

November 16, 2021

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

Dear Provider:

RE: Fiscal Year 2022 Direct Care Worker Wage Increase

Pursuant to Public Act 87 of 2021, the Michigan Department of Health and Human Services (MDHHS) will implement a wage increase for direct care workers. This applies to the MDHHS programs and service codes listed below:

Program Name	Services	Related HCPCS Codes
MI Choice Waiver	Community Living Supports, Respite, Adult Day Health	H2015, H2016, S5150, S5151, S5100, S5101, S5102
MI Health Link	Expanded Community Living Supports, Personal Care, Respite, Adult Day Program	H2015, H2016, S5150, S5151, T1019, S5100, S5101, S5102
Behavioral Health	Community Living Supports Overnight Health and Safety Supports Personal Care Prevocational Services Respite Skill Building ABA Adaptive Behavior Treatment ABA Group Adaptive Behavior Treatment ABA Exposure Adaptive Treatment Crisis Residential Services Residential Services -SUD Residential Services – Co-occurring SUD/MH Withdrawal Management – SUD Supported Employment	97153, 97154, 0373T, H0043, H0019, H0010, H0012, H0014, H0018, H2014, H2015, H2016, T2027, T1020, T2015, S5151, T1005, H2023

The wage increase for services provided October 1, 2021 through September 30, 2022 is intended to cover a \$2.35 per hour increase in direct care worker wages, along with an additional \$0.29 per hour for agencies to cover their additional costs associated with implementing this increase. **The \$2.35 per hour should be paid in addition to the worker's regular wage, but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on March 1, 2020. This wage increase must be recorded separately from base pay on payroll documents and labelled as "FY 2022 Provider Pay Increase"**. The \$2.35 per hour payment must be applied entirely to direct care worker wages. The \$2.35 and \$0.29 per hour amounts may be implemented by an equivalent as divided per billing unit. One example of "an equivalent as divided per billing unit" is, for programs billing in 15-minute increments, the payment would be \$0.5875 per 15-minute unit for the direct care worker, and \$0.0725 per 15-minute unit for the additional agency cost.

For program participants receiving services through a self-determination arrangement under the behavioral health, MI Health Link and MI Choice Waiver programs, direct care workers must receive this \$2.35 wage increase for the hours or billing units worked between October 1, 2021, and September 30, 2022. The Fiscal Intermediary, or agency (for Agency with Choice), must receive \$0.29 per hour for related taxes. The "equivalent as divided per billing unit" described above applies.

All wage increase payments are subject to audit and potential recoupment. Providers should retain documentation that supports the distribution to direct care workers and that payments were made in accordance with the requirements in this letter. Section 231 of Public Act 87 of 2021 requires additional wage reporting. MDHHS is currently working on the legislatively mandated reporting requirements and will provide additional guidance once they are finalized.

A direct care worker may choose to not receive the wage increase. This choice must be indicated in writing or electronically. This individual's employer must give back to the entity paying for services, as described in the table above, any funds allocated for this individual's wage increase.

Direct care workers should still follow the guidance issued in March 2020 titled "Actions for Caregivers of Older Adults During COVID-19" along with the document "Actions for Caregivers for Older Adults Addendum Frequently Asked Questions". These documents describe recommendations for in-home direct care workers and methods to assure a face-to-face visit is needed. These documents can be found at: https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860_78446_78448---,00.html.

Direct care workers who are providing behavioral health services should also follow the additional guidance found at: https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941-146590--,00.html.

Adult Foster Care homes and Homes For the Aged should follow guidance and reporting instructions provided on the MDHHS Coronavirus webpage at: https://www.michigan.gov/coronavirus/0,9753,7-406-98178_100722---,00.html under the Staffing tab and the “Direct Care Worker Resources” heading.

If you have questions, you can call Provider Support at 1-800-979-4662 or e-mail them at providersupport@michigan.gov.

An electronic version of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Massey', followed by a horizontal line extending to the right.

Kate Massey, Director
Medical Services Administration