

FY 2006 DIRECT CARE WAGE INITIATIVE

The 2005 Montana Legislature authorized the Department of Public Health and Human Services (DPHHS) in House Bill 2 to distribute additional funds for the purpose of providing for direct care worker wage and benefit increases in both nursing home and community based service programs. The Legislature directed that these funds are to be utilized to provide for increases in wages and benefits for direct care workers, especially those that traditionally earn lower wages or are hard to recruit and retain based upon the wage scales paid. The Legislature intends that direct care salaries be raised 75 cents an hour and that benefits be raised 25 cents an hour. If the appropriation is insufficient to cover the full amount of intended increases, the lowest paid direct care worker wage rates must be increased first. Should the benefits not cost the facility 25 cents per hour, the wages should be increased accordingly to meet the intent of a \$1.00 per hour wage and benefit increase for direct care workers.

Total funds in the amount of \$ 2,010,440 for community service direct care wage increases and total funds in the amount of \$ 6,579,877 for nursing facility direct care wage increases were appropriated by the Legislature.

To receive the direct care add-on providers submitted for approval a request form to the department which indicated how the total annualized amount of funding attributed to the direct care wage add-on would be spent. Facilities and providers that receive funds under this wage distribution must maintain appropriate records documenting the expenditure of these funds which will be subject to audit and review by the department.

COMMUNITY SERVICES:

Under this initiative, DPHHS will allocate funds for Community Service programs, to provide for an approximate \$.80 increase to the wages of direct care workers working in the State Plan personal assistance (agency based and self direct), Home and Community Based services waiver programs, such as; personal assistance, private duty nursing, respite, and homemaker.

Community Services Programs Direct Care Wage Initiative Summary

EMPLOYEE CATEGORY	2005 WAGE W/O BENEFITS	2006 WAGE W/O BENEFITS	WAGE INCREASE
Agency PAS	\$7.80	\$8.60	\$.80
HCBS PAS	\$8.06	\$8.86	\$.80
Homemaker	\$7.38	\$8.17	\$.79
PDN	\$14.98	\$15.78	\$.80
Respite	\$7.09	\$7.89	\$.80
SDPAS	\$8.53	\$9.35	\$.82

NURSING FACILITY SERVICES:

Under this initiative, DPHHS will pay Medicaid certified nursing facilities in Montana an additional amount as an add-on to their computed Medicaid payment rate, to be used only for wage and benefit increases for direct care workers in nursing homes. Direction was provided that the intent of this increase was that Certified Nursing Assistants should receive wage increases up to a \$1.00 in wages and benefits before any other category of worker. If there are funds left after this distribution the next category of workers should be LPN's and then RN's based on the funding that is available. Once all three of these categories have been reimbursed up to the \$1.00, other Direct Care Workers including activities, dietary, housekeeping, and laundry could be increased. The department has computed a \$5.39 per day add-on payment, commencing July 1, 2005, as the pro rata share of appropriated funds allocated for increases in direct care wages and benefits. This amount will be in addition to the computed formula rate that is established for each facility on July 1 of the rate year using the price based reimbursement methodology.

Nursing Facility Provider Direct Care Wage Initiative Summary

EMPLOYEE CATEGORY	2005 WAGE W/O BENEFITS	2006 WAGE W/O BENEFITS	WAGE INCREASE
CNA	\$9.19	\$10.00	\$.81
LPN	\$14.97	\$15.77	\$.80
RN	\$20.53	\$21.38	\$.85
Activities	\$10.16	\$10.84	\$.68
Dietary	\$8.55	\$9.16	\$.61
Housekeeping	\$8.94	\$9.66	\$.72
Laundry	\$8.87	\$9.58	\$.72
Social Services	\$13.67	\$14.42	\$.75
Other	\$8.49	\$8.89	\$.40

Department of Public Health and Human Services - Senior and Long Term Care Division 15-Dec-05

Community Services Bureau FY 2006 Direct Care Wage/Benefit Initiative
 Summary by worker category

CSBWorkerType	CSB 05 FTE	CSB 05 Avg Entry	CSB Wage 05	CSB 05 Ben%	2005 CSB W + B	2005 Payroll	CSB 06 FTE	CSB 06 Avg Entry	CSB Wage 06	CSB 06 Ben%	2006 CSB W + B	2006 Payroll	Wage Diff	W+B Diff	Entry Diff	Payroll Diff
Agency PAS																
Sum Summary for Agency PAS	457.05	\$7.48	\$7.80	29.84%	10,1204	\$9,566,788.64	468.49	\$8.28	\$8.60	30.00%	11,1721	\$10,843,143.68	0.8029	1.0517	0.8012	\$1,276,355.03
Avg (17 Agencies reporting)	26.89						27.56									

HCBS PAS

Sum Summary for HCBS PAS	331.32	\$7.78	\$8.06	26.34%	10,1542	\$6,765,536.71	338.70	\$8.59	\$8.86	26.55%	11,188	\$7,880,268.82	0.8042	1.0338	0.8154	\$914,732.10
Avg (26 Agencies reporting)	12.74						13.03									

Homemaker

Sum Summary for Homemaker	278.03	\$7.13	\$7.38	25.19%	9,2352	\$5,425,418.29	281.24	\$7.92	\$8.17	25.36%	10,2441	\$6,120,614.96	0.7948	1.0088	0.7841	\$695,196.68
Avg (27 Agencies reporting)	10.30						10.42									

Respite

Sum Summary for Respite (20 Agencies reporting)	243.83	\$6.90	\$7.09	26.28%	8,9557	\$4,803,733.80	245.40	\$7.71	\$7.89	26.41%	9,9809	\$5,398,299.81	0.8035	1.0252	0.8115	\$594,566.01
Avg	12.19						12.27									

SDPAS

Sum Summary for SDPAS (18 Agencies reporting)	542.43	\$8.41	\$8.53	24.70%	10,6055	\$11,924,472.04	577.74	\$9.24	\$9.35	24.94%	11,6391	\$14,008,914.34	0.8128	1.0336	0.8294	\$2,084,442.30
Avg	30.13						32.10									

Grand Total - CSB

	1,852.66					\$38,485,949.48	1,911.57				\$44,051,241.60					\$5,565,292.12
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Nursing Facility FY 2006 Direct Care Wage/Benefit Initiative
Summary by worker category

Worker Type	NF 05 FTE	NF Avg Entry 05	NF Wage 05	NF05 Ben%	2005 NF W + B	2005 Payroll	NF 06 FTE	NF Avg Entry 06	NF Wage 06	NF06 Ben%	2006 NF W + B	2006 Payroll	Wage Diff	W + B Diff	Entry Diff	Payroll Diff
CNA																
Sum	2197				\$56,342,978.96		2235					\$62,391,728.04	\$0.8074	\$1.1165	\$0.7752	\$6,048,749.08
Avg	24.68	\$7.93	\$9.19	32.50%	\$12.19		24.68	\$8.71	\$10.00	33.01%	\$13.31					
LPN																
Sum	449.9				\$18,410,349.35		459.4					\$19,838,873.88	\$0.7996	\$1.1208	\$0.7320	\$1,428,524.54
Avg	5.624	\$12.47	\$14.97	30.57%	\$19.50		5.624	\$13.20	\$15.77	31.02%	\$20.62					
RN																
Sum	402.7				\$22,745,539.82		410.6					\$24,169,112.91	\$0.8483	\$1.2400	\$0.8225	\$1,423,573.10
Avg	5.593	\$17.20	\$20.53	30.33%	\$26.75		5.593	\$18.02	\$21.38	31.01%	\$27.99					
Activities																
Sum	10.92				\$300,685.84		10.88					\$319,799.26	\$0.6786	\$0.8229	\$0.6786	\$19,113.63
Avg	1.560	\$6.99	\$10.16	30.21%	\$13.27		1.560	\$7.66	\$10.84	29.53%	\$14.09					
Dietary/Food Serv																
Sum	85.19				\$1,923,164.35		85.57					\$2,068,160.78	\$0.6146	\$0.7418	\$0.8146	\$144,996.44
Avg	6.553	\$6.94	\$8.55	25.92%	\$10.76		6.553	\$7.55	\$9.16	25.53%	\$11.50					

Nursing Facility FY 2006 Direct Care Wage/Benefit Initiative
Summary by worker category

Worker Type	NF 05		NF Wage		NF 05		2005 Payroll		NF 06		NF Wage		NF 06		2006 Payroll		Wage		W + B		Entry		Payroll Diff	
	FTE	Entry	05	05	Ben%	W + B	2005 Payroll	FTE	Entry	06	06	06	06	Ben%	2006 Payroll	Diff	Diff							
Housekeeping	Sum	23.47					\$566,410.10	23.47							\$608,163.56									\$41,753.46
	Avg	2.608	\$7.33	\$8.94	35.38%	\$12.11		2.608	\$8.06	\$9.66	34.37%	\$12.98			\$0.7222	\$0.8722	\$0.7222	\$0.7222	\$0.7222	\$0.7222	\$0.7222	\$0.7222	\$0.7222	\$0.7222
Laundry	Sum	13.33					\$315,297.53	13.33							\$338,595.35									\$23,297.81
	Avg	1.481	\$7.22	\$8.87	32.19%	\$11.76		1.481	\$7.93	\$9.58	31.31%	\$12.62			\$0.7056	\$0.8520	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056	\$0.7056
Social Service	Sum	0.680					\$25,883.52	0.680							\$27,171.05									\$1,287.53
	Avg	0.680	\$12.00	\$13.67	33.87%	\$18.30		0.680	\$12.75	\$14.42	33.22%	\$19.21			\$0.7500	\$0.9103	\$0.7500	\$0.7500	\$0.7500	\$0.7500	\$0.7500	\$0.7500	\$0.7500	\$0.7500
Other	Sum	523.2					\$11,958,449.21	532.0							\$12,705,952.96									\$747,503.76
	Avg	12.76	\$6.49	\$8.49	30.47%	\$11.09		12.76	\$6.84	\$8.89	31.05%	\$11.66			\$0.4015	\$0.5719	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015	\$0.4015
Grand Total		3,705.97				\$112,588,758.47	3,770.92								\$122,467,557.80									\$9,878,799.33