

FY 22 ARPA Funding Q&A for Nursing Facilities

- 1) What's the definition of front-line staff/workers? Who is included? RNs? LPNs? CNAs? Temp workers brought in to work to address staff shortages? Administrators, assistant directors of nursing and directors of nursing who worked the floors when staff were unavailable? Housekeeping? Dietary? Specialists – OT, ST, RT? If all of these were actively providing service on the front lines, are they all included?

Nurse administrators and any other medical personnel directly interacting with patients would be included as front-line staff, as would dietary and housekeeping staff. Administrators do not meet the HFS' understanding of "front line" staff. HFS reserves the right to request information from facilities regarding the staff designated for receipt of front-line staff.

- 2) What's the definition of premium pay?

The provider notice, budget form and sub-award give examples to complement the Federal definition of premium pay that was included in a footnote to the budget form.

- 3) For bonuses that facilities have already paid out, can bonuses to administrators, directors of nursing and assistant directors of nursing for working the floor be included as they were in fact acting as front-line staff?

See #1 above for acceptable categories of "front line staff," which may allow for counting a pro-rated portion of hours for some types of workers.

- 4) Would overtime count as premium pay since facilities had to pay it out due to staffing shortages caused by COVID and it's higher than normal wages?

No. Proposed Federal guidelines exclude overtime from premium pay.

- 5) Would pay spent on a recruiter to obtain front line workers due to the loss of staff during COVID-19 be considered payments to a front-line staff worker or would it be considered other COVID-19 related expense?

Recruiters are not front-line staff, and their efforts may not relate directly to the pandemic (i.e., be directly the result of the public health emergency).

- 6) Are temporary workers considered front line workers?

They can be, yes, if they would otherwise qualify as employees.

Can the difference between the rate of pay being paid to a facility employed front line worker and the temporary worker be claimed as a front-line worker expense or a COVID-19 related expense? Can the total difference between the rate of pay being paid to a facility employed front line worker and the temp agency be claimed as a COVID-19 related expense.

The staffing agency's administrative fee does not accrue "to front-line workers" as required for pass-through funds. Such fees may be used as a non-pass-through

expense only to the extent that use of temporary staffing agencies themselves relates directly to the pandemic. Only the portion of staffing agency fees passing through to temporary front line workers would qualify as a pass-through payment. If this amount is unknown, nursing facilities should approximate this amount using the wage scale of their employed counterparts, e.g., for each job type, expertise, etc.

- 7) When using the term “pass through to front line workers” does that allow facilities to include the employers tax and benefit cost as part of the pass through? For example, if a facility pays \$100,000 to staff, it will cost \$115,000 due to taxes and insurance. Can the facility claim the \$115,000? Or at least allow the \$15,000 towards “other expenses”?

Insurance costs and most benefits are ongoing and not proportional to wage rates and could not qualify as premium pay, nor do they fit other categories of pass-through funding. Employer-paid FICA and Medicare taxes on bonuses and premium pay to front-line workers could be counted as those payments are generally proportional to wages at expected levels of remuneration for front-line workers, and economically accrue to front-line workers.

- 8) Is the premium we are paying due to COVID to Nursing Staffing Agencies for temporary nursing staff allowable costs under the pass-through to front line workers?

The wage portion of temporary agency staffing costs is countable, but the temporary agency administration fee isn't unless an NF makes the case that they needed to use the temporary agency because of the pandemic. NFs used contract staffing prior to the pandemic, and HFS does not assume that all use of temporary agency staffing is due to the pandemic.

- 9) We recently gave front line staff a \$1.00/hour permanent wage increase. Are these permanent costs eligible to be covered during grant period?

Neither HFS nor the Federal ARPA draft regulations require sub-awardees to predict the longevity of pandemic-related bonuses, wage increases or other forms of premium payment. Nor do they appear to require sub-awardees to abide by a prediction they have made. The key in HFS' designation of these funds for premium payments and bonuses is whether the increases were initially pandemic-related, e.g., falling in the appropriate timeframe. Please refer to the ARPA draft regulatory guidance re-printed in the budget template.

- 10) On the bottom of the budget, there are blank lines where we can enter other costs supporting nursing facility workers. The footnote 4 indicates that this can include “other pandemic-related payroll costs”. Am I correct in assuming that this would include any pandemic related salaries, other than the bonuses, temporary wage increases as reported in the above section? As an example, could we include the salary of a nurse that is treating a COVID resident? Do you have any other examples to share?

Yes, this example would qualify.

- 11) On the ARPA budget form, would nurse recruitment cost be an allowable cost to report in the “non-pass through funds” section?

Recruitment is an employer expense and would not qualify as “financial support for nursing facility workers.”

- 12) Does the provider need to submit the budget if they do not meet the monthly percentages spent? The budget generates an error message when the percentage is not met.

That is correct. Unless a provider is able to meet the terms of the sub-award, which includes spending at least the specified minimum percentages on pass-through costs, the provider should not accept funding.

- 13) If we don't have enough Pass-Through Funds to Front Line Workers for the July distribution, does that disqualify us for the portion of the payment for Non-Pass Through Funds? Same for the August and September distributions.

Yes, and please note that the budget cannot be submitted unless funding for all three months meets specified criteria. Please consider identifying new opportunities for additional pass-through payments to workers.

- 14) I had a few questions about the Nursing home HFS grant. There is a requirement that certain percentage of funds be passed on directly to employees via incentives/bonuses. Can you provide some clarification on this? Specifically, time frame of the expenses and the percentage that needs to be passed on to employees.

Please refer to the provide notice, sub-award agreement (Exhibit C) and to the budget template for acceptable timeframes for each month's distribution, and for guidance on acceptable uses of funding.