

Workforce Stabilization Loan Fund FAQs
Last Updated: 5/15/2020

- **Who gets this benefit?**
 - This fund is targeted to support frontline workers earning under \$20 an hour in institutional settings and congregate care group homes. Frontline workers include any employee who is not able to work remotely and who engages in essential services – including but not limited to, certified nursing assistants, direct support professionals, food service workers, laundry, housekeeping, maintenance, and custodian staff can all be considered frontline workers. All are eligible if they earn under \$20 an hour and work more than 15 hours a week. Qualifying employees must be on staff at the facility or work primarily in the facility. Case managers or caseworkers who travel to multiple residential sites earning under \$20 are not eligible.

- **Which providers qualify for this program?**
 - Medicaid and other providers that deliver care and other services in a residential facility are eligible to participate in this program. Providers that support aging adults, people with mental health diagnoses, individuals with substance use disorder, people with developmental disabilities, and at-risk youth are eligible to participate in the program. This includes nursing facilities (aka nursing homes or skilled nursing facilities), assisted living facilities, DCYF congregate care facilities (including group homes and residential treatment facilities), and licensed community residences for behavioral health, substance abuse disorder, developmental disabilities or traumatic brain injury (including DD group homes, group homes for the mentally ill, and substance use disorder facilities).

- **How do providers apply for the funds?**
 - Qualifying providers must submit an application online to the Executive Office of Health and Human Services (EOHHS). On the application, employers will state the number of employees for whom they are applying for support split by the hours worked (15-21 hours, 22-29 hours and 30+ hours). EOHHS will approve the forgivable loan in the amount requested and aims to disburse payments to providers by May 6. Loan recipients (providers) must attest that they will use the funds, in full, for employee compensation. Please see program guidance for more information.

- **How will workers get this benefit? Should they apply as individuals?**
 - The employer must apply to the Executive Office for Health and Human Services (EOHHS) for this benefit. Individuals may not apply on their own.

- **How long does this program last?**

- This is a temporary program designed to stabilize the essential workforce during the peak of Rhode Island's COVID 19 health crisis. The wage program will run for 4 weeks, and apply to hours worked from May 4th – June 1st, 2020.
- **Is this a loan? Will employees have to pay back the wage increase?**
 - The employee will not – under any circumstances - have to repay the loan. The employer is the borrower and will be responsible for verifying the usage of funds. The loan will be forgiven when the employer proves funds were spent on worker pay increases.
- **Is this a loan? Will providers have to pay back the state?**
 - The loan will be forgiven, in full, when the provider demonstrates the loan was used to pay salary increases to employees. Employers will be required to sign a loan agreement before receiving funds stating that they will participate in audit requirements. If the provider uses the funds for other purpose, they will be required to reimburse EOHHS. Specific audit documents required will be forthcoming, but will include bi-weekly payroll documents.
- **If employees work less than anticipated and the provider has remaining funds at the end of the month, can the provider use the funds for other purposes?**
 - No. The funds can only be used to increase wages for frontline workers who earn less than \$20 per hour. The unused funds will be returned to EOHHS.
- **If employees work more than anticipated and the provider runs out of funds, what happens?**
 - Providers can request additional funds to pay employees who worked more than anticipated. These additional requests will be subject to review by EOHHS and subject to available funds. A specific process for doing so will be reviewed in mid-May after initial applications are processed.
- **How will this work for employees who work for more than 1 provider? Can workers get the part-time payment twice if they're working the equivalent of fulltime through 2 jobs?**
 - Payments will be provided based on hours worked at each provider facility, so if your employer applies, then you will receive the benefit
- **Do employees in COVID positive homes receive additional wages?**
 - The COVID positive homes receive additional reimbursement for costs associated with administering the home as a COVID isolation site. We expect that some of those funds support increased wages, and that no one is working under \$20/hr right now.

- **Does this program apply to state-employees working in congregate care settings?**
 - This does not apply to state employees. State employees in similar roles generally have a higher base salary along with comprehensive benefits packages. The state is engaged with labor representatives regarding their requests associated with compensation.

- **Does this program cover retroactive workforce benefits?**
 - This program does not cover retroactive workforce related expenses. Nursing homes, assisted living facilities, and homes for people with developmental disabilities received Medicaid rate increase as of 10% starting in April and continuing through June 30. These funds may be used to address workforce related expenses.

- **Can someone hired after May 1st be eligible for this benefit?**
 - Yes.

- **How will providers receive the funds?**
 - Approved providers will receive the requested amount in a lump sum payment from EOHHS in the same manner as any other payment from the State. Approved providers will receive the requested amount in a lump sum payment from EOHHS via directed payment through the State's Medicaid payment system. If an applicable provider is not usually paid through the Medicaid fee-for-service system, separate direct deposit arrangements will be made with relevant EOHHS agencies. EOHHS will distribute the funds to employers; Employers are responsible for disbursing funds to eligible employees.

- **How will providers distribute the funds?**
 - Providers should distribute the funds to eligible employees in the same form and at the same time that employees receive their paycheck. If an employee is paid every two weeks retroactively, they should be paid the appropriate state-funded wage increase every two weeks retroactively.

- **How should providers calculate pro-ratio for employees working 16 to 29 hours per week?**
 - Employees working between 15 and 21 hours a week should receive \$100 per week. Employees working between 22 and 29 hours a week should receive \$150 per week.

- **Are employees earning more than \$20 an hour eligible for these funds?**
 - No. This program provides additional compensation to individuals earning less than \$20/hr.

- **Are non-healthcare employees eligible for these funds?**

- Yes. Any frontline worker earning less than \$20 an hour in a setting described above and in the program guidance setting is eligible for the funds. This includes non-health care workers, for example, food service workers or custodians. This does not include caseworkers who may travel between institutional or congregate care settings.
- **Are administrative workers who earn \$20 an hour or less but work remotely eligible?**
 - Employees working remotely are not eligible for this program.

Questions Added April 28th

- **How can a provider receive funding for contract employees if contract employees are not on regular payroll and a provider may not have access to supporting information?**
 - Providers should work with contract staffing agencies to determine the best way to provide supporting documentation prior to applying.
- **As of February 1, 2020, an employee's regular rate was below \$20 per hour, but with shift differentials, overtime, and/or hazard pay, the hourly rate exceeded \$20 per hour. Should I include this employee in my employee count?**
 - Yes. Employees having a base rate of under \$20 as of February 1, 2020 should be included, even if overtime, shift differentials, and/or hazard pay caused the hourly rate to exceed \$20.
- **Is the increased pay rate consistent over the four-week period?**
 - No, the increased pay is based on hours worked per employee per week. For example, an employee works 15 hours during the first week, but works 25 hours weeks two through four. The employee would receive \$100 for the first week and \$150 for weeks two through four.

Questions Added April 29th

- **If a provider received a Paycheck Protection Program (PPP) Loan from the Small Business Association, can the provider still apply to this program?**
 - Yes. Receipt of a PPP loan does to exclude you from participating in this program.
- **My facility provides 24/7 care in a residential setting, but it does not receive Medicaid funding, nor is it an EOHHS provider. Is my facility an eligible provider?**
 - Yes.
- **Do I need to change an employee's base pay rate each week to increase the employee's paycheck to reflect an increase of \$100, \$150, or \$200, or can I pay the \$100, \$150, or \$200 to the employee at the end of the week without changing the employee's base pay rate per hour?**

- Providers can determine how to distribute the stabilization funding, but the funding must be added to the employee's weekly or bi-weekly check. The provider is prohibited from making a one-time payment to the employee at the end of the program.
- **Our facility's pay periods do not align with the program's duration of May 4th to June 1st, 2020. Can our facility implement the bonus Sunday through Saturday (May 3 to May 30th)?**
 - Yes. The program allows flexibility for the employer to implement on whichever pay period the provider chooses. This program is not a one-time bonus and the funds must be distributed during each pay period, and not in one lump sum at the end of the program's duration.
- **Can you clarify which COVID positive homes can receive additional reimbursement for costs associated with administering the home as a COVID isolation site?**
 - The additional reimbursements for costs associated with the administration of a COVID isolation site is only applicable to nursing homes. DCYF group homes are ineligible for additional reimbursement but may still apply for a loan from the Workforce Stabilization Loan Program.
- **Do providers have to finance the employer payroll tax portion of the wage increases?**
 - No, the State will cover the employer payroll tax portion of the wage increase.

Questions Added May 7th

- **What is the interest rate charged on disbursed funds deemed non-compliant during an audit?**
 - No interest will be charged.
- **Are wage increases subject to 401K or 403B withholding?**
 - Due to the variation of retirement plans and work arrangements, EOHHHS advises employers consult their individual plans to determine what is required under their unique circumstances.
- **The loan amount for my facility is higher than what I preliminary calculated. Why is it higher?**
 - The final loan amount includes an additional 8.9% to cover the employer's portion of payroll taxes.

Questions Added May 15th

- **If an employee takes personal, vacation, or sick time between May 4th and June 1st, is the employee still eligible to receive a wage increase?**

- If the employee's base hourly rate is under \$20 and the employee worked at least 15 hours during the week, the employee is eligible for at least a \$100 salary increase for that week. Salary increases are based on hours worked per week for all those with base hourly rates under \$20 per hour. For example, an employee typically works 40 hours per week, but takes two sick days totaling 16 hours. The employee still worked 24 hours during the week and would be eligible for a \$150 wage increase.
- **If the facility has not yet received funding and must post payroll, how should it pay the wage increases?**
 - Wage increases can be paid during the next payroll for hours worked between May 4th and June 1st. For example, if an employee is to be paid on May 16th for hours worked the first week of May, but the facility has not received its loan, the employer can compensate the employee on the next pay date. The employer is prohibited from paying the entire sum of the wage increases earned from May 4th to July 1st in one pay period or at the end of the program.
- **How does a facility account for the wage increase on a pay stub? Can it add a "bonus" line?**
 - The EOHHS allows employers flexibility to determine how to implement the wage increase; however, loan funding is not a bonus. Federal CARES Act guidance prohibits spending CARES Act funding for employee bonuses.
- **My facility offered a \$5.00 per hour hazard pay incentive for workers before the announcement of the Workforce Stabilization Loan Program. Can I use Loan Program funding to reduce the employer's portion of an already established hazard pay program?**
 - Loan funds must be used to increase wages for frontline workers. If the facility chooses to apply loan funds to a pre-existing program, it is permissible. However, EOHHS reminds employers that the intent of the program is to stabilize front-line workers and compensate them for time worked in 24/7 congregate care facilities. EOHHS strongly urges facilities to use the Loan Program to enhance pre-established COVID-related incentives, not to eliminate them, or reduce them in any way.