

Nov. 2, 2022  
MB# 22-023

## MEDICAID BULLETIN

**TO: Home and Community Based Services (HCBS) Providers**

**SUBJECT: Funding for One-time Direct Care Retention Payments**

The American Rescue Plan Act of 2021 (ARPA) provided funding to enhance, expand or strengthen HCBS beyond what was available under states' Medicaid programs as of April 1, 2021. The South Carolina Department of Health and Human Services' (SCDHHS) ongoing evaluation of HCBS demonstrates that additional support is warranted to maintain an adequate direct care provider network. Nationally, health care providers are experiencing a shortage of direct care workers and this shortage is impacting each of South Carolina's Medicaid HCBS programs. In response, SCDHHS is implementing a one-time supplemental payment under section 9817 of the ARPA for direct care service providers to incentivize staff retention.

### **One-time Retention Payment**

Through the SCDHHS ARPA spending plan, the state may make a one-time supplemental retention payment to qualified in-home, case management or adult day services providers delivering services to waiver participants. To be eligible for the one-time retention payment, the payment must be used to support the retention and growth of direct care workers who deliver HCBS waiver services. These payments will be available to providers who render services to Medicaid members who participate in the following waivers: Community Choices (CC), Community Supports (CS), Head and Spinal Cord Injury (HASCI), HIV/AIDS (HIV), Intellectual Disability/Related Disabilities (ID/RD), Mechanical Ventilator Dependent (VENT), Medically Complex Children (MCC) and Palmetto Coordinated System of Care for Children (PCSC). The supplemental payment will be based on the percentage of the individual provider's average service units for state fiscal years (SFY) 2019-SFY 2022 divided by the total eligible HCBS providers' service units for that time period.

To qualify, provider agencies must:

- Be in an "Active" status as a South Carolina Medicaid provider;
- Be enrolled in South Carolina Medicaid as an HCBS waiver provider of in-home services, case management or adult day services;
- Be in good standing with South Carolina Medicaid. Good standing is defined as a provider who:
  - Has not been convicted of Medicaid fraud and placed on the Office of Inspector General's exclusion list; and;
  - Does not have any outstanding recoupments with SCDHHS as a result of a Program Integrity review;
- Have incurred expenditures for services provided to waiver participants for SFYs 2019-SFY 2022; and,

- Have agreed to continue providing services and maintain their agency until the end of the ARPA period (upon expenditure of the total ARPA HCBS funding but no later than March 31, 2025) unless written consent from SCDHHS is obtained.

Additionally, qualified providers must submit to SCDHHS a signed attestation form indicating:

1. The funding will be used to support the retention and growth of employees delivering HCBS waiver services;
2. All information contained in the application is correct;
3. The provider agrees to comply with all provisions of the applicable program and all other applicable federal and state laws, rules, and regulations;
4. The provider agrees to submit to an audit by SCDHHS to verify the activities per the attestation; and,
5. The provider understands that failure to abide by the requirements outlined in this application may result in recoupment of funds.

Please complete a [One-Time Workforce Retention Payment Application](#) and submit it to [MedicaidWaiver@scdhhs.gov](mailto:MedicaidWaiver@scdhhs.gov) by Dec. 1, 2022. SCDHHS will notify providers of their estimated payments once applications are processed. Payments are expected to be issued during the first week of January 2023.

Providers should direct any questions related to this bulletin to the Medicaid waiver mailbox: [MedicaidWaiver@scdhhs.gov](mailto:MedicaidWaiver@scdhhs.gov).

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.

/s/  
Robert M. Kerr