

**Department of Social Services Frequently Asked Questions (FAQ)
Follow-up from 7/28/2021 Town Hall Meeting with DSS and the Industry
August 2, 2021**

1. **Question:** Please verify that the 4.5% increase is INCLUSIVE of fair rental additions?

Response: *The 4.5% increase is in addition to fair rent. Please see below example rate calculation which features the application of the increases and fair rent.*

Example: Rate 6/30/2021	\$245.00	
Legislative Rate Increase (4.5%)	\$11.03	No compounding; applied to 6/30/21 base rate
Temporary Increase (10%)	\$24.50	No compounding; applied to 6/30/21 base rate
Rate Prior to Fair Rent	\$280.53	
Fair Rent (CY 2020 Additions)	\$0.50	
7/1/2021 Rate	\$281.03	
Reversal of 10% Increase after 9 Months	\$(24.50)	
4/1/2022 Rate	\$256.53	

2. **Question:** Please identify who is eligible for receiving the 4.5% wage enhancement. Can you post a link to the statute that refers to eligible employees?

Response: *For rate setting purposes, C.G.S. 17b-340 defines employees under subsection (a):*

“employees” shall not include persons employed as managers or chief administrators or required to be licensed as nursing home administrators, and compensation for services rendered by proprietors at prevailing wage rates, as determined by application of principles of accounting as prescribed by said commissioner.

See that section at this link: https://www.cga.ct.gov/current/pub/chap_319y.htm

3. **Question:** Does the 4.5% wage enhancement have to be equally distributed to all employees?

Response: *The 4.5% rate increase is for nursing homes to provide wage increases for employees. Homes may distribute the increase as they deem appropriate. This may include providing wage increases at varying percentages to different employees so long as all of the increase is utilized for employee wage enhancements.*

4. **Question:** In a nursing home with a payor mix with lower Medicaid, a 4.5% increase in a Medicaid rate does not provide enough funds to give a 4.5% wage increase. Does the home still need to provide a 4.5% increase?

Response: Pursuant to section 323 of PA 21-2, June special session, the 4.5% rate increase must be used for wage increases. Funding provided as part of the 4.5% rate increase that is not applied to wage increases will be recouped.

5. **Question:** How do we get the CNA rates up as intended if we cannot have a higher percent increase for CNAs and a lower percent increase for all other employees?

Response: Please see response to question #3. The intention is to enhance overall wages for nursing home employees.

6. **Question:** If the 4.5% wage increase is implemented and there's money left over can it be used for operations or other purposes?

Response: No. Section 323 of PA 21-2, June special session, requires that the 4.5% rate increase be "used for wage enhancements for facility employees." Thus, the 4.5% increase must be applied to employee wages and payroll taxes and cannot be used for operational expenses or other purposes. Public Act 21-2, June special session, also requires DSS to confirm that these funds are used for those purposes, and if a facility receives a rate increase but does not do so, the Department is authorized to decrease the home's rate by an amount up to the value of the rate increase.

7. **Question:** If a 9% or greater increase is provided this year could it count for both years' increases?

Response: The intent of the 4.5% increase is to provide wage enhancements to eligible employees in both state fiscal years 2022 and 2023. As long as the first year increase is no less than 4.5% and the second year increase, inclusive of the first year, is no less than 9.2% (4.5% compounded), a home will have met the requirements of the increase. Therefore, a home that immediately provides increases at the 9.2% level in SFY 2022 and maintains that level through all of SFY 2023 would be in compliance. It should be noted, however, that no additional funding will be provided in SFY 2022 to support this higher level of spending. Note: DSS will conduct a review to determine if the wage enhancements were implemented appropriately in each fiscal year. The Department will decrease the home's rate by the same amount as the rate increase if it is determined that the increase was not applied appropriately within the period.

8. **Question:** The union is requesting increases on contributions due after 7/1/21, but those contributions are accrued the month before (i.e., June 2021). Will DSS count this as a proper enhancement, even though it began a month or two early (albeit without reimbursement from DSS for those months)?

Response: Please see FAQ #1 for information regarding the timing of the increase:
<https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Medicaid-Nursing-Home-Reimbursement/Nursing-Home-FAQ-No-1-FY22-FY23-Budget-7232021-Final.pdf>.

9. **Question:** Are increased health insurance expenses qualified spending? Health insurance runs on calendar year, not rate year, and are difficult to amend mid-year without resetting deductibles mid-year. If a provider enhances benefits 1/1/22, will DSS allow this as a proper use of enhanced health and pension benefits beginning 7/1/22 (albeit without DSS funding for 1/1/22 - 6/30/22 period). Or

is a provider required to maintain its existing health plan thru 6/30/21 and reset deductibles under a new enhanced plan on 7/1/22?

Response: *No. The intent of the 4.5% increase is to enhance employee wages.*

10. **Question:** Can the new Connecticut minimum wage of \$13.00 an hour be included as part of the 4.5% increase?

Response: *No. The 4.5% increase must be applied above and beyond the minimum wage increase.*

11. **Question:** It may be difficult to forecast revenue for the fiscal year, especially during these times with varying census. Is there a recommendation of how to spend excess revenues from the 4.5% increase remaining at the end of the year if a home experiences an increase in Medicaid census that had not been forecast? Could the excess revenue be applied towards special contributions to the pension or as a "make-up" payment to employees?

Response: *The intent of the 4.5% increase is to enhance employee wages only. Funds must be used for this purpose; any unspent funds are subject to recoupment.*

12. **Question:** Is the social worker funding part of the 4.5% increase or in addition to the health and pension enhancements?

Response: *Funding for meeting the DPH requirement for one full-time social worker per 60 nursing home residents is separate from the 4.5% increase. Targeted rate increases will be given to homes who apply for and are determined to be eligible (i.e., those homes with less than one full-time social worker per sixty residents). This rate increase does not apply to nursing homes already meeting the required staffing levels.*

13. **Question:** What the process for is accessing funding for social workers?

Response: *Additional information will be posted on the DSS nursing home webpage as soon as it is available.*

14. **Question:** What period of Medicaid census was used to determine the 4.5% for the wage increase?

Response: *The Medicaid census was not a determining factor in the development of the 4.5% rate increase. The 4.5% rate increase was based upon available funding as identified through the legislative budget process, in consideration of overall state budget commitments, as well as the specific needs of the nursing homes and their employees.*