



HCBS Shared Living Program Supports: Program Guidance

September 29, 2020

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1 Executive Summary

On July 2, 2020, Governor Gina Raimondo announced a plan to expand home-based care options in Rhode Island as the state continues to grapple with the spread of COVID-19 in congregate living facilities. Before COVID-19, sixty-one percent (61%) of the state's Medicaid long-term care recipients lived in nursing facilities, which have struggled to contain the spread and impact of COVID-19 on residents and staff.

Rhode Islanders living in nursing facilities -- one of the state's most vulnerable populations -- have been disproportionately affected by the COVID-19 pandemic. As reported by the New York Times, more than forty percent (40%) of COVID-19 deaths in the US are linked to nursing facilities.¹ In Rhode Island, nursing facilities account for thirteen percent (13%) of reported cases and seventy-four (74%) of COVID-19-related deaths in the state as of mid-August.² The reasons that COVID-19 took such a heavy toll on nursing facility residents are partly due to the typically frail conditions of residents, but also due to the risks of providing care in congregate care settings during a pandemic. Nursing facilities residents live in close proximity to one another, often sharing rooms, and frequently have meals, therapeutic activities and social gatherings together in group settings. The adverse impact of COVID-19 for people who are in need of long-term care services is expected to continue until there is widespread access to a vaccine – that is, for many more months to come.

One of the most effective methods of mitigating the risk of providing long term care to vulnerable populations in congregate care settings is to keep them in their homes as long as possible. Rhode Island provides home-based care options for individuals in need of long term care that reduce their exposure to the pandemic risk by keeping them out of congregate care settings. Although long term care services provided at home also pose a risk of infection, the risk is considerably lower than in nursing facilities and generally easier to control.

A second order effect of this COVID-19 pandemic is the increased need to provide long term care services in the home as an alternative to congregate care settings. Elders and adults with disabilities who need long term care often must enter a nursing facility because they require care in the evenings and/or weekends. Home based care alternatives require a large and flexible workforce, and that workforce needs to be supported in its ability to offer care after hours and in rural locations to be effective. Expanding access to these enhanced HCBS services is crucial for preventing another nursing facility crisis. As the impact of the pandemic in nursing facilities became more apparent, demand for HCBS alternatives began to grow.

The principal barriers to greater utilization of home-based long term care services are limited access and choice in the supply of workers and the capacity of home health agencies to meet demand. The pandemic has exacerbated these long-standing supply and demand issues – historically twenty-two percent (22%) of home care hours authorized for use by Medicaid beneficiaries go unfilled. Home care workers are difficult to recruit and retain because wages are relatively low and the work demands are high. Given this, many elected to leave the workforce when the community spread of COVID-19 began and schools closed and stay at home orders took effect. Rebuilding the supply of home care workers while the COVID-19 pandemic remains a threat is critical for addressing the crisis in nursing facilities and requires the State to address these new-found safety concerns and the systemic problems that make recruitment and retention of staff a long-term challenge. Self directed home care options such as Shared Living can provide additional capacity for home-based care by

¹ <https://www.nytimes.com/interactive/2020/us/coronavirus-nursing-homes.html>

² <https://ri-department-of-health-covid-19-data-rihealth.hub.arcgis.com/>



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encouraging consumers to source and recruit their own providers from among their relatives, friends and neighbors, thus increasing the capacity of the overall system.

To address these second order effects of the COVID-19 pandemic, the State is establishing a support program for caregivers who provide services to Medicaid beneficiaries through the Shared Living Program. The goal of these supports is to increase capacity for home-based long term care services as an alternative to the use of higher risk congregate care settings to mitigate potential exposure to COVID-19 during the COVID-19 pandemic.

2 Program Overview

2.1 Program Description

The **HCBS: Shared Living Supports Program** is established to retain and increase the number of caregivers in the Shared Living Program. These funds are an additional measure to be used as secondary funding source to other federal COVID-19 relief funding and other similar funding resources made available by the State during the COVID-19 response.

This Program will distribute up to \$285,000 in funding to Shared Living Agencies to be used to recruit new caregivers into the Shared Living Program. The Shared Living Program provides home-based long term care services to eligible Medicaid beneficiaries as an alternative to the use of higher risk congregate care settings, and as a result will serve to mitigate potential exposure to COVID-19 during the pandemic.

The main objective of this Program is to increase the capacity and immediate availability of home and community based services as as a timely, infection safe, community-based alternative to skilled/unskilled nursing facility based care.

2.2 Funding Allocation Methodology

The methodology outlined below is intended to define an equitable and fair method of allocating funds across Shared Living caregivers.

Funding will be allocated to all currently active Shared Living Agencies based on the number of caregivers they currently manage and the number of new caregivers that they recruit. All funding will be distributed upon award contingent upon the successful applicant's ability to meet the agreed-upon goals of this Program.

The award is to distributed by the Agencies to the caregivers as follows:

- New Shared Living caregivers:
 - \$1,500 in additional payroll support newly participating Shared Living caregivers for their willingness to risk entering private homes during the COVID-19 pandemic and increasing their potential exposure to COVID-19. This is equivalent to one (1) month of estimated wages.
 - Funding will be available for this payroll support for to up to fifteen (15) new caregivers at each of four (4) Agencies, or sixty (60) total, for caregivers with a start date between August 15, 2020, and November 20th, 2020. This payroll support shall be distributed as a \$500 payment at the start



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of the caregiver's contract and a second \$1,000 payment shall be distributed after thirty (30) days in a contract.

- Existing Shared Living caregivers:
 - \$600 payment to each caregiver active as of August 14, 2020 and still currently active, to fund the purchase of PPE for three (3) months, at an estimated to cost of \$200 per month based on current PPE utilization by caregivers.
 - The State estimates that there are about three hundred (300) active caregivers who will be eligible for funding.
- Agencies will be compensated for an amount not to exceed five percent (5%) of the payment amount for which they are responsible for distributing to the caregivers for direct costs incurred to manage this Program, including funds distribution costs, tracking caregivers and reporting of payments.
- Payments to current caregivers and to new caregivers (referred to as “payroll supports” in the Program Guidance and Subaward Agreement) are “difficulty of care” payments pursuant to Section 131 of the Internal Revenue Code. EOHHS recognizes that these payments are not wages, are not reportable to the IRS as gross income, and that Shared Living providers will not withhold any taxes or issue either a 1099 or a W-2 tax form at the end of the calendar year.

3 Program Details

3.1 Funding and Application Dates

Key dates for the **HCBS: Shared Living Supports** Program are as follows:

- **September 16, 2020:** Supports Agreement available from EOHHS.
- **October 2, 2020:** Supports Agreement due to the State.
- **October 2020:** Funds disbursed to Agencies.

3.2 Eligible Applicants

Funding through this Program is restricted to Shared Living Agencies who are certified by Rhode Island Medicaid to facilitate contracts with Shared Living caregivers for Medicaid LTSS beneficiaries.

3.3 Program Application Requirements

In order to receive funding through this Program, eligible Agencies submit a completed application to EOHHS via email by the due date listed above. The application includes the following requirements:

1. Signed commitment to implement the payments in accordance with the proposed Program structure, including tracking qualified caregivers to receive payment.
2. Signed attestation to the number of caregivers contracted with the Agency.
3. Signed commitment of intention to recruit additional Shared Living caregivers. Application must indicate the target number of caregivers to be recruited.



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4. Signed commitment to retain funds in a separate account for payments related to this Program and to provide progress reports as required by the State.

All questions regarding application requirements should be directed to: OHHS.LTSSResiliency@ohhs.ri.gov.

3.4 Eligibility for Funding

An Evaluation Committee shall be established by the Secretary of EOHHS. The Committee's objective is to review applications in order to determine whether entities submitting applications (Applicants) meet the eligibility criteria set forth by EOHHS and make recommendations to the Secretary as to eligible Applicants. Committee recommendations on eligibility can result in the following outcomes:

- Eligible
- Additional information required
- Ineligible

If an Applicant is deemed "ineligible", a notification will specify the reason(s) for such ineligibility, based on the criteria provided. If additional information is required, Applicant will have five (5) business days to respond with sufficient evidence to be deemed eligible. As soon as evaluation of all Applicants is completed, funds will be disbursed in accordance with the funding allocation methodology described above.

3.5 Eligible Uses of Funds

Funds received through this Program must be applied toward the following eligible uses:

- Payroll supports for shared living caregivers, including the cost of reporting and tracking these payments.
- Payments to shared living caregivers to fund the purchase of PPE, including the cost of reporting and tracking these payments.
- Costs incurred for outreach and recruiting for new caregivers for the shared living home care program.

Applicants will have until December 30, 2020 to make payments to caregivers. If the recruiting target is not met in time to make all payments to caregivers by December 30, 2020, any unexpended funds allocated for payroll supports, along with the related amounts that would have been incurred for reporting and tracking must be returned to the State.

Agencies will be required to report to EOHHS on a monthly basis on the distribution of funds and their methods of tracking payments, as well as the number of new caregivers they have recruited, the length of participation of newly recruited caregivers, and payments made to those caregivers.

Once funds are disbursed, successful Applicant award recipients are instructed to keep detailed and complete financial records demonstrating that funds received through this Program are spent in accordance with these requirements, as award recipients of these funds will be subject to audit. In the event of an audit, if the award recipient is found to have used funds for ineligible expenses, the award recipient will be considered in violation of the award agreement at which point RI EOHHS may begin the process of recouping all or a portion of the funds awarded by reducing future payments. The State will determine whether the full award or a portion of the award shall be recouped based on the State's assessment of the unique circumstances of each violation of the award agreement.



4 In Closing

The current COVID-19 public health emergency represents a clear hardship for the State's LTSS system that requires broad cooperation to overcome; it is also clear that the public health emergency shall continue to present challenges as it evolves. This Program represents an opportunity to extend that cooperation to build strong resilience for the current crises and improve health outcomes for all Rhode Islanders in need of long term services and supports.

The State of Rhode Island looks forward to working with critically important home care workers and stakeholders to establish and carry out this Program of support.