**March 7, 2022**

**OASAS ARPA of 2021 Fee Enhancements - Workforce Funding Guidance**

All OASAS providers were notified in late January 2022 that OASAS is working to implement Medicaid fee enhancements in response to additional Federal funding provided by the ARPA (American Rescue Plan Act of 2021). As previously described, freestanding (non-hospital) Part 822 outpatient services and all Part 820 programs (including reintegration) will receive temporary fee increases. Specifically, freestanding APG rate codes, freestanding OTP weekly bundle rate codes, and all Part 820 rate codes (including reintegration under new rate code 1146) will receive increases for dates of service from 11-1-21 to 6-30-22. A significant portion of this increase will be paid retroactively to the extent necessitated by approval delays.

As shown in the table below, the workforce funding requirements described in this document apply only to a portion of the ARPA fee enhancements for Part 822 and Part 820. Providers may use the non-workforce portion of the fee enhancements to strengthen their programs as they feel is appropriate, however the workforce funding portion of the fee enhancements must go to workforce funding under the guidelines described below.

Note: The fee enhancements for the proposed freestanding Part 822 “in-community” (off-site) rate codes (APG rate codes 1080 and 1088 - as described in the January notification) do not contain any workforce funding dollars and are intended solely to help cover the additional cost of providing services off-site. As such, the workforce funding requirements do not apply to those rate codes and all providers will receive those funds, to the extent they bill and provide off-site services, without regard to opt-out status (see Opt-Out Requirement section below).



**Opt-Out Requirement**

CMS is requiring providers to submit an “attestation” to OASAS certifying that they understand that:

* these are time-limited payments which do not extend beyond June 30, 2022,
* a portion of the funds must be used to address direct-care worker issues (i.e., salary/benefit increases, staff retention bonuses, employer paid training, etc.), and
* funds must be used to expand, enhance, or strengthen their program.

**In order to simplify this process, in lieu of the attestation, OASAS is using an opt-out methodology. If you do not wish to receive the fee enhancements associated with the workforce funding you must “opt-out” by Friday, April 1, 2022.**

Note: These fee enhancements will most likely already have been loaded to eMedNY before April 1, 2022. Therefore, providers may already be in possession of some retroactive portion of the additional funding as of April 1, 2022. As previously stated, if a provider opts-out of the workforce funding they will also be forgoing the portion of the Part 822 fee enhancement that is not associated with workforce funding. Providers that opt out will have their Part 822 fees reduced to the pre-enhancement level retroactive to November 1, 2021. Since the workforce funding does not apply to the Part 822 off-site rate code fee enhancements, all providers will receive those fee enhancements, even if they opt-out of the workforce funding for the applicable rate codes.

If a provider does not opt-out, they are, by default, attesting that they will comply with all the requirements placed on the workforce funding.

**Opt-Out Language**

To opt-out, email the following statement to: [oasas.sm.healthcarefinancing@oasas.ny.gov](mailto:oasas.sm.healthcarefinancing@oasas.ny.gov)

“[Agency Name] has decided that we do not wish to participate in the workforce funding initiative associated with the November 1, 2021 through June 30, 2022 fee enhancements for freestanding Part [cite 822 and/or 820] addiction services. We understand that by opting-out we are relinquishing our claim to any portion of the temporary ARPA fee enhancements associated with freestanding Part [cite 820 and/or 822] addiction services. Please reduce our fees as necessary to recover any associated funding increases.”

**Expenditure Report Requirement**

By December 31, 2022, providers who did not opt-out will have to document that they expended the workforce funding in a manner that comports with the guidelines found below. A very simple standardized form will be made available for that purpose in the near future.

**Guidance on Eligible Workforce Funding Activities (Under Enhanced FMAP Fee Changes)**

Eligible providers must make efforts to recruit a workforce that is representative of the people they serve and to develop the cultural competency skills of their current and prospective workforce.

**Eligible Activities**

The following strategies comprise a list of eligible workforce development initiatives permitted for OASAS-certified providers. Affected providers may choose to offer one or more of the following incentives to recruit and retain employees within their Part 822 and/or 820 services. These initiatives must be implemented in a manner that meets the needs of each program and in accordance with the guidelines described herein.

1. **Recruitment and Retention Incentives**

Funds may be utilized for recruitment and retention bonuses for staff titles as specified by CFR title codes 100 to 599. These incentives are limited to:

* Retention and hiring bonuses, which are limited to no more than 10 percent of an individual’s annual salary, not to exceed $8,000 per employee. Bonuses may be spread out over time, with that period not to exceed two years from April 1, 2022.
* Longevity pay
* Retirement contributions and other one-time fringe benefit payments
* Differential pay
* Hazard pay
* Relocation incentives

**Educational Expenses**

Funds may be used for tuition, exam fees, and registration/application fees for new or existing staff, as long such expenses are directly related to job requirements or career advancement, including courses related to cultural competency and diversity trainings. Funds may also be used for professional development college level courses, and other professional trainings, including continuing education courses. No individual shall receive more than $6,000 towards educational expenses.

**Career Development and Support**

Funds may be used for the creation, promotion, or enhancement of internships, fellowships, or other career development programs. Providers may collaborate with academic and policy institutions to develop strategies for training staff based on needs assessments and employee interest

**Record Keeping Requirements**

Workforce funds are subject to audit to ensure full compliance with all requirements in this document. Providers must keep all the records necessary to allow that audit to occur. Providers that fail to keep those records are potentially subject to a full disallowance upon audit.