

**The following FAQs apply to the July 1, 2019, October 1, 2020, and January 1, 2021 wage/benefit program rate increases (2%, 1%, and 1%, respectively).**

Question: By what date should the increases be implemented to comply with the requirements?

Response: In order to comply with the new wage/benefit program, increases need to occur on or before September 30, 2019, October 31, 2020, and January 31, 2021.

Question: Is the wage increase to be applied to all staff or just certain direct categories?

Response: Wage increases must be provided to 'employees' as defined in C.G.S. Section 17b-340(f)(4):

For purposes of this subsection, "employee" shall not include a person employed as a facility's manager, chief administrator, a person required to be licensed as a nursing home administrator or any individual who receives compensation for services pursuant to a contractual arrangement and who is not directly employed by the facility.

Question: Will the audit process be similar to the previous audit process on the Wage Enhancement Program?

Response: The Department will conduct a review of annual cost reports including desk review documentation to ensure funding under the program was used appropriately. The cost report for the period ending September 30, 2019, will be reviewed for the 2% November 1, 2018 rate increase as well as the FY 20 increase; if the FY 20 increase is not factored into the September 30, 2019, cost report, the Department may request additional documentation to confirm implementation of the FY 20 rate increase. The cost report for the period ending September 30, 2020, will be reviewed for the maintenance of the FY 19 and FY 20 rate increases. The cost report for the period ending September 30, 2021, will be reviewed for additional required increases in wages/benefits for FY 20 and FY 21.

Question: Is there a requirement that wages and salaries be increased by 2% or is it the combination of salaries, wages, health and dental benefits, and pension benefits that will be held to the 2% test?

Response: A combination is acceptable.

Question: Will increases in the premiums and employer related costs of the *current* health / dental benefits and retirement plans be considered a sanctioned use?

Response: The utilization of the new funds cannot be used to cover normal inflationary increases related to current employee benefits.

Question: Will the increased FICA costs associated with a wage and salary increase count toward the calculation of compensation?

Response: Increased FICA costs will be considered as compensation.

Question: Will there be credit for the permanent increase in wage and salaries even if there are staffing fluctuations?

Response: Yes, the Department's review will take into consideration changes in staffing.

Question: Can remaining funds after providing the wage increases be used for any allowable costs?

Response: After meeting the 2% increase on employee compensation, remaining funds can be used for any allowable costs. Specific non-eligible uses include increases in management fees, rent, ownership compensation, and related party contractors.

Question: How would this be determined and tested?

Response: During the desk review process the Department will review the non-eligible use categories.

Question: Do providers have to increase all employees across the board or can they spend it on certain positions?

Response: Providers can spend it on certain positions, as long as it provides an overall 2% increase. Therefore, different employee classifications and salary levels can receive different levels of increase, but any such variations should not significantly disadvantage low wage workers.

Question: Can facilities opt out of the increases?

Response: No.

Question: Can the non-salary purchased service individuals from Healthcare Services Group be included in the 2% of allowable compensation increases?

Response: Compensation may be paid out of the remaining funds after employee increases are provided.