



Director Kimberly Hauck
Ohio Department of Developmental Disabilities (DODD)
30 E. Broad Street, 12th Floor
Columbus, OH 43215

April 27, 2022

Dear Director Hauck:

Since the pandemic, unprecedented wage growth in the service, hospitality, and retail sectors has accelerated the exodus of Direct Support Professionals (DSPs) from Ohio's developmental disabilities (DD) system. As a result, our state's safety net for people with DD and their families is beginning to unravel.

To stem the tide of DSPs leaving the DD system for better-paying and less-demanding positions in other fields, county boards of DD propose to fund quarterly DSP retention payments for HCBS DD waiver providers using local dollars. This proposal, strongly supported by all of Ohio's DD provider associations and The Arc of Ohio (representing Ohioans with developmental disabilities and their families), is attached for your consideration..

If approved by the Ohio Department of Medicaid (ODM) and the Centers for Medicare for Medicaid Services (CMS), county boards' proposal would result in **\$51.48 million** in local funds being used as match to draw down **\$91.52 million** in federal funding participation (FFP) from CMS, resulting in approximately **\$143 million** being distributed to DSPs annually in the form of retention payments, longevity bonuses, and other similar employee incentives. A full description of the ways in which providers could use these payments, as well as the reporting mechanisms that will be put in place to ensure these funds are used for their intended purpose, is included in the attached proposal.

We understand that this single effort will not solve our system's workforce crisis; however, we cannot wait to take further action while service providers struggle to provide basic levels of service to people with DD and their families. In addition, we understand that this will likely require Ohio to amend its Appendix K filing with CMS during the federal Public Health Emergency (PHE), and that a permanent waiver amendment may be required for this proposal to continue after the PHE has ended. If there is anything we can do to support your staff during these processes, please do not hesitate to ask.

Thank you for your consideration of our proposal, and for your continued partnership as we work to support people with developmental disabilities and their families in Ohio. We look forward to hearing from you as soon as possible about the next steps that will be required to implement this proposal.

Sincerely,

ADAM HERMAN
Interim CEO
Ohio Association of County
Boards of DD (OACB)

PETE MOORE
President/CEO
Ohio Provider Resource
Association (OPRA)

PETE VAN RUNKLE
Executive Director
Ohio Health Care Association

JANET STEPHAN
Board of Trustees
Ohio Waiver Network

JASON ABODEELY
President
Values and Faith Alliance

GARY TONKS
President and CEO
The Arc of Ohio, Inc.

County Board-Funded Quarterly DSP Retention Payment Proposal

Last updated: April 27, 2022

County boards hereby propose to fund a quarterly DSP retention payment to HCBS DD waiver service providers in an amount totaling 6.5% of all paid claims from the previous calendar quarter. Payments shall be paid to qualifying providers that have opted in to the program's stipulations, which are described below.

Eligible Providers

- **Agency providers** that have opted in to the program's terms/conditions, billed eligible services, and are in compliance with data reporting, attestation, and expense verification requirements from the previous calendar quarter will be eligible for the quarterly DSP retention payments.

Note: A participating agency provider that has opted in to the program will remain eligible to participate in perpetuity unless it does not submit the required data elements after receiving a supplemental payment, at which point the provider will be considered non-compliant, subject to recoupment, and ineligible for a payment for that quarter. Participating agency providers may also opt out of the program at any time.

- **Independent providers** that have billed eligible services during the previous calendar quarter will also be eligible for the quarterly DSP retention payments and are not subject to data reporting/expense verification requirements.

Eligible Services

Waiver services eligible for this quarterly DSP retention payment include:

- Homemaker/Personal Care (HPC), including On-Site/On-Call
- HPC – Daily Billing Unit
- HPC – Participant-Directed
- Shared Living
- Transportation
- Adult Day Support
- Career Planning
- Group Employment Support
- Vocational Habilitation
- Individual Employment Support
- Non-Medical Transportation

Eligible Payment Recipients (Employees/Staff)

Eligible recipients are defined as any agency employee or independent provider that provides direct support to a person with DD or otherwise supports people with DD on a routine basis, including supervisory employees. For purposes of this application, "routine basis" defined as more than 50% of their total hours worked in the applicable calendar quarter.

In general, non-staff, contracted workers, administrators, owners, and/or executive staff are not eligible for supplemental payments. Some limited exceptions to this restriction may apply, such as: (1) at smaller agencies where owners/executive staff routinely provide direct support services or related supports as a function of their normal job responsibilities, or (2) for some shared living providers, who may work as 1099 contractors.

Retention payments will be made to all eligible recipients that (1) worked during the applicable calendar quarter and (2) are still employed/working at the time the retention payment is issued.

Eligible DSP Retention Payment Options

Participating agency providers must distribute funds to eligible recipients based on a standardized methodology. DODD will provide a template to assist providers in calculating their employee payments in the form of a blank, pre-formatted Microsoft Excel document.

Participating agency providers may withhold up to 18% of the supplemental payment for implementation costs and/or other items/activities that otherwise enhance the employee experience or the delivery of services. This is in accordance with the acceptable amount of administrative overhead permitted by the HCBS waiver rate models currently in effect. If participating agency providers choose to withhold funds for these purposes, the provider must indicate how those funds were or plan to be used (see reporting/verification requirements below).

Documentation, Reporting, and Expense Verification Requirements

Participating agency providers shall quarterly attest to the following:

- 1) Compliance with all reporting requirements;
- 2) Funds were used/allocated in accordance with supplemental payment requirements;
- 3) Maintenance of all records and documentation to support the attestation; and
- 4) Acknowledgment that any supplemental payment found to not comply with requirements is subject to recoupment.

In addition to their quarterly attestation, participating agency providers must submit certain information to DODD using a prescribed online portal on a quarterly basis in order to remain eligible for DSP retention payments. This information must be submitted no later than 14 calendar days after the end of the quarter. Providers that fail to enter the required information in the portal by the closing date shall not be eligible for a payment for that quarter.

To remain eligible for payments (and avoid recoupment), reported data shall include the following:

- 1) Total supplemental funds received (*pre-populated by DODD*)
- 2) Amount withheld for implementation and/or other allowable costs, per the current HCBS waiver reimbursement rate formula (*up to 18%*)
- 3) Amount available for distribution (*calculated by DODD*)
- 4) Allowance for up to 7.65% in employer-paid payroll taxes associated with the additional payment (Social Security, Medicare, etc.) (*standard amount, pre-populated by DODD*)
- 5) Remaining amount of supplemental payment (*auto-calculated based on form entries*)
See additional note below.
- 6) Number of eligible recipients receiving a payment
- 7) Total regular wages for eligible recipients
- 8) Total regular hours for eligible recipients
- 9) Total OT wages for eligible recipients
- 10) Total OT hours for eligible recipients

*****Note:*** *If a participating agency provider withholds funds for implementation costs and/or other items/activities described above (i.e., data item #5 above is greater than \$0), providers must indicate which categories best describe the expenses not included in DSP retention payments and describe their use. Accepted categories of expenses include the following:*

- 1) **Implementation expenses** (i.e., additional payroll expenses, tax obligations not covered by standard formula, increased worker's compensation costs, etc.)
- 2) **Additional employee compensation** (i.e., paid time off, childcare services, transportation vouchers, health insurance benefits, etc.)
- 3) **Employee incentives** (i.e., wellness programs, performance/attendance bonuses, DSP recognition initiatives, etc.)
- 4) **Training** (i.e., DSP certification programs, skill-based professional development, etc.)
- 5) **DSP recruitment initiatives** (i.e., marketing and advertising, hiring/sign-on bonuses, etc.)

Questions about this proposal should be directed to Adam Herman at aherman@oacbdds.org, who will respond on behalf of county boards and the stakeholder coalition listed as signatories.