

RCH FAQ's

1. Since the rate increase will not be a 1% rate increase, can we be notified of the actual amount of the rate increase? This is necessary to compute how much funding will be received to make a determination on opting out.

DSS has estimated the additional amount of funding for each RCH. [Please follow this link for additional detail.](#)

2. Will the testing of spending be limited to the 2019 cost year or will this be an ongoing annual review.

The additional funding is intended to be a permanent and ongoing increase to wages and compensation.

3. If the rate increase is effective 7/1/18 will we be required to provide raises retro-active to 7/1/18? If not, at what date would the raises need to be effective to comply with the program.

The RCH should spend the additional increase funding prior to June 30, 2019.

4. Does this also apply to non-owner administrators? If so, will the Department update the salary limitation schedule to include an additional 1% for the 2019 cost year?

The salary limitation schedules will remain unchanged.

5. Will the Department adjust the 2019 inflation control limitations to reflect this program?

No

6. Can you further define critical operational needs?

Examples of critical operational needs include: health and safety improvements to the RCH, costs to comply with federal, state or local laws and regulations including the DPH public health code and increased food costs. Other costs may qualify as critical operational needs.

7. If the funding received from the state is not sufficient to fund a 1% pay increase and associated payroll taxes, is the RCH required to fund the difference?

DSS believes there is sufficient funding to support a 1% increase to wages and compensation.

8. The spreadsheet used to calculate the potential increase for each home is based on the 2017 cost report. How did the State compute the first column? The column heading is 1% of direct/indirect salaries and fringe benefits. (See example below.)

Example. Meadowbrook Manor

a.	Total wages per 2017 cost report	365,821
b.	Wages for owners	76,757
c.	Net wages	289,064
d.	One percent	2,906
e.	Amount per spreadsheet	2,511

List out categories

9. If a raise was given to staff prior to this notice, will that be considered as fulfillment of this increase?

The raise must have occurred on or after 7/1/2018

10. If the cost of health insurance goes up by 12% due to a price increase, will this be considered as part of the fulfilment of the increase?

No

Health Insurance:

Alberta Manor pays 100% of an employees health insurance premium.
If our health insurance premiums increase in January 2019 (which they do every year) in excess of 1% does this qualify as meeting the requirements of the 1% compensation increase?

The health insurance premiums increase is closer to 10% per year!

No

Pension:

Alberta Manor contributes 10% of the employees annual salary to a pension account. Are we permitted to exceed the 10% (allowed on the cost report) and create a new contribution rate of 11%? Would this satisfy the requirement.

Yes

Additional Business Costs

Can any costs incurred with an increase in wages, such as Medicare, Social Security taxes Worker's Compensation premiums,(directly related to employee wages) be factored in the 1% ?

Yes

Part-Time Employees

If an employee is part-time and not eligible for health insurance or pension benefits, can that employee receive a 1% hourly raise, and other employees receive a 1% increase in a different form, such as pension or health insurance? Or do all the increases need to be from the same category?
Yes