

State Workforce Initiatives

ARPA Spending Plan Topical Analysis

I. INTRODUCTION

Workforce capacity is clearly a key pre-requisite to expanding access to home and community-based services (HCBS). The HCBS workforce shortage has been of crisis proportions for decades, and has been exponentially exacerbated by the COVID-19 pandemic. The 2019 NCI Staff Report indicates that pre-pandemic, the turnover rate for Direct Support Professionals (DSPs) averaged around 43%; while post-pandemic data has not yet been validated, anecdotal evidence suggests that the workforce has been further decimated by pandemic-related issues. These challenges come at a Stability time of escalating demand for community-based long-term services and supports (LTSS) and transition from institutional care to HCBS settings.

State I/DD agencies have made improving the quality and stability of the DSP workforce a top priority in their use of enhanced HCBS funding provided by the American Rescue Plan Act (ARPA). ARPA was signed into law on March 11, 2021. Section 9817 of ARPA provides states with a temporary ten (10) percentage point increase to the federal medical assistance percentage (FMAP) for Medicaid Home and Community-Based Services (HCBS). States must use funds equivalent to the amount of federal funds attributable to the increased FMAP to implement activities that enhance, expand, or strengthen Medicaid HCBS. States were required to submit a spending plan and narrative that describe planned enhancement activities to the Centers for Medicare and Medicaid Services (CMS) for review by July 12, 2021.

Out of the 49 spending plans we examined, 44 include initiatives aimed at addressing workforce issues. These were largely focused in two main areas—increased compensation for DSPs, and staff or workforce development strategies. A handful of states propose initiatives that generally influence workforce expansion. The analysis below reflects the initiatives states describe in these plans; it is important to note that CMS may request changes to some plans as they are still moving through the approval process, and also that plans may evolve through quarterly iterative updates from states.

DSP COMPENSATION

Given that the national average wage for DSPs is merely \$11.76 per hour and, when adjusted for inflation, DSP wages have declined over time, it is not surprising that 47 states include some form of

action to directly influence a DSP wage increase or create DSP incentives in their ARPA proposals.^{1 2} These actions are generally aimed at one of three objectives—permanent wage increases; temporary wage increases or limited bonus payments; and, in a handful of states, enhancing non-wage benefits for DSPs.

States opting to create some form of permanent DSP wage increase are doing so through provider rate enhancements with requirements that a certain percentage be used to increase DSP payment amounts. For example, Maine calls for 60% of provider rate increases to directly filter to DSP wages. North Carolina does the same, but with an 80% requirement. Illinois and New Jersey propose specific hourly wage enhancements for key HCBS services. Alabama, Iowa, Kentucky, Maryland, Massachusetts, Missouri, North Dakota, South Carolina, Texas, and Wyoming include DSP wage increase provisions, but details are under development. In some cases, the wage enhancements may be temporary or targeted.

Many states look to address DSP recruitment and retention through bonus or incentive payments, often one-time in nature. There is a mix of states creating these incentive strategies through supplemental provider payments and through unspecified state-level mechanisms.

- New Hampshire includes provider payments with expectations for a specific portion to be used for DSP bonuses and stipends, with Texas proposing a similar approach calling for 90% to fund DSP incentives and paid time-off.
- Tennessee specifies an ARPA plan action of a one-time referral incentive of \$1,000.
- Three states, Colorado, Indiana and Oregon, lay out incentive payments to those who worked during the pandemic – in Colorado’s terms, ‘hero pay.’
- Texas and Utah also include an incentive payment for DSPs who receive a COVID-19 vaccination.
- Connecticut, DC, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Missouri, Nevada, New Jersey, New York, North Dakota, Pennsylvania, Rhode Island, South Carolina, and Vermont propose similar temporary, incentive-based strategies.

Eight states dedicate ARPA savings to fund enhancements to benefits not directly tied to hourly wages or salary.

- Colorado and Indiana propose childcare stipends for DSPs,
- Michigan and New Mexico create mechanisms for student loan repayment.
- The District of Columbia proposes a provider rate increase to cover the costs of DSP transportation to and from service locations.

¹ National Core Indicators (NCI). (2018, February). *2016 Staff stability survey*.

² Paraprofessional Healthcare Institute (PHI). (2015). *Paying the price: How poverty wages undermine home care in America*. Washington, D.C.: Author.

- Oklahoma is offering scholarships for up to two years of reimbursement for educational expenses for existing DSPs who want to earn an advanced degree.
- North Carolina and Rhode Island round out the states using creative solutions to support the HCBS workforce, such as scholarships, community college credits, and apprenticeships.

WORKFORCE DEVELOPMENT

Another important area of focus that spans almost every state ARPA plan is staff/workforce development to create, sustain, and retain a viable workforce. Workforce development is essential for DSPs to gain additional skills, career development and training opportunities, and emphasizes a culture of learning and growing at a provider agency.

Twenty-four states have described an interconnected set of solutions to meet employment needs within ARPA plans. Many states are thinking about the expansion of existing training to strengthen the core of DSPs that is commensurate with the workforce development needs of the state and the needs of the provider community using data driven strategies for recruitment. This includes competency-based training curricula on a myriad of topics, such as person-centered planning, trauma informed care, cultural sensitivity, inclusivity and equity, proper use of personal protective equipment, and the HCBS final rule.

The DSP workforce is one that comes with high expectations as well as requirements. To incentivize retention and professionalism among the workforce and target limited training efforts and education opportunities for staff, states include approaches such as formal credentialing of DSPs, or, like Arizona, implementing stackable training modules that support DSPs with entry level training as well as the opportunity for supervisory and management classes. Several states offer incentive payments for additional credentialing and training, as well as on the job retention for one year.

- Alabama, Alaska, Colorado, DC, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, North Dakota, Rhode Island, South Carolina, Virginia, Vermont, Washington, West Virginia, Wisconsin, and Wyoming are among the states proposing training initiatives as a core element of workforce development through the use of ARPA funds.
- Seven states - Arizona, Arkansas, Indiana, Michigan, Mississippi, New Mexico, and Rhode Island - include more global strategies to positively influence the growth and enhancement of the DSP workforce. These proposals range from outreach and recruitment campaigns to service system needs assessments and studies.

Appendix A offers a compendium of all states' workforce strategies funded through the enhanced FMAP. These ARPA proposals are wide-ranging, but it is abundantly clear that efforts to retain and enhance the DSP workforce is a top priority in every state to ensure the sustainability and growth of HCBS for individuals with I/DD.

NASDDDS is pleased to host a webinar (9/27 at 2:00-3:00 pm ET) and office hours (10/4 at 2:00-3:00 pm ET) with some of the nation's leading experts on the DSP workforce. As many states are poised to make significant investments in workforce-related efforts using the enhanced FMAP for HCBS, NASDDDS offers these sessions as a means to provide states with a strong foundation of the current research and landscape around DSP wages, benefits, and career enhancement strategies.

APPENDIX A – COMPENDIUM OF STATE WORKFORCE INITIATIVES

STATE	SPENDING PLAN DESCRIPTION
Permanent Wage Increase	
AL	Provider service rate increase with expectation funds are used for incentives or salary increases for DSPs
IL	Increase the DSP rates by \$1.50 per hour in the residential (CILA) and self-directed services rate methodologies
IA	Grants for providers to offer DSP wage increases
KY	Payments to in-home service providers with DSP wage pass-through requirement
ME	Provider rate increases with expectation for 60% to fund DSP wage increases
MD	Grants to providers to fund DSP salary increases
MA	Provider rate increases to support DSP wage enhancements
MO	Provider rate increases to fund increases to DSP compensation
NJ	Personal Care Assistant (PCA) rate increase to \$22/hour and a further \$1 increase to \$23 per hour through March 2024
NC	Initiative to increase DSP wages through provider rate increases, requiring 80% is used to increase DSP wages
ND	Adjust rates for services with potentially high impact on service access to support DSP wage enhancements, i.e., shift differential
SC	Targeted DSP enhanced pay rates
TX	Incentivize HCBS providers to offer value-based wage increases to DSPs who successfully complete a competency-based training program
WY	Increase provider reimbursement rates for certain services types with requirement to use funds to increase the compensation of DSPs
Temporary Wage Increases/Limited Bonus Payments	
CO	Hero pay, retention and/or hiring bonuses (non-administrative personnel) Required DSP wage increase from distribution of provider recovery payments
CT	Develop an incentive-based program to help with recruitment and retention of DSPs
DC	Bonus payment to targeted groups of DSPs under I/DD waivers
FL	Offer one-time stipend to HCBS waiver service providers for capacity building, workforce retention/development and program activities
GA	Specialized payments – hazard pay, shift differential, signing or retention bonus – for I/DD workforce
HI	Grant program for \$1,000 financial incentives to DSPs who complete eligible training or certification
IL	Extension of COVID-19 wage increases for self-directed services for 6 months
IN	Bonuses for frontline staff who worked during the COVID-19 pandemic
IA	Grants for providers to offer DSP incentive payments
KS	Workforce retention bonuses

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KY	Payments to in-home service providers to offer recruitment/retention incentive payments; explore tiered payments for DSPs who complete specific training paths
MD	Grants to providers to fund retention and sign-on bonuses
MI	Enable hiring incentives or bonus payments for DSPs
MO	Temporary provider rate increase of 5.29% temporary rate increases to increase compensation of DSPs Offer DSP recruitment and retention incentive payments, including sign-on and performance bonuses; career path development and DSP certifications
NV	One-time \$500 supplemental payment to currently DSPs and an additional \$500 retention bonus for an identified six-month period
NH	Pool of provider supplemental payments with a required percentage to fund DSP sign-on & retention bonuses, and ladder advancement & competency/training support stipends.
NJ	Provide bonuses for 1-year retention and incentive payment for positive EOC survey feedback
NY	Longevity and retention bonus equivalent to a 20 percent increase in DSP compensation; COVID-19 workforce performance Incentives requiring: provider attestation that fund are paid to qualified workers.
ND	Identify financial incentives that are meaningful to DSPs, including targeted incentives for specified service types (ex. respite), enhanced training / endorsements, duration of service, and complexity of care
OR	One-time payment of \$500 to any personal service DSP who worked between 3/1/20-2/28/21
PA	Funding for providers to issue sign-on and retention bonuses DSPs
RI	Work with HCBS providers to provide DSP recruitment bonuses and other rewards
SC	Targeted staff bonus pay, incentive pay, and hiring bonus
TN	One-time new referral incentive of \$1,000 for residential, personal care, and/or job coaching services providers that can be used for frontline DSP bonuses
TX	Time-limited provider reimbursement increases with requirement to use at least 90% to fund one-time DSP lump sum and retention, and paid time off for a COVID-19 vaccination
UT	Limited-term supplemental payments equivalent to 5 percent of providers' current rates with requirement to fund support for DSPs and incentivizing COVID-19 vaccination of DSPs
VT	Provider sign-on and retention bonuses
Non-Wage Benefit Enhancements	
CO	Solutions for low/no cost childcare, which results in expansion of 'total compensation'; research innovations to address issues of benefit cliffs (e.g., housing, education) Create college credits and increase the workforce by employing college students to provide certain HCBS services
DC	Transportation benefit built into rate methodology to cover cost of DSP travel to provide services
IN	Develop financial supports for DSPs in the form of scholarships, subsidized childcare, paid internships, and loan forgiveness opportunities
MI	Expand student loan forgiveness for students in children's behavioral disciplines who commit to working in shortage areas; fund paid internships and rotations in the public child behavioral health system
NM	Grant program to provide loan repayment, sign-on bonuses, training, & certification costs
NC	Community college credits to individuals, potentially for on-the-job competency-based training

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OK	Scholarships up to 2 years of reimbursement for educational expenses incurred by existing DSPs to complete an advanced degree in a field of study.
RI	Develop career ladders, apprenticeships, mentorship, benefits and other retention strategies
Training	
AL	Provide COVID-19 related training to home health workers and DSPs, i.e., infection control & proper use of PPE
AK	Partner with University of Alaska Anchorage Center for Human Development to offer enhanced training beyond current requirements, incentivizing retention and developing professionalism among the direct care workforce
AZ	Develop stackable training modules for DSPs with entry level training as well as supervisory and management courses to create pathways to related professions (e.g., nursing, behavior analyst)
CO	Develop a standardized curriculum and training program for homemakers and personal care workers, increasing specialized qualifications tied to wage increases
DC	Use resources for DSP training in person-centered thinking, HCBS rule, and behavior management supports
GA	Develop training and development programs to expand provider capacity and improve member satisfaction
IN	Develop a common curriculum for HCBS DSPs, including career ladders, peer learning networks,
KS	Offer training grants
KY	Enhance training platforms, including a standard training focused on person-centered and disability-specific supports, as well as expanded education opportunities to support those with complex or exceptional care needs
LA	Develop training to implement positive psychology practices, mindfulness based and trauma informed supports
ME	Invest in direct care workforce portability and training
MI	Establish statewide training and credentialing system with reciprocity requirements
MN	Funding to support PCA agencies for training stipends
ND	Overhaul the current training system that serves qualified service providers and DSPs in HCBS service lines
OK	Coordinate with the University of Oklahoma's Center for Public Management to develop training curricula to support DSPs to enhance services and expand knowledge & skills in person-centered thinking and planning
RI	Invest in advancing certifications for CNAs, PCAs, and other HCBS workers to achieve recognized training
SC	Investment in training to include a variety of focus areas (e.g., positive behavior supports, person-centered planning, and prevention of abuse, neglect, and exploitation)
VA	Enhance provider training focused on supports for individuals with behavioral health needs
VT	Develop training content and platform, following an evaluation of training needs across the HCBS system
WA	Invest in additional training for Medicaid caregivers and developmental disabilities providers.
WV	Develop a competency-based curriculum and training for our direct-care in home workforce and training opportunities on evidence-based practices
WI	Implement statewide training modules and offer grant funding to support provider investment in DSP training, including a variety of focus areas (e.g., equity & diversity for DSPs and Managers, supported employment, crisis-prevention, housing resources, direct care skills for special populations)
WY	Reimburse providers for cost of DSP certification through nationally recognized entities such as NADSP & NADD
Other Workforce Expansion Efforts	

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AZ	Offer time-limited provider incentives to develop a comprehensive workforce development plan aimed at recruiting and retaining DSPs
AR	Conduct an HCBS workforce and quality study to analyze future workforce needs
IN	Implement a statewide DSP recruitment campaign, including a 1-stop website for providers and DSPs to post and find direct service work Increase availability of structured family caregiving and shared living to build provider network capacity
MI	Establish a statewide database of credentialed DSPs
MS	General initiative to strengthen HCBS provider network focused on DSP recruitment and retention
NM	Conduct a statewide needs assessment and HCBS provider capacity study Provide funding for a caregiver cooperative for caregivers to form their own businesses to provider LTSS Support recruitment & retention of professors and slots for nursing school students serving HCBS programs
RI	Implement a workforce recruitment & retention program, including career awareness