

July 28, 2020

<Provider Name>
<Provider Address 1>
<Provider Address 2>
<Provider City> <State> <zipcode5-zipcode4>

Dear Provider:

RE: Notice to Provide Form 1099-MISC to Beneficiaries Who Transport Themselves and Individuals with a Vested Interest Who Transport Beneficiaries

The Michigan Department of Health and Human Services (MDHHS) is writing to inform you about changes to the Non-Emergency Medical Transportation (NEMT) program. A new mileage rate and process will affect beneficiaries who transport themselves and individuals with a vested interest who transport beneficiaries (a relative or friend of a beneficiary).

In order to implement a consistent mileage rate between programs and counties, MDHHS standardized the mileage rate to match the Internal Revenue Service (IRS) premium mileage rate (currently \$0.575/mile). The standardized mileage rate is effective for expenses incurred on or after December 1, 2019. Furthermore, in compliance with IRS regulations, MDHHS tracks certain NEMT payments as taxable income. MDHHS will provide form 1099-MISC to individuals who earn payments totaling \$600 or more during a calendar year. Individuals who earn less than \$600 in a calendar year will be exempt from receiving form 1099-MISC. Individuals should consult their tax advisor for information related to tax deductions. These changes may impact an individual's eligibility for assistance programs, depending on the assistance program's income eligibility requirements.

Additionally, in compliance with IRS regulations, MDHHS will tax an NEMT payment if the reimbursement request is submitted to MDHHS past the IRS submission deadline from the date the expense is incurred. To allow the MDHHS local office enough time to process reimbursement requests, individuals should submit reimbursement requests as soon as possible.

Refer to the MDHHS website for current information regarding NEMT reimbursement. Go to www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Non-Emergency Medical Transportation.

Questions regarding this letter should be e-mailed to MSAPolicy@michigan.gov. Thank you for your service to Medicaid beneficiaries.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Massey', with a long horizontal flourish extending to the right.

Kate Massey, Director
Medical Services Administration