

**ARPA Health Care Workforce Supports
Act 2 of 2022 Report
to the Pennsylvania General Assembly**

Tom Wolf, Governor

Meg Snead, Acting Secretary of Human Services

December 31, 2022



pennsylvania
DEPARTMENT OF HUMAN SERVICES

Purpose/Introduction

This report provides the information required to be reported by Section 102-J(d) of the [Fiscal Code](#) (P. L. 343, No.176) relating to American Rescue Plan Act of 2021 (ARPA) Health Care Workforce supports.

This report addresses staff retention payments. As required by Act 2 of 2022 (P. L. 5, No.2) (Act 2), a separate report will be issued by March 29, 2023, addressing staff recruitment payments.

Background

Act 2 appropriated a total of \$210 million in Federal funds from the COVID-19 Response Restricted Account to the Department of Human Services (Department) for qualified staff retention and recruitment payments. The funds received under Act 2 are ARPA funds and are specifically for staff recruitment and retention payments.

Per Act 2, the Department is administering the program which consists of two funding streams: \$100 million for eligible acute care hospitals, critical access hospitals, and children's hospitals based on licensed bed capacity; and \$110 million for eligible high-Medical Assistance (MA) hospitals, critical access hospitals, and behavioral health providers based on licensed bed capacity. The Department calculated entity-specific payment amounts in accordance with Section 102-J of Act 2, in consultation with the Department of Health.

As a condition of payment, an entity receiving a payment must:

- be in operation as of December 30, 2021, and maintain operations until at least December 31, 2022;
- submit a staff retention payment report to the Department by September 30, 2022;
- submit a staff recruitment payment report to the Department by December 31, 2022; and
- submit a completed Federal Funding Accountability and Transparency Act (FFATA) form with each payment report.

As noted in Act 2, the Department may recover payment from an entity that receives payment from the Department if the entity does not comply with the provisions of Act 2 or with federal or state law or guidance.

This report addresses the staff retention payment reports made to the Department under Act 2. As required by Section 102-J(d) of Act 2, the Department will issue a separate report by March 29, 2023, to address staff recruitment payments.

Results of Staff Retention Reports

The Department released a reporting template and instructions to all entities that received a payment under Act 2. As of December 15, 2022, the Department received a staff retention report from 256 entities.

The following summarizes the information in the staff retention reports.

- 250 entities provided retention payments or bonuses to staff, regardless of funding source, between December 31, 2021, and the submission date of their staff retention report. Six entities submitted a staff retention report indicating they did not provide retention payments or bonuses to staff.
- 200,535 staff retention payments or bonuses totaling \$299.5 million were paid between December 31, 2021, and the submission date of the entities' staff retention report. This includes any additional retention incentives, regardless of funding source.
- 162,988 staff retention payments or bonuses, funded by Act 2, totaling \$195.8 million were paid between December 31, 2021, and the submission date of the entities' staff retention report.
- The overall ratio of permanent staff to contracted agency/temporary staff as of December 30, 2021, was 11.75:1.
- The overall ratio of permanent staff to contracted agency/temporary staff as of the submission date of the entities' staff retention report was 10.08:1.
- \$1,197 was the average amount of a staff payment or bonus per employee. The average amount of a staff payment or bonus per employee classification is as follows:
 - \$1,338 – Nursing Services (RNs, LPNs, CRNPs, etc.)
 - \$1,045 – Direct Patient Care Services¹
 - \$1,172 – Clinical Care Services²
 - \$1,040 – Environmental Services (housekeeping, janitorial, or other services responsible for the safety and cleanliness of a hospital or other eligible facility)
- Entities used the following criteria when determining a staff retention payment or bonus:
 - Job classification – 225 entities
 - Longevity – 90 entities
 - Staff/Committee recommendation – 130 entities
 - Income threshold – 3 entities
 - Union agreement – 22 entities
 - Other – 125 entities

¹ Direct Patient Care Services as defined by the Act: The direct performance of any the following services to a patient by qualified staff: (1) Assessment. (2) Examination. (3) Treatment. (4) Medication administration. (5) Rehabilitation. (6) Direct care services. (7) Preparation for clinical care services.

² Clinical Care Services as defined by the Act: The diagnostic, treatment or rehabilitative services provided in an entity, including the following services: (1) Radiology and diagnostic imaging, such as magnetic resonance imaging and positron emission tomography. (2) Radiation therapy. (3) Respiratory therapy. (4) Phlebotomy. (5) Electrocardiogram and electroencephalography. (6) Laboratory medical services.

- 180 entities indicated that staff were engaged in the determination of staff retention payments or bonuses using the following means of engagement:
 - Staff meetings – 110 entities
 - Staff surveys – 26 entities
 - Staff council/board/etc. – 84 entities
 - Union-related communication – 38 entities
 - Other - 58 entities
- The following activities were identified by entities as being included in the facility’s retention plan through December 31, 2023:
 - Enhance training – 174 entities
 - Increase compensation (defined as pay and benefits) – 211 entities
 - Employee incentives (performance-based or otherwise) – 120 entities
 - Employee satisfaction – 201 entities
 - Employee wellness programs, including mental health support – 149 entities
 - Flexible scheduling – 140 entities
 - Employee assistance programs – 141 entities
 - Additional time off – 23 entities
 - Promotional opportunities – 105 entities
 - Other – 75 entities
- Overall, 163,499 employees received a bonus or payment. Of those 143,169, or 88%, were still employed at the facility as of the submission date of each entity’s staff retention report. Statistics by employee classification are as follows:
 - Nursing Services – 73,986 received a bonus with 64,171 still employed
 - Direct Payment Care Services – 54,444 received a bonus with 48,055 still employed
 - Clinical Care Services – 26,142 received a bonus with 22,917 still employed
 - Environmental Services – 8,927 received a bonus with 8,026 still employed

Next Steps

On December 9, the Department sent the first in a series of recovery letters to entities that received an Act 2 payment but had not submitted the required staff retention report by the due date. Non-reporting entities were asked to submit the required report by December 15 or return the funds to the Department by January 8.

The Department will continue to work with entities on any noted reporting discrepancies.