



COLO R A D O

Department of Health Care
Policy & Financing

Base Wage Requirement for Direct Care Workers – Frequently Asked Questions

December 2021

Background / Overview

Who is considered a Direct Care Worker?

Direct Care Worker means a non-administrative employee or independent contractor of a Provider Agency or Consumer Directed Attendant Support Services (CDASS) employer who provides hands-on care, services, and support to older adults and individuals with disabilities across the long-term services and supports continuum within home and community-based settings.

Why is the Department instituting a \$15 per hour base wage?

The Department of Health Care Policy & Financing (Department) is instituting a \$15 per hour base wage using the unique funding opportunity of the [American Rescue Plan Act \(ARPA\)](#) to increase and bolster the direct care workforce. Colorado is one of the nation's fastest aging states, 70% of older adults will need long-term care, and they increasingly seek Home and Community-Based services (HCBS). The need for workers has been outpacing the supply for many years.

Additionally, impacts of the COVID-19 pandemic on the direct care workforce have highlighted that these workers bear great health and safety risks while earning some of the state's lowest wages. Colorado will continue to lose necessary workers and fail to adequately recruit new workers if it does not raise wages to align with the value and importance of these workers' critical services.

Will this rate increase be temporary or permanent?

This rate increase will be funded through the Department's approved [American Rescue Plan Act \(ARPA\)](#) spending plan through mid-April of 2023. The ongoing funding of this initiative is included in this upcoming year's Governor's Budget and is contingent on approval by the legislature.

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What percentage of Direct Care Workers already make \$15 per hour or more in Colorado?

Bureau of Labor Statistics (BLS) data shows there are approximately 31,000 Direct Care Workers in the state; they report that the median hourly wage in 2020 was \$13.83. Outside of BLS data, the Department does not have information on how many workers currently make \$15 an hour. The Department plans to utilize ARPA initiatives to improve data collection and analysis for issues specific to Direct Care Workers in Colorado.

How will a worker know they are eligible for this base wage?

The Department has a standard notification letter that providers must distribute to workers. The letter can be found here: [Resources for HCBS Providers > Workforce Development](#). Providers must notify Direct Care Workers who are affected by the base wage requirement in FY 2022-23 and 2023-24.

Reimbursement Rates

How much are rates increasing January 1, 2022?

The increases vary by service and all increase information will be posted on the fee schedule. Fee schedules for January 1, 2022, will be posted to the Department's [Provider Rates and Fee Schedule](#) page by December 15, 2021.

Denver minimum wage increases to \$15.87 on January 1, 2022. Will there be an increase in Denver County rates on the HCPF fee schedule as of January 1, 2022 as well?

Yes, there will be increases to Denver County rates. In 2020, the General Assembly approved rate increases for specific services in Denver effective January 1, 2021 and January 1, 2022 to support increased costs associated with the Denver Minimum Wage.

Some workers are paid a daily rate, not an hourly rate. How should that be calculated?

If a Direct Care Worker receives per diem pay, the provider must increase their per diem rate by the same percentage of the rate increase. A chart of





percentage changes can be found here: [Resources for HCBS Providers > Workforce Development](#).

Will the rate increase require manual adjustments to claims?

No. The rate increases are effective January 1, 2022 and will be paid per the typical claim process.

Base Wage

If providers are already paying Direct Care Workers \$15 per hour, is the entire rate increase supposed to be passed through to the worker?

No, the base wage requirement is not a wage pass-through. Providers are receiving increased rates for eligible services so that workers can earn the base wage. Any additional funds can be used for other provider expenses at the discretion of the agency.

Does the \$15 base wage apply to all hours worked for these caregivers? For example, travel time, administrative time, etc.?

The rules require Direct Care Workers providing HCBS to earn the base wage. If the provision of services requires administrative or travel time, providers are expected to pay the base wage for these related activities.

There is currently a requirement that personal care and homemakers earn \$12.41 per hour. Is that still the case?

[Senate Bill 19-238](#) established that any worker providing personal care or homemaker services through Medicaid waiver services should earn no less than \$12.41 per hour beginning July 1, 2020. Once the \$15 base wage takes effect, this requirement will be obsolete.

If we raise the unit rates for Supported Living Services (SLS) won't that affect people's Service Plan Authorization Limit (SPAL)? Isn't this lowering their level of services?

The SPAL will be increased coinciding with the rate increase.

Is there going to be a notification letter, poster, or process to notify workers about the base wage?

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The Department will provide a standard letter which providers will be required to share with Direct Care Workers informing them of these changes.

Eligible Services & Workers

What services are included in the \$15 base wage?

Please see the list of services in [Operational Memo 21-087](#).

Can other activities be paid at a lower rate than \$15.00 per hour? For example, would travel time have to be paid at this rate?

Providers that bill for eligible services must pay Direct Care Workers a base wage of \$15.00 per hour. The provision of eligible waiver services may include activities such as travel time and administrative tasks. If a worker performs activities outside of the listed eligible services, those tasks would not be impacted by this requirement.

Does this apply to Independent Contractors?

Yes, the base wage applies to any independent contractor that performs eligible services.

Does this base wage also apply for relative caregivers?

Yes, relative caregivers performing eligible services must also receive the base wage.

I am a Direct Care Worker. If I don't receive the base wage, what do I do?

Direct Care Workers can email the Department's Financial Compliance Unit (FCU) at HCPF_WageCompliance_FCUC@state.co.us if they are not receiving the base wage. FCU will review the issue and reach out to the Direct Care Worker if additional information is needed.

Reporting Requirements

Which providers must report to the Department?

Any provider that renders eligible waiver services must report compliance with the base wage requirements to the Department.

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Are CDASS employers or FMS vendors required to report to the Department?

CDASS employers are not required to submit the attestation to report compliance with the base wage to the Department. The Financial Management Services (FMS) vendors are contractually required to complete reports that will be used for this purpose. CDASS employers and FMS vendors must comply with the base wage and ensure attendants receive the standard notification letter.

When are providers required to attest that they have implemented the base wage?

All providers are required to submit the attestation to the Department no later than June 30, 2022 and June 30, 2023. The Department will issue an Operational Memo with the attestation form and instructions for completion in early 2022.

How should providers send the Department their attestation?

The Department will issue an Operational Memo that includes the standard attestation form and instructions for completion in early 2022.

If providers are only required to submit their attestation one time per year, how will they demonstrate compliance for new employees hired after the attestation is submitted?

Providers will not need to resubmit their attestation for each new hire after submitting the attestation form. Providers are required to hire any new employees at a minimum of \$15 per hour and maintain supporting documentation demonstrating the base wage is implemented for all current and new Direct Care Workers.

What are the reporting requirements?

The provider will use the Department's attestation form to report by June 30, 2022 and June 30, 2023 that Direct Care Workers are paid at least the base wage, or received the percentage increase for IRSS Direct Care Workers paid a daily per diem. The Department will reach out to providers after they have reported for additional information as necessary to ensure compliance with the base wage requirement. Records demonstrating compliance with the base wage requirement must be retained for no less than six years. The Department has ongoing discretion to request this documentation and providers are required to

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respond to a request within the timelines and format specified by the Department.

Are there reporting requirements for how providers use remaining funding after the base wage is applied? Are there any restrictions for use?

No. There is no requirement for providers to report how they use remaining funding after they implement the base wage.

Is it okay to implement the \$15.00 base wage for staff prior to January 1, 2021?

Yes, absolutely. Providers can implement the base wage prior to January 1, 2022. Providers will need to attest that all Direct Care Workers earn the base wage as of January 1, 2022.

Where can I find the regulations about the base wage?

The Colorado Code of Regulations regarding the base wage requirement can be found at [10 C.C.R. 2505-10 Section 8.511](#).

For information about the Base Wage Requirement or this FAQ, please contact:

HCPF_DCWorkforce@state.co.us for general questions or feedback relating to workforce issues.

HCPF_WageCompliance_FCU@state.co.us for questions regarding reporting requirements and maintaining supporting documentation.

