

MEMORANDUM

To: NCHCFA Members

Re: One-time bonus for certain Direct Care Workers in recently passed NC State Budget

Da: November 24, 2021

As we recently covered in UPDATE, the 2021 North Carolina State Budget, passed by the NC General Assembly and signed into law last week by Gov. Roy Cooper, provides \$133,000,000 in funding to be “used to distribute a one-time payment to eligible providers to be passed along as a one-time bonus payment to each of the eligible direct care workers employed by the eligible provider for continuing to provide critical services during the COVID-19 pandemic.” This funding should provide for roughly \$2,000 bonuses per-employee, though the funding for the program is capped at \$133M so the exact bonus amount will not be known until all submissions are received by NC DHHS and the number of eligible workers is determined. This was a priority for NCHCFA, and we are grateful to state leaders for this funding. The purpose of this memorandum is to outline what we know at this point about the details, what we do not yet know, and when we expect to know more.

Who are the “eligible providers”? The law defines an “eligible provider” as a provider 1) that is enrolled in the Medicaid or NC Health Choice program 2) in a listed provider category. There are six listed categories, including nursing homes and personal care service (PCS) providers. So long as a member nursing home or combination home is enrolled in the Medicaid program, it is an eligible provider under this law.

Who are “eligible direct care workers”? The law defines an “eligible direct care worker” as someone who is employed by an eligible provider and meets all of the following criteria:

1. Is a direct care worker as NC DHHS defines the term. This term must include those who a) “interact directly with patients or clients” OR b) “provide direct care support services at a licensed health care facility”. While NC DHHS has not issued any guidance on the definition of direct care worker, at a minimum we believe it includes nurses, nurse aides and other staff members who are ‘on the floor’; and we also believe it includes your support teams, including dietary, housekeeping and maintenance employees—though this has not yet been confirmed.
2. The individual was employed through the same “eligible provider” from March 10, 2020 through August 1, 2021. We believe so long as the person was employed by your facility (or another eligible provider) for that time period, and is employed by your facility when you submit your information to NC DHHS requesting payments under this provision, individuals who left your facility’s employ but who have since returned, or who return before you submit your request, or who left a previous employer after August 1, 2021 and now work for your facility (so long as they worked for the same eligible provider from March 10, 2020 through August 1, 2021) remain eligible for this program. PLEASE NOTE: NC DHHS has not yet confirmed this understanding. We will also be asking NC DHHS to interpret this provision to allow for employees to move between facilities within the same company and still be eligible.

3. The individual “worked at least 1,000 hours providing direct care services between March 10, 2020 and August 1, 2021.” This will be determined by the facility, but should include both your full-time and part-time employees.
4. The individual is not a state employee.

It is important to note that these bonuses are available only to your employees, not independent contractors or agency staff.

When will the bonuses be paid? The law requires NC DHHS to distribute funding for the bonuses, “including associated payroll costs,” to providers by March 1, 2022. We anticipate providers will be able to distribute these funds to their eligible employees in their payroll at some point during the month of March, 2022.

What’s the next step for providers? While NC DHHS still needs to provide some interpretation and guidance, the law says that to participate in this program, eligible providers (e.g., nursing homes) must submit “the number of direct care workers the provider has designated as eligible, including a description of the position held by any direct care worker the provider has designated as eligible that supports designation that the position meets the criteria of direct care worker, to DHHS by no later than January 31, 2022.” The nursing home must also attest “that any funds received in accordance with this section shall be provided directly to designated eligible direct care workers.” NC DHHS must review the provider submissions regarding number of eligible direct care workers for “reasonableness” considering past Medicaid claims data.

As we learn more over the coming weeks, we will share with members. In the meantime, we advise determining which of your employees are tentatively eligible based on longevity and job function. If you have any questions, please let us know.

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