



HCBS Stabilization Grants - Payment FAQs

For more information, please visit the [FSSA HCBS webpage](#).

**For audit purposes, are awarded providers considered beneficiaries or subrecipients?
(7/29/22)**

Awarded providers are beneficiaries.

Is the grant amount received from the HCBS Stabilization Grant considered taxable income?

Yes, the grant funds are considered as regular reimbursement money and will be taxable.

When must I spend my grant funding by?

The intent of the grant is to provide immediate relief to eligible HCBS providers and their workforce. We strongly encourage providers to expend the funds immediately, especially the 75% workforce stabilization passthrough portion. Federal requirements are that funding must be expended no later than March 31, 2024.

Can this grant be used to address any retroactive amounts?¹

Any expenses that will be used retroactively need to have occurred during or since the beginning of the COVID-19 pandemic. We encourage providers to expend the funds immediately, especially the workforce stabilization passthrough portion. Federal requirements are that funding must be expended no later than March 31, 2024. Please refer to the CMS Guidance via [SMD #21-003](#) for a list of allowable expenses under Appendices B-D.

If I am unable to spend my full grant amount in line with the grant requirements, will I be expected to return the remaining funds?

Yes- however, we strongly encourage providers to spend their full grant amounts if possible. Please note that the 75% workforce passthrough requirement is a minimum requirement. Providers are allowed to spend more than the minimum required 75% on HCBS workforce stabilization activities.

What reporting requirements are anticipated for this grant?

FSSA will issue a follow-up survey to providers that received a grant to capture information on how the grant funds were spent and the overall impact it has had on the HCBS workforce and environment. If you received a grant, please complete the survey which can be found [here](#). It is highly recommended that you fill out this survey to inform future planning, but no penalties will be issued for failure to complete the survey.

¹ Revised July 29, 2022



How was the final grant rate of 8.10% determined?

When the HCBS Stabilization Grant was announced on Jan. 10, 2022, FSSA had estimated the grant rate would be between 7-8% of each eligible provider's highest annual claims total across calendar years 2019, 2020, and 2021, acknowledging that the final grant rate would be based on total amount of provider attestations received. FSSA was excited to share that the final grant rate was found to be 8.10%, delivering key relief funding to our well-deserved HCBS provider community and workforce.

Could FSSA provide additional information regarding allowable expenses for the required workforce passthrough?

Providers may utilize this funding for the specific purposes of recruiting, building, and retaining their direct care and support workforce. Examples of allowable uses include:

- a. "Recruitment" defined as offering of incentives and/or onboarding/training.
- b. "Bonuses" defined as added compensation that is over and above an hourly rate of pay and are not part of a worker's standard wages.
- c. "Overtime" defined as compensation for additional hours worked beyond the standard work week.
- d. "Shift differential" defined as additional pay beyond the worker's standard hourly wage for working a specific shift (e.g. nights, weekends, holidays, etc.) or working for special populations (e.g., dementia, autism spectrum disorder, etc.).
- e. "Hourly wage increase" defined as an increase to the wage the provider agrees to pay a worker per hour worked.
- f. "Wraparound benefits" defined as employer provided benefits to help the workforce remain employed. Examples include public transportation or shared ride reimbursements, meal vouchers, or small grants for childcare assistance or regular car maintenance. Other examples include paying for testing or certification materials, continuing education credits (CEUs), or exam fees to encourage retention of staff moving up in the career ladder.

Are payroll taxes an allowable expense?

FSSA **strongly** encourages providers to expend their full grant amount, with a focus on supporting the direct service workforce. The 75% passthrough requirement is a minimum requirement. Since we want at least this much going directly to workers, any payroll taxes or other similar activities should come out of the remaining 25%. Providers are encouraged to passthrough up to the full 100% through to workforce activities.

I'm not sure I will be able to expend all of my funds. Will I be expected to return the leftover amount to the State?

FSSA **strongly** encourages providers to expend their full grant amount, with a focus on



supporting the direct service workforce. The 75% passthrough requirement is a minimum requirement. Providers are encouraged to passthrough up to the full 100% through to workforce activities rather than return any funds. We do not anticipate it being a common situation that a provider will need to return leftover funds.