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**Report to  
The Vermont Legislature**

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**Update on Premium Pay for Workforce  
Recruitment and Retention**

**In Accordance with  
Act 83 of 2022, Section 72**

**Submitted to:  
House Committees on Appropriations, Health Care, and Human Services  
Senate Committees on Appropriations and Health and Welfare**

**Submitted by: Secretary Jenney Samuelson, Agency of Human Services**

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**Report Date: April 15, 2022**



## **Overview**

Act 83 of 2022, Section 72 (g)(1), requires the Secretary of Human Services to report to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare regarding the status of implementation of workforce recruitment and retention incentive grants.

The Agency of Human Services (AHS) is on track to accept Premium Pay for Workforce Recruitment and Retention applications from eligible employer applicants through an online application portal in mid-May. AHS anticipates that grant awards will be announced and initial payments disbursed to organizations by the end of June 2022.

## **Program Integrity and Medicaid match**

The Premium Pay for Workforce Recruitment and Retention program utilizes three funding sources: State Fiscal Recovery (SFR) funds, Home- and Community-Based Services Federal Medical Assistance Percentages (HCBS FMAP) funds from Section 9817 of the American Rescue Plan Act, and General Fund. AHS is working with the Agency of Administration (AOA) to ensure the program operates in accordance with allowable uses of SFR funding. Through program design and consultation with the AOA on the allowable use and documentation requirements for the State Fiscal Recovery Fund the program must adhere to U.S. Department of the Treasury, [Coronavirus State and Local Fiscal Recovery Funds Final Rule](#). Changes to payment provisions and employees will be limited in terms of the Final Rule and its Premium Pay provisions, employers will have discretion to distribute funds within the guardrails of the Final Rule but will be required to confirm that employees meet eligibility requirements under the Premium Pay provisions. AHS and AOA will collaborate to ensure program design meets federal guidance and recognize that this will require AHS to be more prescriptive about allowable use of the funds and reporting requirements for grant awardees.

AHS has also submitted a request to the Centers for Medicare and Medicaid Services (CMS) to expedite approval of the program as an investment that is eligible for federal match under the State's Global Commitment to Health Section 1115 Waiver Demonstration. This approval is needed to cover the full gross cost of program. In addition, the appropriation of \$25 million from HCBS FMAP funds is greater than the current funding allocated in the approved HCBS Spending Plan. AHS is revising Vermont's HCBS Spending Plan through the Quarterly Update that will be submitted on April 18<sup>th</sup> to reflect the increase in allocation of funds for recruitment and retention to \$25 million.

## **Application Development**

AHS is collaborating with the Agency of Digital Services (ADS) to develop an online application using the Salesforce platform. ADS has procured a vendor that is working with AHS and ADS on application content and software functionality. The use of the Salesforce platform will support program integrity and allow AHS to expedite review of applications, expedite the issuance of grant awards, and complete batch payments. Staff are also developing program documents, including but not limited to a program manual, application instructions, and plain language material for employees about the potential impact of bonus payments on public benefits which will be posted to a website developed for this program.

## Stakeholder Engagement

To achieve its goal of developing an application that uses a consistent methodology for calculating the grant award and that is user-friendly, AHS is meeting with and seeking input from the Health Care Coalition which is comprised of trade associations for eligible employers. AHS will continue to discuss methodologies for calculating full-time equivalents and development of feasible performance measures that are required by CMS to approve the State's request for 1115 Waiver investment authority. In addition, AHS has outreached to ARIS Solutions to define a scope of work that will support recruitment and retention of independent direct support providers.

## Plans for Needs-Based Application

Act 83 of 2022 appropriates \$60 million with a minimum of \$45 million for a first round of funding and the potential for a second round of funding for up to \$15 million in needs-based grants. By the end of the application period which will close in late May, AHS will have a better understanding of funding demand, including if the additional \$15M of available funding should be used for a second needs-based program or allocated to this initial grant opportunity.

## Timeline

A timeline with key milestones is included below.

