



DEPARTMENT OF ECONOMIC SECURITY

*Your Partner For A Stronger Arizona*

## DIVISION OF DEVELOPMENTAL DISABILITIES

Sent on Behalf of DES/DDD

### TEMPORARY INCENTIVE RATE ADJUSTMENTS EXTENDED UNTIL JULY 3, 2020

Target Audience - Qualified Vendors and Providers

Transmittal Date - 05/11/2020

As DDD continues to address the challenges presented by the COVID-19 pandemic, DDD is extending the temporary incentive rate adjustments originally [announced April 22, 2020](#), to ensure the safety and care of DDD members and Direct Care Workers, and the continued viability of DDD Qualified Vendors most directly impacted during the pandemic.

Rather than terminating the use of these temporary rates on May 31, 2020, as originally planned, **the Division is extending the use of these rates from April 13, 2020, until July 3, 2020**. The Division will continue providing additional funding by temporarily adjusting rates for select services through an alternative payment model. The temporary incentive rate increases would address a significant concern DDD is hearing from the provider community related to retention of direct care worker staff (including Attendant Care, Habilitation, Group Homes, Independent Living Arrangements and Respite) during this pandemic situation.

The rate adjustments are intended to assist Qualified Vendors in retaining and recruiting direct care staff. In order to receive the incentives, Qualified Vendors must agree to distribute at least 80% of the incentive adjustment amount to the direct care staff in the form of a temporary increase in salary, wages, stipends, and related ERE costs. The incentive adjustment amount is the incremental change between the January 1, 2020, rates and these temporary rates.

The Division is not mandating that all direct care staff within each agency receive an increase. Each vendor has flexibility with salaries, wages, and stipends. Allowable expenses for the 80% revenue funds include, but are not limited to, salary adjustments, stipends, incentives, and related payroll and benefit costs related to the increase. Allowable expenses for the 80% revenue funds do not include administrative costs to implement, direct care staff overtime, supervisor increases, and PPE. These expenses are covered in the 20% revenue funds. Overtime would only be allowed as part of the 80% threshold if the base hourly rate for direct workers increased and would only be the incremental cost related to the base hourly rate adjustment. Overtime would not be allowed as part of the 80% calculation, otherwise. Additional information can be found on page 2 of the temporary incentive rate book. The Division reserves the right to request documentation from each qualified vendor to verify the use of the incentive adjustment.

The updated Temporary Incentive Rate Book can be found here, [https://des.az.gov/sites/default/files/media/Rate\\_Book\\_COVID19\\_041320\\_070320\\_Updated\\_051120.pdf?time=1589235592923](https://des.az.gov/sites/default/files/media/Rate_Book_COVID19_041320_070320_Updated_051120.pdf?time=1589235592923). Please contact [DDDBusinessOperationsComments@azdes.gov](mailto:DDDBusinessOperationsComments@azdes.gov) with any questions or comments.