



**District of Columbia
Health Care Association**



WORKFORCE RETENTION, RECRUITMENT, CONVERSION and VACCINE BONUSES

A survey of HCBS Providers, October 19, 2022

Sponsored by:

DC Coalition on Long Term Care

DC Coalition of Disability Service Providers

1199SEIU United HealthCare Workers East

DCHCA

LeadingAgeDC

Introduction

On September 30, the Department of Health Care Finance published three separate notices that outline its approach to paying out more than \$17 million in ARPA funds for direct care worker retention, recruitment, conversion and vaccine bonus payments. All of the bonus payments involve a performance period that ends on September 30, 2022 - meaning that DHCF is using these grant funds to pay providers to either reimburse for bonus payments already made or to provide a bonus payment to workers for work already performed.

The vesting period for retention bonuses is January 27, 2020, through September 30, 2022. Direct care workers are eligible for up to two, \$1500 bonus payments for each 12-month period of continuous employment worked during the vesting period, provided they are still employed by the agency on the day the agency files its application for grant funds.

To be eligible for a recruitment bonus of up to \$1500, the direct care worker must have been “newly” employed between April 1, 2021, and September 30, 2022, and must still be employed on the day the agency files its application for grant funds. A newly employed direct care worker is one that has not worked full-time (32 hours a week) at an enrolled Medicaid HCBS provider for at least six months prior to April 1, 2021.

To be eligible for a conversion bonus of up to \$1500, the worker must have attained certification as a direct care worker between April 1, 2021, and September 30, 2022, after being hired under DOH’s temporary authorities during the Public Health Emergency and must still be employed by the agency on the day the agency files its application for grant funds.

The period of performance for the vaccine incentive payment is December 1, 2020, to September 30, 2022. Eligible workers can receive a payment of \$120 for receiving required vaccines or boosters as long as they are still employed by the agency.

Introduction Continued

Due to the approach taken by DHCF, the DC Coalition for Long Term Care, the DC Coalition of Disability Service Providers, 1199SEIU United HealthCare Workers East, DCHCA and LeadingAge DC wanted to better understand which providers and workers would be eligible for and benefit from these grants and from the employer's perspective, whether these grants will alleviate the workforce crisis or might hasten the exit of more workers.

Hence, we developed this survey and sent it to all 70 Medicaid HCBS Providers. We received 35 responses for a response rate of 50%.

A note on data limitations:

We based this survey on information that was available when DHCF's NOFA was published on September 30, 2022. At that time, workers who worked less than 32 hours per week were not eligible for any of the bonus payments. Thus, we included a question to try to discern the extent to which providers utilize part-time workers to meet workforce needs. However, since they were not eligible for the bonus payments, we did ask whether these workers met the other eligibility criteria (i.e., continuous employment for 12 months, etc.). Therefore, we cannot draw conclusions regarding the likely eligibility of these workers.

KEY TAKE AWAYS

Across all HCBS provider types and within provider types, the impact of the bonus payments will vary depending on a variety of factors that the providers cannot control since the performance period is in the past. For example,

- Providers who had high turn over rates during the pandemic will receive less money because they will have fewer workers who maintained continuous employment for 12 months.
- Providers who could not afford bonus payments but made strategic investments in the form of higher wages will not be eligible for reimbursement whereas providers who could afford to make bonus payments will be reimbursed for those payments.
- New providers who opened during the pandemic and struggled to recruit and retain workers will also be ineligible because of the requirement that eligible workers have 12 months of continuous employment prior to September 30, 2022.

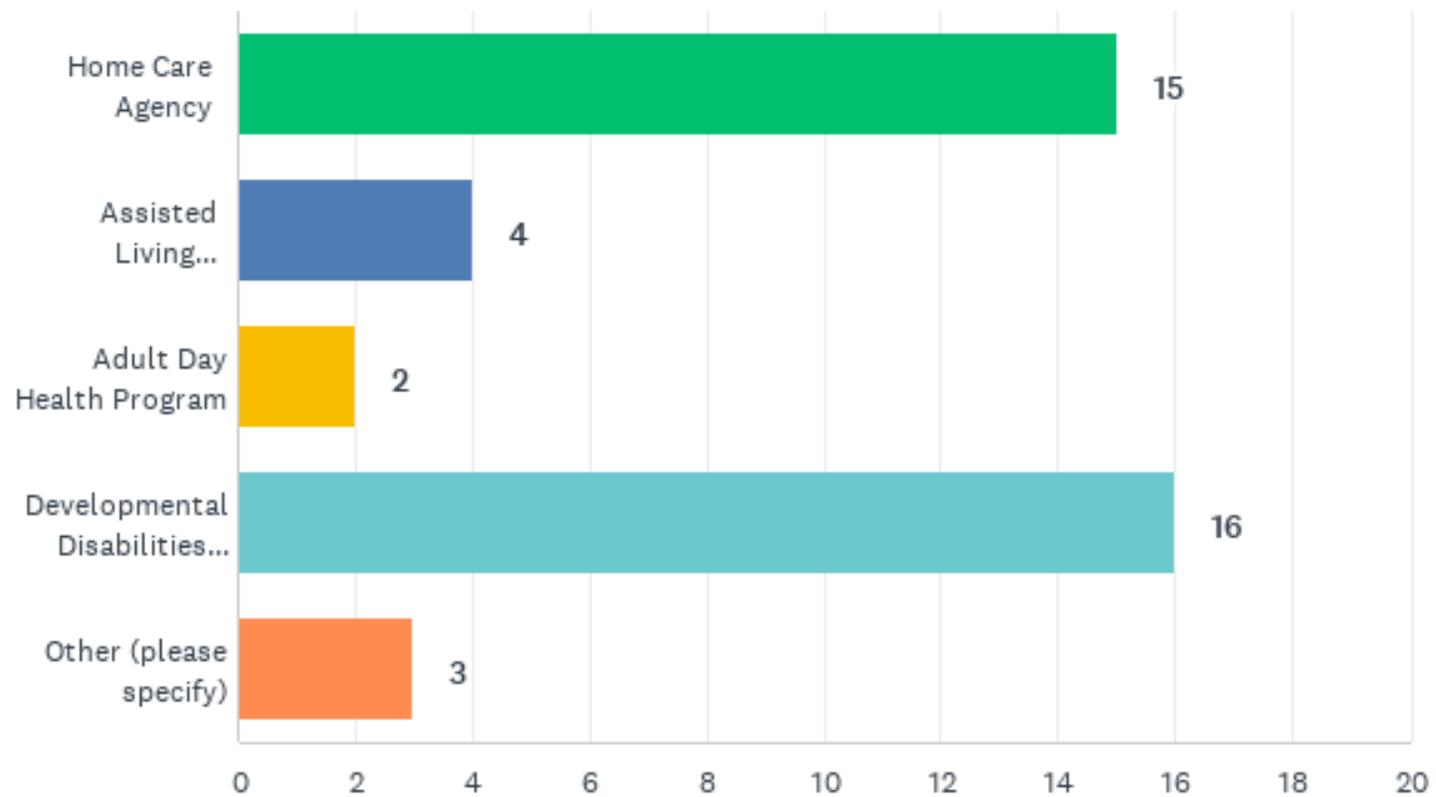
Providers will have employees who are eligible for and will be receiving significant bonus payments, while others will be eligible for smaller payments or nothing. For example, an experienced direct care worker who accepted a new position at a new home health agency on or after October 1, 2021, will not be eligible for either a recruitment or retention bonus even if they have been working continuously since being hired. Workers hired after the performance period also will not be eligible for payments. Respondents expressed concern regarding the impact on morale and the ability to retain workers if they see the payments as unfair.

Some longer-term workers will be eligible to receive a significant lump sum payment, up to \$3,000, but employers have no tools to tie these payments to future performance. Respondents expressed concern that workers will leave after receiving their bonuses. Notably, we learned after the survey was launched that all payments must be paid to workers before the end of the year. This could impact retention rates over the Holidays.

Providers also expressed concern about the lack of flexibility and lack of ability to pay bonuses for workers going forward. They are also concerned about recruitment and retention of other staff including supervisors, managers and RNs, none of whom are eligible to receive these bonus payments.

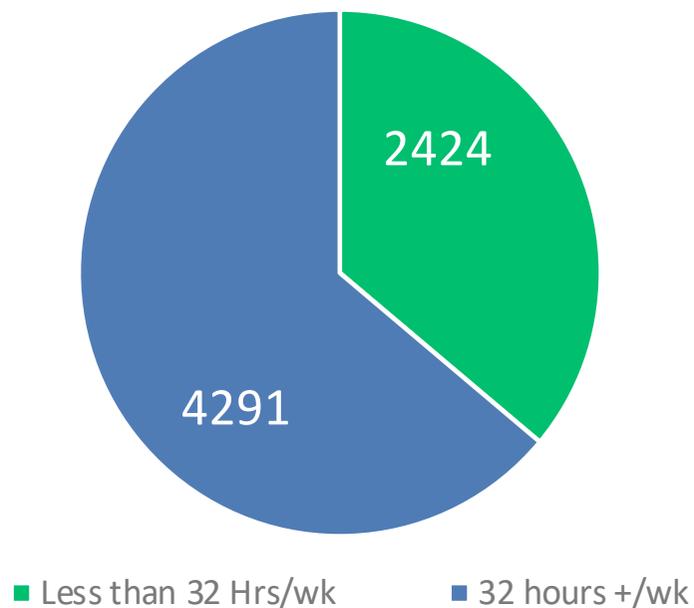
Overall, providers continue to emphasize that increasing wages for direct care workers is critical to addressing the on-going workforce crisis and that being able to use this funding to increase wages would have been more helpful.

Q2 What type of provider are you?



These 35 providers reported employing a total of 6,715 direct care workers. Of these, 36% (2,424) are employed for less than 32 hours a week.

Number Of Direct Care Staff



Retention Bonus Eligibility

Of 4,291 workers employed 32 hours/week or more, employers report:

- 3,309 (77%) have been continuously employed for at least one, 12-month period during the vesting period, January 27, 2020, through September 30, 2022.
- 3,090 (72%) have been continuously employed for two, 12-month periods during the vesting period, January 27, 2020, through September 30, 2022.
- Eligibility for retention bonuses varies across provider types and within provider types.
 - Among DD providers and HCAs, workforce retention rates vary and will impact how many workers will be eligible for retention bonus payments. Some providers reported that 100% of their workers will be eligible for at least one retention bonus. However, most indicated that only a percentage would be eligible. The percentage of workers potentially eligible for at least one bonus payment ranged from a low of 11% to ~ 90%.
 - CNAs work in HCBS settings including Home Care (via waivers), assisted living and in adult day health. However, CNAs who work in HCBS settings remain ineligible for these bonus payments. This means that home care agencies that hired CNAs under waivers during the pandemic, assisted living communities and adult day health programs are ineligible for retention bonus payments and will be disadvantaged in the labor market as a result.
 - Assuming DHCF expands its definition of an eligible direct care worker, new adult day health program sites and assisted living communities that opened during the PHE and more recently also will be unable to benefit from these retention bonus payment grants due the requirement that eligible workers have, minimally, 12 months of continuous coverage prior to September 30, 2022.

Recruitment and Conversion Bonus Payments

Respondents reported recruiting and hiring 1,814 "new" direct care workers between April 1, 2021, and September 30, 2022. Of these, 1,254 (69%) remain employed as of the day the survey was answered. No distinction was made between full-time, part-time or on-call employees.

Retention rates for newly hired staff varied considerably among providers –

- Nine (mostly small) providers indicated they retained 100% of newly hired staff,
- Four providers retained less than 50%,
- Eight retained between 51% and 75%, and
- Eight retained between 76% and 92%.

Respondents reported hiring 498 direct care workers under DC Health's temporary authorities between April 1, 2021, and September 30, 2022, but only 370 became certified by September 30 and are still employed. Notably,

- Three providers are responsible 351 (70%) of these hires, and
- These same three providers have 291 (79%) of the workers who have obtained certification by the deadline.
- Nineteen providers reported no new hires under DC Health's temporary authorities.
- Eight employers indicated they have newly hired workers who are still pending certification. One respondent noted, "None, we are waiting for the Practical examination on 10/18/22."
- Workers hired under DC Health's temporary authorities who were unable to obtain certification by September 30, 2022 but are still employed and are in the process of obtaining their certification are ineligible for the conversion bonus.

When asked about workers who are ineligible for retention bonuses, respondents expressed the following:

Check all that apply	Number	Percent
I am concerned about our ability to retain these workers	27	79.4
If our agency is unable to increase the wages of these workers, they will leave for other jobs that pay more and are less stressful	29	85.3
It would have been more helpful and effective if DHCF gave providers flexibility to offer retention and bonuses to direct care workers to continue working now and in the future rather than for work that was done in the past	31	<u>91.2</u>
I am concerned that these workers will see other workers getting payments and experience this as unfair. This could contribute to more workers leaving for other jobs.	27	79.4

We asked if providers paid bonuses between January 27, 2020 and September 30, 2022, to direct care workers who are no longer employed by the agency/program. Respondents told us the following:

Thirty (30) providers responded to this question.

Between January 27, 2020, and September 30, 2022, 15 respondents paid bonuses totaling \$611,081 to 826 direct care workers who are no longer employed with the agency.

Five agencies accounted for \$537,630 (88%) of these bonus payments.

Among all agencies paying these bonuses, the average payment was \$1,092. The range of bonus payments, on average, was \$15 to \$3,355 per employee. Seven (7) providers paid bonuses on average of \$1000 or more per employee.

We asked providers to indicate each grant for which they intended to submit an application. Thirty-two of 35 respondents answered this question.

	Number	Percent
Recruitment and Conversion	24	75.0
Retention Bonus Grant	27	84.4
Vaccine Bonus	25	78.1
Not applying for any grants	3	9.4

If not applying for one or more grants, we asked why.

- Not certain if the retention bonus grant will be beneficial or just create low morale and confusion.
- Under the current requirements to receive the grant, we don't have any workers that qualify. There is a significant amount of turnover due to burnout and opportunities for higher wages elsewhere. Greater flexibility in the grant requirements is needed to accurately reflect the real-world conditions everyone is experiencing.
- Our facilities have recently opened and do not qualify under the restrictive timeframes of the grants.
- Period of application [should] be extended
- Grant writing by small DD providers can be challenging and we cannot afford to pay a professional grant writer to assist.
- Does not apply to our agency (2 comments)

When asked what recommendations to you have for DHCF to make these grants more effective in helping to address the workforce crisis, respondents expressed the following:

Check all that apply	Number	Percent
Allow providers to use the funds to recruit new workers	26	76.5
Allow providers to use the funds to pay future retention bonuses	27	79.4
Allow providers to determine the size of the bonus payments	26	76.5
Allow providers to use these funds to raise wage rates.	27	79.4

Additional comments and recommendations from respondents:

Increase reimbursement rates.

Our staff feel very strongly that allowing providers to use these funds to raise wages would be a priority for the agency.

Currently, we are paying \$1.00 per hour bonus for critically ill and bed bound clients to keep the workers on the job.

Align the dollars to true market value of Medical Assistants in hospitals.

Allow providers to adequately increase the pay for assignments that may require special trainings given the population that we serve is medically fragile and have higher behavioral needs.

Allow providers who are already paying above the living wage and currently not being reimbursed for these wages to use these grants to right size out budgets.

More comments and recommendations from respondents:

We should consider giving a little bit of the bonus to supervisors who supervise direct care workers. Recruiting staff for this field at all levels are currently challenging when other industries are offering people the flexibility to work from home full time.

There is no incentive for Managerial and Administrative employees. We need to retain these employees as well.

While we appreciate the focus on retaining workers, recruiting and retaining qualified and interested nursing staff has been nearly impossible when there are so many other career options for this talent with significantly higher wages and less commitment, i.e. their schedules don't require on call 24/7. DHCF should evaluate bonuses and wages for this necessary staff as well.

More comments and recommendations from respondents:

Provide funds to allow MD and VA direct care workers to work in the District.

Grant funds have limited time and cannot support wage increases, Determine size of bonus payments by years of services with consideration for part-time staff.

Given the pandemic and the overall staffing crisis, the 15% rate increase does not even come close to covering overtime expenses necessary to ensure adequate staff and safety for the people we support. DHCF should re-evaluate this.

Retention should be paid to all workers during the peak period of the pandemic based on years of service. Recruitment bonus as an incentive at the time of hire for workers hired during the pandemic.

Vaccine incentive pay for all staff providing services irrespective of date of hire once vaccinated as this is a requirement for hiring.

Going forward is the the only thing that matters.

Recommendations

- Shorten the vesting period from 12 months of continuous employment to six months and authorize multiple vesting periods.
- Increase the period of performance to March 31, 2025 (when all ARPA funds must be spent).
 - Alternatively, to ensure staffing through the Holidays and until supplemental payments to support wage increases are disseminated, extending the deadline for making the bonus payments for at least an additional quarter to March 31, 2023, and allow employers to make payments in installments.
- Allow employers to tie the payment of these performance bonuses to future performance, a commitment to remain employed for a specific time period (this only works if the period for payment is extended).
- Allow employers to determine the amount of the bonus payments so that they can address the unique needs of their own agency/program.
- Eliminate the definition of a “new” worker.” An employer should be able to use these funds to offer a recruitment bonus to any worker who accepts a job (regardless of past of experience).
- Ensure that all HCBS direct care workers, regardless of job title (i.e., CNA, HHA, PCA, DSP, TME) are eligible for payment.