

The following questions and answers regarding Section 9817 of the American Rescue Plan (ARP) Act of 2021 relate to Directed Payments made in CYE 2023 to assist with workforce retention.

Working within federal and state guidelines, AHCCCS has developed the methodology for making time-limited payments to fee-for-service (FFS) providers. FFS provider payments will utilize the same ARP qualifying services as those identified for the AHCCCS managed care Directed Payments for eligible providers. Both non-Indian Health Service (IHS)/Tribal (638) providers, and IHS/638 providers, could be eligible for payment. Unless otherwise specified, the responses below apply to providers paid by MCOs and FFS.

DES/DDD has developed similar guidance; please refer to the [DDD ARP web page](#).

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A1: Why is my provider type not eligible for this funding opportunity?

Funding authorized by the American Rescue Plan (ARP) Act's Section 9817 is intended to enhance, expand, or strengthen home and community-based services (HCBS) under the Medicaid program. AHCCCS will distribute these one-time payments to providers that have provided qualifying services in a specified time period. Providers that AHCCCS has designated qualifying and qualifying categories of service are available at [AHCCCS ARP Provider Payment Resources](#).

A2: How will I know if I am an eligible provider?

AHCCCS has identified all providers delivering qualified HCBS services by NPI. A complete listing of eligible providers is available at [AHCCCS ARP Provider Payment Resources](#).

A3: Are there limitations on how I can spend my one-time provider payments from AHCCCS?

The one-time payments to providers are meant to build provider capacity and enhance workforce development. Eligible providers are required to distribute at least 80% of the payment amount to Direct Service Provider staff in the form of a temporary increase in salary, wages, and/or stipends, bonuses, hiring/retention incentives, and/or over-time including employee related expense costs. The remaining

20% of the payment amount may be expended on costs associated with enhancing, expanding, and/or strengthening HCBS workforce needs. (See Question 7.)

A4: How are Direct Service Provider staff defined?

For the purposes of this Directed Payment, AHCCCS uses the term Direct Service Provider staff to describe a vocationally diverse workforce of licensed and unlicensed personnel who provide a wide range of covered health care services directly to AHCCCS members in their home or community-based settings. The HCBS covered services that are delivered by Direct Service Provider staff include services such as attendant, personal care and homemaker services; home health, habilitation and rehabilitation; and behavioral health services that support mental health and substance use treatment.

Under these broad service designations, job titles of staff of the Direct Service Provider staff vary by employer or population served. For example:

- Home health aides provide non-skilled services under the direction and supervision of a Registered Nurse (RN) and include monitoring of a member's medical condition, health maintenance or continued treatment services, and activities of daily living.
- Intermittent Nursing Services are provided by RNs or Licensed Professional Nurses (LPN) under the supervision of an RN or physician. LPNs may only provide Intermittent Nursing Services if they are employed by a Home Health Agency.
- Direct Care Workers, providing direct service assistance to people with intellectual and developmental disabilities are called direct support professionals while their counterparts serving people with physical disabilities or age-related support needs, are generally called direct care workers or caregivers when serving individuals in assisted living settings.
- Personnel who serve members with behavioral health needs may be employed as licensed behavioral health professionals (BHPs) providing direct service to members, in roles such as: social worker, nurse, or behavioral analyst. BHPs also provide clinical oversight or supervision to unlicensed behavioral health technicians (BHTs) or behavioral health paraprofessionals (BHPPs). Unlicensed BHTs and BHPPs are employed in jobs such as: case manager, rehabilitation specialist, job developer or peer support specialist.
- Direct Supervisor who works directly with members, is primarily responsible for the supervision of the daily activities completed by Direct Service Provider staff, and has oversight for the proper delivery of services to members and can act as a Direct Service Provider staff when needed. Please Note: distributions to owners or spouses of owners and executive staff are not allowed.

A5: Can I spend all of my allotment in a one-time staff bonus?

AHCCCS leaves it to the discretion of the eligible provider to determine how best to distribute these funds, subject to the limitations and requirements outlined here.

A6: Regarding the 80% or more of the one-time payment that must be utilized for Direct Service Provider staff, are temporary increases in salaries and/or stipends and employee related costs the only allowable expenses?

AHCCCS requires that providers distribute at least 80% of their received payment amount to Direct Service Provider staff in the form of a temporary increase in salary, wages, bonuses, hiring/retention incentives, and/or over-time and/or stipends. Providers can also use these funds for employee related

expense costs, such as for the coverage of medical, dental, or vision insurance, and retirement plans etc.

A7: Regarding the 20% of the one-time payment that does not need to be utilized for Direct Service Provider staff, what costs are associated with enhancing, expanding, and/or strengthening HCBS?

Examples of activities that enhance, expand, and/or strengthen HCBS include, but are not limited to, the following:

- Mileage reimbursement,
- Reimbursement for tuition or continuing education,
- Reimbursement for childcare and/or enhanced insurance coverage,
- Recruitment costs (job ads/marketing),
- Staff recognition and appreciation events,
- Training,
- Expanding Use of Technology, and
- Expanding Capacity.

A8: Can I distribute funds to temporary or contract staff?

Yes. Providers may distribute funds to temporary or contract Direct Service Provider staff, at their discretion.

A9: For what period does the funding start?

Funding may be used for Direct Service Provider staff expenses retroactive to January 1, 2023.

A10: Why are we receiving these funds?

ARP's Section 9817 supports the release of time-limited payments to providers for the purposes of enhancing, expanding, and/or strengthening home and community-based services (HCBS) under the Medicaid program. Payments are meant to be one-time to help support workforce capacity impacted by the COVID-19 public health epidemic.

A11: When will I receive these funds?

AHCCCS, through its managed care organizations, will disseminate one-time payments each year, as approved, over the three-year time span of April 2022 through September 2024 (when ARP funding expires). AHCCCS made the first of these three payments to providers in April or May 2022. AHCCCS anticipates releasing directed payments for 2023 in May 2023. Similar to payments received in CYE 2022, the payments by the Managed Care Organizations will indicate "ARP HCBS ONE-TIME PAYMENT." AHCCCS FFS will make the 2023 ARP payments to FFS providers no later than May 31, 2023.

A12: How will I receive these funds?

AHCCCS managed care-eligible providers will receive one-time payments from their managed care organizations similar to payments made in 2022. AHCCCS Fee-for-Service (FFS) provider agencies will receive Directed Payments from AHCCCS. Providers may receive payment from multiple managed care

organizations.

A13: Will I be required to submit more than one attestation?

Only one (1) attestation submission per Tax Identification Number (TIN) is required for SFY 2023 payments unless the provider is also a DDD or FFS provider. FFS providers will be required to submit a separate attestation when FFS payments are distributed in May 2023 .

DDD providers will utilize a separate attestation process as communicated by DDD.

A14: How much will I be receiving?

AHCCCS will be unable to communicate how much each provider will receive as almost 2,000 providers will be paid. General information related to calculation of payments is posted on the AHCCCS [Provider Payments web page](#).

A15: Do I need to spend award funding in a certain time frame?

AHCCCS requires all expenses to be incurred by February 29, 2024 in accordance with the Provider Directed Payment Guidance available at [AHCCCS ARP Provider Payment Resources](#).

A16: What actions do I need to take to get this money?

Providers must complete and submit an attestation form to AHCCCS. This attestation form is specific to FFS providers and must be completed in order to receive payment. The attestation form is available here: [AHCCCS FFS ARP Provider Attestation 2023](#).

A17: What happens if I do not submit an attestation?

AHCCCS requires all providers to attest. No payments will be made to providers who have not completed an attestation during the CYE 2023 attestation period. Additionally, providers who receive payments but do not abide by guidance released by AHCCCS may be subject to recoupment.

A18: What records must be kept to demonstrate that these requirements have been met?

Providers should maintain all necessary documentation and records regarding the use of these funds for auditing purposes. All documentation to demonstrate compliance must to be kept for seven years after date of funding period and at any time providers could be subject to a post payment audit.

A19: I have more questions, who can I contact?

Any questions regarding these one-time payments can be submitted to:
AHCCCSARPADIRECTEDPAYMENTS@mslc.com.

AHCCCS will review all questions received and provide responses as quickly as possible.

A20: Will AHCCCS post the amount of each provider's payment?

No. AHCCCS does not intend to publicly release the amount of ARP funding each provider receives due to the significant number of providers (nearly 2,000) who will receive payments. Additionally, AHCCCS will not be releasing detailed information about payments to providers, including information about codes used to calculate payments.

A21: Who must sign the attestation?

The Attestation must be signed by the Provider's Chief Executive Officer.

A22: What expenses are unallowable?

The following expenses are unallowable: Cash and gift card distributions and distributions to owners, or spouses of owners.

A23: Does overtime count as the 80% or more of the payment that must be utilized for Direct Service Provider staff?

Yes, directed payments can be used to cover overtime costs provided the funding is used to supplement not supplant existing expenses at the discretion of the provider.

A24: What should a provider do if they have been notified that they are eligible for ARP payments and they do not believe they qualify?

The provider can view eligible Provider Types and Qualified Services at the links found below. Qualified Provider types are found here:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>

Qualified Service Categories are found here:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>

Time Period utilized for determining qualifying services: March 1, 2022 - August 31, 2022. If the provider believes they are not eligible, the provider should notify AHCCCS to research and potentially recoup the payment using the e-mail below:

AHCCCSARPADIRECTEDPAYMENTS@mslc.com

A25: What requirements apply if a qualifying provider subcontracts with another agency to provide the qualified services?

The organization that receives the funds must attest. The attesting organization must ensure that all requirements in the attestation are met. If there are instances where the attesting organization has subcontracted with another organization, then the attesting organization should allocate the funds to subcontracted agency(ies) and must ensure that requirements are met for their organization (if applicable) and any subcontractors.

A26: What happens if I attest and I'm not included in the list of eligible providers posted on the AHCCCS website?

The attestation will be disregarded. Only providers included in the list posted to the AHCCCS website are currently considered for a directed payment.

A27: I have several Servicing Providers IDs all under one Tax Identification Number (TIN), do I need to attest for each provider?

No, your agency can attest on behalf of multiple AHCCCS Servicing Provider IDs. On the attestation form, in the Additional Comments section, please identify the AHCCCS Servicing Provider IDs that are associated with your agency's TIN.

A28: I have already submitted an attestation. Is there anything else I need to do to receive payment?

At this time, there are no additional actions that are required from providers other than electronic submission of the attestation form for CYE 2023.

A29: I do not have an NPI. Is an NPI required to receive payment?

An NPI is not required, however providers must be identified as an eligible provider by AHCCCS. You can submit the attestation form without an NPI.

A30: Regarding the 80% or more of the payment that must be utilized for Direct Service Provider staff, can we use these funds to pay wages for incremental Direct Service Provider staff headcount added after 1/1/23?

The one-time payment to providers was not intended to cover the entire wages for headcount added after 1/1/23. It was meant to be a temporary increase in salary, wages, and/or stipends, bonuses, hiring/retention incentives, and/or over-time including employee related expense costs. These expenses can be applied to current staff employed prior to 12/31/22 or new staff added after 1/1/23.

A31: Regarding the 20% of the one-time payment that does not need to be utilized for Direct Service Provider staff, can we use these funds to pay bonuses to non-Direct Service Provider staff?

Yes, Providers can use the 20% of funding to pay for temporary increase in salary, wages, and/or stipends, bonuses, hiring/retention incentives payments to non-Direct Services Provider staff provided this payment is associated with costs that enhance, expand and/or strengthen HCBS workforce needs.

A32: Regarding the 20% of the one-time payment that does not need to be utilized for Direct Service Provider staff, can we use these funds for the capital costs of building a facility to deliver new Medicaid services?

Yes, providers may utilize the 20% of the funding on capital costs provided the costs are associated with costs that enhance, expand and/or strengthen HCBS workforce or service needs for Medicaid-covered services listed in Appendix B of State Medicaid Director Letter 21-003:

<https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf>.

A33: What if I'm a provider that is no longer in business or intends to close our facility? What should we do with any received funds?

If the provider does not plan to receive or cannot appropriately utilize the funding per established guidelines, the provider should notify AHCCCS to recoup the payment. Once the provider closes the business, please notify AHCCCS provider enrollment that the business is closed so that AHCCCS can exclude your organization from future payments. (Pursuant to the Provider Participation Agreement, a provider must report any changes in ownership and control within 35 days of any such change to AHCCCS. Additionally, pursuant to AHCCCS Medical Policy Manual (AMPM) 610, providers must disclose to AHCCCS within 24 hours any change relating to any licensure, permit, and/or certification that has the potential, may reasonably be determined to, or may in any way impact the provider's registration with, authorization by, enrollment in and/or billing of, to, for, or on behalf of any Federal Health Care Program.) The provider will need to report any changes in the AHCCCS Provider Enrollment Portal (APEP). If the provider has questions on how to do this online, please direct those questions to Provider Assistance (PA) at (602) 417-7670 option 5 or send an email directly to APEPTrainingquestions@azahcccs.gov.)

A34: Our payment was lower than anticipated. What are our next steps?

Providers could receive payments from each of the Managed Care Organizations (MCOs) that the provider contracts with. Once the provider has received all the payments expected from the contracted MCOs, the provider should review the categories of service that AHCCCS indicated were used to calculate the payment to ensure that the provider was not including categories of services that were not indicated by AHCCCS or Non-Title XIX/XXI funding sources. (See:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>)

A35: Regarding the 80% or more of the payment that must be utilized for Direct Service Provider staff, if we use some of the money for hiring incentives, can we put a "must stay employed with us for a minimum of one year or employee must pay it back" stipulation on it?

For purposes of this ARP directed payment, AHCCCS discourages requiring payback of hiring incentives if the employee does not meet a minimum length of employment time.

A36: Are there any ongoing reporting requirements for providers upon receipt of CYE 2023 directed payments?

At this time, AHCCCS is not requiring providers to submit any additional reporting or reconciling of directed payments received during CYE 2023. However, AHCCCS encourages providers to abide by record requirements stipulated in A18 of this FAQ. Please note, that DDD providers may be subject to different requirements. For information about DDD-specific requirements for funds, please visit the [DDD ARP web page](#).

A37: Are ARP directed payments subject to Single Audit requirements?

AHCCCS does not require ARP directed payments to be reported as a Federal award for reporting in the providers Schedule of Expenditure of Federal Awards (SEFA), as the directed payments are funded by Title XIX (CFDA 93.778). However, ARP funding and expenditures from other sources, such as block grant funding from the Substance Abuse and Mental Health Services Administration (SAMHSA) (e.g., CFDA 93.958, 93.959) does need to be reported on the SEFA as required in your organization Financial reporting.

A38: What is the difference between CYE 2023 directed payments and the ARP Program Awards?

ARP Program Award funds are different from the CYE 2022 (released to providers in April 2022) and CYE 2023 ARPA Directed Payments (expected to be released to providers in May 2023). CYE 2022 and CYE 2023 Directed Payments are payments made to eligible providers to be distributed to their direct care staff in the form of a temporary increase in salary, wages, and/or stipends, including employee related expense costs. ARP Program Awards are one-time grant funds used to support activities that support the development of new or enhancements to existing HCBS services.

Information about the CYE 2023 Directed Payments is available here:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>.

Information about the ARP Program Awards is available here:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/ARPProgramAward.html>.