



West Virginia Agreed Upon Procedures for Review of American Rescue Plan Act (ARPA) Funds Expended for Rate Increases for Direct-Care Services

July 26, 2024 Update

The following listing summarizes the *updated* allowable and non-allowable items for the West Virginia Bureau for Medical Services ARPA reviews. Where applicable, this listing supersedes information provided in the July 3, 2024 Frequently Asked Questions (FAQs) included below.

*Based on the revised information, please resubmit employee rosters, as needed, to WVMedicaid@mslc.com by **July 31, 2024**.*

Bonuses

- Employer payroll taxes associated with bonus payments
- Unemployment payroll taxes associated with bonus payments
- Increased workers compensation related to bonus payments
- Bonuses to non-direct care workers¹
- Bonuses to owners (non-direct care workers)¹
- Bonuses to admin staff who support direct care workers¹
- Bonuses to non-active employees (former employees)
- Cash payments

Allowable?	Non-Allowable?
X	
	X
X	
X	X
X	X
X	X
	X
	X

Wage Increases

- Overtime compensation associated with wage increases²
- Wage increases to non-direct care workers¹
- Wage increases to direct care workers in ownership group¹
- Wages increase to admin staff who support direct care workers¹
- Wages for employees who were brought in at the higher wage³
- Wages to non-active employees (former employees)
- Cash payments

X	
X	X
X	X
X	
	X

Increased Benefits

- Additional paid time off
- Retirement contributions
- Gym memberships
- Holiday parties
- Team lunches
- Employee teambuilding events
- Food/ entertainment at teambuilding events
- Venue rental for teambuilding events
- Training
- Conferences
- Daycare coverage
- Tuition reimbursement
- Rent assistance
- Grocery assistance
- Transportation assistance
- Gifts (gift cards)
- Gifts (physical items)
- Hiring Expenses (such as background checks, fingerprinting, etc.)
- Personal protection equipment (PPE)
- Cleaning supplies
- Office furniture
- Laptops/ iPad (used for training)
- Personal vacations
- Marketing (business related)
- Marketing (job ads, job fairs, etc.)
- Recruiting related expenses (including merchandise)

Allowable?	Non-Allowable?
X	
X	
X	
	X
	X
	X
	X
	X
	X
	X
X	
X	
X	
X	
X	
	X
	X
	X
	X
	X
	X
	X
	X
	X
	X

¹Payments to non-direct care workers, administrative staff, and/or owners are allowable only if support can be provided demonstrating the individual provides Medicaid billable services to clients.

²Overtime wages as they relate to the wage increases can be claimed under wage increases. The base wages related to overtime cannot be counted towards the 85% minimum. See example calculation in FAQs.

³To calculate the wage increase for new hires, utilize the base wage for the hired position prior to the wage increases distributed to staff. The supporting payroll documentation should clearly show the wage rate and number of hours worked.

July 3, 2024 Frequently Asked Questions (FAQs)

Reporting Requirements

Q1: Are training costs, workers' compensation, recruiting, payroll taxes, agency vehicles, liability taxes etc. included in the 85% minimum?

A1: Payroll taxes are included as a benefit under the 85% minimum. Recruiting and training costs, liability taxes, workers compensation, and agency vehicles do not meet the definition of bonuses, wage increases, and/or increased benefits therefore would not count towards the 85% minimum.

Q2: NEW Where should I enter the employer payroll taxes related to compensation increases?

A2: Payroll taxes are allowable as they relate to the wage increase and/or bonus payments. These employer payroll taxes can be entered into the "Increased Benefits" column of the employee roster. To calculate this figure, please combine the wage increases and/or bonus payments made to the employee and multiply by 7.65%.

Q3: NEW Are overtime wages as they relate to wage increases allowable towards the 85% minimum?

A3: Yes, overtime wages as they relate to the wage increases can be claimed under wage increases. The base wages related to overtime cannot be counted towards the 85% minimum. To calculate overtime wage increases, see the example below.

Employee A made \$10.00/hour, their wage rate was increased to \$15.00/hour. Employee A worked 40 regular hours and 10 overtime hours in a week. The wage increase amount for overtime would be calculated at their new hourly rate less the old hourly rate multiplied by 1.50 multiplied by the number of hours worked. In this example, the numbers are as follows:
 $\$15.00 - \$10.00 * 1.50 * 10 = \$75.00$.

The overtime wages as they relate to increased wages is \$75.00. The supporting payroll documentation should clearly show the wage rate and number of overtime hours worked.

Q4: What caregivers are included in this reporting?

A4: A minimum of 85% of rate increases must be passed on to direct-care workers in the form of wage increases, bonuses, and/or increased benefits. This may include workers that provide other Medicaid and state-funded HCBS direct-care services. Workers in ICF/IID homes and other facility-based programs are not eligible to be included in the 85% pass-through.

Q5: Am I required to report the 15% of costs not directly attributable to direct-care workers?

A5: At this time, the state is only asking for the eligible expenditures for the 85% through bonuses, wages increases, and/or increased benefits.

Q6: How should we report benefits that were made available to employees, but not taken advantage of?

A6: Only expenses incurred for benefits that were given to direct-care workers should be listed as allowable expenses.

Q7: What am I required to report for agencies that began after the ARPA funds increase, or staff that were hired after the increase?

A7: We recommend listing the prior hourly wage at the rate which would have been given if the funding would not have been available. This will allow you to calculate the wage increase by taking the increased hourly wage less the prior hourly wage multiplied by the number of hours worked.

Q8: What is the specific time period I am required to report on? How do I account for overlap, and periods of time where ARPA was not disbursed?

A8: The requested period aligns with the allowable spending period for the rate increased from April 1, 2021 through March 31, 2025. The period will be uniform for all providers and not based on payment date.

Employee Roster Use

Q9: How do I submit the forms?

A9: Submit directly to the WVMedicaid@mslc.com mailbox. If your submission contains any personally identifiable information (PII), please encrypt as needed.

Q10: What should I put for the Employee ID number if my agency does not use ID numbers?

A10: Please use a unique employee ID number, whether it is from your payroll system or independently created for this report.

Q11: If I received separate ARPA fund disbursements for two different divisions of my practice, should one WV BMS Employee Roster Template be completed for each? Or should both divisions be combined on one template?

A11: Please submit one template per National Provider Identifier (NPI)

Q12: Am I required to use the provided form? What if my internal accounting methods do not align with how the form asks me to report?

A12: Yes, you are required to use the provided Employee Roster. Please adjust any reporting data from your internal systems accordingly.

Q13: *NEW* How should "wage increases" be calculated?

A13: To properly calculate the wage increase you will need to track the prior wage rate, increased wage rate, and the number of hours worked. To calculate wage increases, see the example below. Employee A made \$10.00/hour, their wage rate increased to \$15.00/hour. Employee A worked 40 hours regular hours. The wage increase amount would be calculated by taking their new hourly rate less their old hourly rate multiplied by the number of regular hours worked. In this example, the numbers are as follows: $\$15.00 - \$10.00 * 40 = \$200.00$. The wage increase is \$200.00. The supporting payroll documentation should clearly show the wage rate and number of hours worked.

Q14: *NEW* How should we calculate wage increases if the employee is a new hire?

A14: To calculate the wage increase for new hires, utilize the base wage for the hired position prior to the wage increases distributed to staff. The calculation related to wage increase will remain the same as above. The supporting payroll documentation should clearly show the wage rate and number of hours worked.