



North Carolina Medicaid

**Home- and Community-Based (HCBS) Direct Care Worker
Wage Increase**

January 21 & 25, 2022

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The webinar chat is open to submit questions, NC Medicaid will review and respond in the coming days

HCBS Wage Increase Overview & Purpose

Overview:

- The Current Operations Appropriations Act of 2021 (S.L. 2021-180) approved a Medicaid budget provision to implement the home- and community-based (HCBS) direct care worker wage increases.

Purpose:

- NC Medicaid's goal is to assist in increasing the hourly wages of direct care workers toward a minimum of fifteen dollars (\$15.00) per hour.

Eligibility & Requirements

HCBS Wage Increase – Eligibility Requirements

Provider Eligibility & Requirements

For purposes of the HCBS Wage Increase: Providers must be Medicaid enrolled and recognized by NC Medicaid as home- and community-based (HCBS) providers.

Notes for Eligible providers:

- Eligible providers should identify each of the direct care workers employed by their facility who meet the NC Medicaid direct care worker definition.
- The former **requirement** regarding provider documentation has been changed: Providers are **advised** to maintain documentation of the percentage of the rate increase that was directly passed on to direct care worker wages. NC Medicaid may conduct provider reviews to ascertain the percentage of the rate that was used to increase the compensation for direct care workers.
- The former **requirement** for provider distribution of funds in the HCBS wage increase has been changed: Providers are **strongly encouraged** to distribute no less than 80% of funds received to increase wages of direct care workers identified using the criteria above within the next practicable pay period, not to exceed 45 days. This wage increase is intended to be in addition to the rate of pay each employee was receiving as of Oct. 1, 2021 (excluding any temporary wage increases made in response to COVID-19).

HCBS Wage Increase – Eligibility Requirements

Direct Care Worker: NC Medicaid definition

For purposes HCBS Wage Increase, NC Medicaid defines direct care worker as:

“a non-licensed individual who by virtue of employment generally provides to individual Medicaid- and/or NC Health Choice-enrolled patients, clients or residents direct contact assistance with personal care or activities of daily living.”

To be eligible, the direct care worker must interact directly with patients or clients

*Contracted employees are not eligible

Rate Increase Approach

HCBS Wage Increase – Rate Increase Approach

Purpose:

- NC Medicaid's goal is to assist in increasing the hourly wages of direct care workers toward a minimum of fifteen dollars (\$15.00) per hour.

Overview:

- NC Medicaid reviewed all services defined as HCBS within Section 9817 of the American Rescue Plan Act (ARPA) and identified services within HCBS that are delivered by direct care workers making less than \$15.00 per hour.
- The effective date of new rates for HCBS DCW workers is expected to be March 1, 2022, instead of Feb. 1, 2022.
- Eligible providers participating in NC Medicaid will receive the increase either through PHPs and LME/MCOs, or through Medicaid Direct Fee Schedule increases.

HCBS Wage Increase – Rate Increase Approach

Behavioral Health Services

NC Medicaid reviewed all services defined as HCBS within Section 9817 of the American Rescue Plan Act (ARPA) and identified services within HCBS that are typically delivered by direct care workers making less than \$15.00 per hour.

<ul style="list-style-type: none">• Included waiver and State Plan HCBS:<ul style="list-style-type: none">• Adult day health and day supports• Community living and supports• Respite care, excluding nursing level• Residential supports and supported/transitional living• Individual support• Community networking• Supported employment• 1915(b)(3) services• ICF ILOS	<ul style="list-style-type: none">• Psychosocial rehab• Peer supports• Partial hospitalization• Day treatment• SAIOP and SACOT• Community support team• Note other 1915(c) CAP/C and CAP/DA waiver and State Plan personal care services were also included
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HCBS Wage Increase – Next Steps

- NC Medicaid currently has temporary fee schedule increases in place for many of the HCBS DCW services as part of their pandemic response. Once finalized and implemented, the direct care worker wage rate increases outlined in this webinar will be permanent changes and replace the temporary COVID increases.
- The State is evaluating the timing and interaction of the removal of the temporary COVID increases and the implementation of the permanent direct care worker rate increases.
- The effective date of new rates for HCBS DCW workers is expected to be March 1, 2022, instead of Feb. 1, 2022.
- [Special Bulletin COVID-19 #224: Update on Direct Care Worker One-Time Bonus and Wage Increase Initiative](#)
- Providers may e-mail Medicaid.DCW.HelpDesk@dhhs.nc.gov with inquiries. NC Medicaid will review and respond to FAQs in the coming days