

To: CHOICES Providers of Specified HCBS
From: Katie Moss, Deputy Chief of LTSS
Date: June 14, 2022
Subject: **Wage Increases for Frontline HCBS Workers in CHOICES**

As you know, in November 2021, we began implementing targeted rate increases in certain CHOICES and ECF CHOICES HCBS that have a direct support component. For providers who complied with attestation process requirements, these increases were retroactively effective to July 1, 2021, and explicitly for purposes of increasing the wages of frontline HCBS workers delivering these services.

Initial funding for these increases was provided through Section 9817 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2), which provides qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS incurred between April 1, 2021 and March 31, 2022. The enhanced funding must be spent by the State by March 31, 2025,¹ and must be spent *exclusively* on Medicaid HCBS.

In addition to the \$137.5 million of the ARP FMAP funding TennCare allocated for *targeted* rate increases in CHOICES and Employment and Community First CHOICES HCBS that have a direct care component, the Tennessee General Assembly passed the Governor's SFY 23 budget which included \$168.4 million to support wage increases for frontline direct support professionals (DSPs) working in TennCare's HCBS programs, including CHOICES, Employment and Community First CHOICES, and the 1915(c) waivers operated by DIDD. In addition to providing recurring funds for the rate increases already implemented in CHOICES and ECF CHOICES using ARP Enhanced HCBS FMAP funding pursuant to the State's Conditionally Approved Spending Plan, increased funding will provide for additional rate increases to account for a consistent wage of at least \$13.75 per hour for frontline DSPs across Medicaid HCBS populations and programs.

These funds will be used to continue to align and increase reimbursement for comparable services across Medicaid HCBS programs and population, in order to support equitable pay increases for the common workforce that serves them. CHOICES services targeted for rate increases 1) have a direct care component; and 2) are currently reimbursed at a lesser rate than is effective as of July 1, 2022 for comparable services delivered through the Section 1915(c) waivers.²

Based on legislative intent, the explicit purpose of these funds is to increase the wages of the frontline HCBS workforce. This significant investment is specifically targeted to the frontline workforce and approved by the Tennessee General Assembly. Medicaid payment rates for comparable services in the 1915(c) waivers effective July 1, 2022 account for a DSP hourly wage of at least \$13.75/hour. While TennCare does not prescribe hourly wages for frontline staff, by aligning rates of reimbursement in CHOICES and ECF CHOICES with rates for comparable services in the 1915(c) waivers, the expectation

¹ CMS recently extended this deadline for States to expend the funds by March 2025. Note: this deadline applies to State expenditures and is not applicable to the provider's expenditure of funds, which must be passed through to the frontline work force as expeditiously as possible.

² If the CHOICES rate for the comparable service is already reimbursed at a rate higher than in the 1915(c) waivers, the rate is not increased.

is that comparable hourly wages for frontline support staff are accounted for across Medicaid HCBS programs and populations. The belief is that by increasing the wages paid to these staff, providers will be better able to recruit and retain staff to provide these critically needed services, reducing overtime and costs associated with constant turnover. A wage factor is applied to account for provider related costs such as taxes.

Targeted CHOICES HCBS rate increases are as follows:

Service	HPCPS	Current Rate	New Rate
Attendant Care	S5125	\$5.33/qtr hour \$21.32/hour	\$5.86/qtr hour \$23.44/hour
Personal Care Visits	T1019	\$5.33/qtr hour \$21.32/hour	
Adult Day Care	S5100	\$3.03/qtr hour \$12.12/hour	\$3.32/qtr hour \$13.28/hour
Respite	S5150	\$4.03/qtr hour	\$4.50/qtr hour
Community Based Residential Alternatives			
Assisted Care Living Facility	T2031	\$42.89/day	\$46.91/day
	T2030	\$1,305/month	\$1,426.84/month
Adult Care Home – Level 1	T2033 U2	\$153/day	\$165/day
Adult Care Home – Level 2 TBI	T2033 U2	\$189/day	\$201/day
Community Living Supports (CLS)			
CLS 1	T2033 U1	\$42.89/day	\$46.91/day
	T2032 U1	\$1,305/month	\$1,426.84/month
CLS 2	T2033 U3	\$124/day	\$136/day
CLS 3	T2033 U4	\$189/day	\$201/day
CLS Family Model 1	T2016 U1	\$45.93/day	\$46.83/day

Effective Date and Conditions of Payment

Additional CHOICES rate increases will be effective as of July 1, 2022. The continued expectation is that commensurate wage increases for the frontline HCBS workforce will be effective on that date, or beginning as soon as possible. Across all HCBS for which rates were increased, the provider must be able to document how the higher rates were used as intended—for purposes of increasing wages for frontline staff.

CHOICES providers will be required to sign an attestation of compliance in order to qualify for the July 1, 2022 rate increases. The attestation must be fully completed and uploaded to PDMS prior to receiving increased rates. Specific instructions for this process can be found here: <https://www.tn.gov/tenncare/long-term-services-supports/enhanced-hcbs-fmap.html> under Provider Attestation Upload Guidance. The attestation form required is attached hereto and may also be found at the website above.

Providers submitting a completed form **by June 30, 2022 will be eligible for the new rates effective July 1, 2022**. Providers who submit the completed attestation form after June 30, 2022 will be eligible for the new rates prospectively only as of the date the attestation was correctly uploaded in PDMS. A provider that does not complete the attestation or comply with the conditions of payment is not eligible for the

increased rates.

MCOs will make every effort to load and test the new rates as expeditiously as possible. For any claims processed before rate changes are complete, claims will be automatically adjusted once the new rates are fully implemented.

Payments are subject to audit and recoupment (and review for potential False Claims Act violations) if it is determined that conditions of payment were not met, i.e. that funding was not used for its intended purpose. Audit processes may include (but are not limited to) review of provider payroll records, claims, and other documents as determined by TennCare.

Attestation of Compliance for Eligibility to Receive Enhanced Home and Community Based Services (HCBS) Federal Medical Assistance Percentage (FMAP) Funding and Other Rate Increases based on Targeted State Appropriations

Enhanced HCBS FMAP Funds are dollars being used within Tennessee's Home and Community Based Services (HCBS) Programs—CHOICES, Employment Community First CHOICES (ECF), and 1915(c) Waiver Programs—to increase access to HCBS, strengthen the HCBS workforce, and build provider capacity to meet the needs of individuals receiving HCBS in these programs. Recurring funding will be provided through targeted State appropriations. In addition, provider rates are being further increased based on state budget approval to support additional wage increases for frontline direct support professionals (DSPs) working in TennCare's home- and community-based services programs, including CHOICES, Employment and Community First CHOICES, and the 1915(c) Waivers operated by DIDD. The below attestation is confirmation that my agency will comply with all applicable requirements pertaining to eligibility for 1) the submission of claims or requests for payment of these federal funds, and 2) the receipt of these federal funds as prescribed by TennCare in written memos, protocols, or other communication. I further affirm that I will maintain documentation to demonstrate my agency's compliance with TennCare requirements, and cooperate fully with all audits or other requests for documentation related to these payments.

Attestation:

- I understand that it is my responsibility to review eligibility requirements for each of the increased funding opportunities made available through federal Enhanced HCBS FMAP funding and/or state appropriations, and to only 1) submit claims or requests for payment of these federal and/or state funds; and 2) accept payment of these federal and/or state funds if eligibility requirements are met.
- I commit, as an Officer or Delegate Official, that complete documentation of compliance with these requirements will be maintained, and that records will be available upon request for auditing and validation of compliance for all federal and/or state payments received.
- I acknowledge that any federal or state funding accepted by my agency for which eligibility requirements are not met is subject to recoupment, and that any such funding received, or any claims or requests for such funding for which eligibility requirements are not met, is subject to potential False Claims Act violations.
- I am a part of senior leadership within the provider agency with authority to sign on behalf of the agency.
- I understand if there are any indications that any provider agency engaging in activities to maximize incentive payments through fraudulent means will be reported to the TennCare Office of Program Integrity, the TBI, and Tennessee Attorney General's office for an investigation related to violation of the False Claims Act.

Attestation Type	
<input type="checkbox"/> Initial <input type="checkbox"/> Annual Renewal (<i>annual renewals are due no more than 365 days from the date on the initial attestation</i>)	
Provider Information	
Name:	Provider Medicaid Identification:
Tax Identification Number:	Date of Attestation:
Address:	
Printed name of signature:	
Title:	
Date:	
Authorized signature: ¹	

¹ A scanned, imaged, electronic, photocopy or stamp of the above signature shall have the same force and effect as an originally executed signature.