to compensate these employees for their billable hours
3. Offering prepared rapid training on topics including:
  - a. Infection control
  - b. Virus testing
  - c. Natural disaster triage and response
  - d. Disaster morbidity and mortality surveillance

#### ***Ineligible Emergency Preparedness Expenses:***

1. PPE storage
2. Base wages and salaries of on-call aides. This funding cannot be used to pay for expenses that are already covered by Medicaid rates

### **H. Preparing for Value-Based Payment**

*Many of the aforementioned investments in the workforce and care management can position your agency to provide quality services. Participation in value-based payment arrangements rewards agencies for these improvements in services. Value-based payment is*



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*rooted in rewarding providers for the value, rather than volume, of the care they provide. Value is tied to quality standards to allow for standardized measurement. Quality standards are defined within individual VBP arrangements. To determine whether providers meet these quality standards, providers must collect certain data and report it to plans. To prepare for participation in the first stage of value-based payment, providers should invest in and focus on the following areas:*

1. Creating a culture that prioritizes value over volume. This can be done by:
  - a. Training staff to document indicators focusing on value
  - b. Integrating value of care into job descriptions and employee performance expectations
  - c. Developing a team focused on shifting the agency toward value-based care
2. Adopting the key performance measures defined by New York State for the relevant managed care plan. These measures are available in [DOH's VBP Resource Library](#).
3. Building the capacity to collect and report data by:
  - a. Moving from paper records to health information technology, such as an electronic health records system and population health management system, to increase availability and accuracy of data
  - b. Identifying an individual or team dedicated to evaluating and reporting data

*These resources from the Department of Health (DOH) and other agencies cover different topics in managed care and value-based payment arrangements.*

1. NYS DOH VBP Resource Library: [DSRIP - Value Based Payment \(VBP\) Resource Library \(ny.gov\)](#)
2. [Teaching materials from past VBP-U presentations: VBP-U and VBP Bootcamps \(ny.gov\)](#)