

Michigan Department of Community Health

Bulletin Number: MSA 08-28
Distribution: Home Help Provider Agencies
Issued: July 1, 2008
Subject: Home Help Agency Rates
Effective: August 1, 2008
Programs Affected: Medicaid

The purpose of this bulletin is to inform Home Help Agencies of revisions to the Medicaid Home Help Program rates and agency definition.

Medicaid beneficiaries demonstrating a need for personal care assistance may elect to receive covered home help services from either individual or agency providers. In October 2006, the state established a wage rate for all individual providers of home help services.

Effective August 1, 2008, Michigan Department of Community Health (MDCH) will establish a wage rate for agency providers of home help services across all counties in the state. All future wage increases for both individual and agency providers will occur concurrently and will be adjusted based on changes in the state's minimum wage law or consistent with legislative appropriations impacting the Home Help Program.

POLICY CHANGES

Definition of Agency

Currently, a home help service provider is considered an agency when one of two criteria is met: a) the provider is a Medicaid enrolled Home Health Agency, or b) the provider possesses or has applied for a federal tax ID number AND employs or (sub)contracts with two or more persons to provide home help services. This definition of an agency provider is being expanded to include additional requirements. In order to be considered an agency, a provider must:

1. Have a federal tax ID number
2. Pay the employer portion of Federal Insurance Contributions Act (FICA)

Agencies working with independent contractors, instead of hiring employees, must demonstrate that the stated employment status of worker(s) is consistent with IRS regulations that define employee and employer for purposes of employment taxes. Documentation must be verifiable by the Department of Human Services (DHS). This may include signed copies of contractor contracts, 1099 documentation, IRS SS-8 determinations (Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding) and/or copies of the independent contractor's liability insurance.

3. Pay the employer share of unemployment insurance.

Agencies that are nonprofit, 501(c)(3) organizations, may meet the requirement to pay for unemployment claims in one of two ways: through payment of the state unemployment insurance tax (SUI) or as a reimbursing employer paying the state only for claims paid out to former employees.

In order to meet the definition of an agency, nonprofit organizations that choose to pay unemployment claims as a reimbursing employer must demonstrate that they hold a current tax exempted status under section 501(c)(3) of the Internal Revenue Code.

The above requirements are applicable to all agency providers. These agency requirements will be verified by the Department of Human Services at the next re-determination date for the beneficiaries being served by an agency.

Agency Rates

Agency rates for reimbursement of home help services will be predicated on the following rules:

- If a county does not currently have an agency rate, the agency rate for the county will be at an amount equal to 170% of the county's individual provider rate.
- Effective August 1, 2008, county agency rates shall be increased by five percent (or by a lesser amount if the lesser amount achieves the target rate of 170% of the county's individual provider rate) unless the current agency rate is equal to or greater than 170% of the county's individual rate. Any agency rates equal to or greater than 170% of the county's new individual provider rate shall be frozen until such time that the agency rate is equal to or less than 170% of the county's individual provider rate.
- The minimum agency rate for any county shall be 170% of the lowest county individual provider rate in the state.
- The maximum agency rate for any county shall be 200% of the lowest county individual rate in the state at the time of policy implementation. Any county's agency rate that is currently above that amount will be frozen until such time as an increase is necessary to achieve a rate that is 170% of the county's individual provider rate.
- All agency rates shall be rounded to the nearest quarter (twenty five cents).
- Any agency rates that do not conform to the policy outlined above but were approved for an individual client shall remain in effect for that client until such time that respective agency-client relationship is terminated or until the above stated policy would result in a higher rate.
- Agency rates are not transferable from county to county.

There will be no exceptions granted for deviation from the respective rates resulting from implementation of this policy.

The agency rates resulting from the establishment of this policy are not applicable to individual home help providers.

Manual Maintenance

This policy has been developed jointly by the Michigan Department of Community Health and the Department of Human Services. Applicable policy is published in the DHS Adult Services Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Paul Reinhart, Director
Medical Services Administration

Home Help Provider Agency Rates

Effective August 1, 2008

County Number	County Name	Agency Provider Rate
1	Alcona	\$12.75
2	Alger	\$13.50
3	Allegan	\$12.75
4	Alpena	\$13.50
5	Antrim	\$14.50
6	Arenac	\$12.75
7	Baraga	\$12.75
8	Barry	\$12.75
9	Bay	\$13.50
10	Benzie	\$13.50
11	Berrien	\$12.75
12	Branch	\$12.75
13	Calhoun	\$14.50
14	Cass	\$12.75
15	Charlevoix	\$13.00
16	Cheboygan	\$14.50
17	Chippewa	\$13.75
18	Clare	\$12.75
19	Clinton	\$14.50
20	Crawford	\$12.75
21	Delta	\$12.75
22	Dickinson	\$13.75
23	Eaton	\$14.50
24	Emmet	\$13.00
25	Genesee	\$12.75
26	Gladwin	\$13.00
27	Gogebic	\$12.75
28	Grand Traverse	\$14.50
29	Gratiot	\$14.50
30	Hillsdale	\$14.50
31	Houghton	\$15.00
32	Huron	\$12.75
33	Ingham	\$13.75
34	Ionia	\$12.75
35	Iosco	\$14.50
36	Iron	\$14.50
37	Isabella	\$12.75
38	Jackson	\$14.50
39	Kalamazoo	\$14.50
40	Kalkaska	\$14.75
41	Kent	\$15.50
42	Keweenaw	\$15.00

County Number	County Name	Agency Provider Rate
43	Lake	\$12.75
44	Lapeer	\$14.00
45	Leelanau	\$14.00
46	Lenawee	\$13.50
47	Livingston	\$12.75
48	Luce	\$13.00
49	Mackinac	\$14.50
50	Macomb	\$14.25
51	Manistee	\$13.50
52	Marquette	\$12.75
53	Mason	\$15.00
54	Mecosta	\$12.75
55	Menominee	\$12.75
56	Midland	\$13.00
57	Missaukee	\$12.75
58	Monroe	\$14.50
59	Montcalm	\$12.75
60	Montmorency	\$14.00
61	Muskegon	\$14.50
62	Newaygo	\$12.75
63	Oakland	\$12.75
64	Oceana	\$15.00
65	Ogemaw	\$14.50
66	Ontonagon	\$15.00
67	Osceola	\$12.75
68	Oscoda	\$12.75
69	Otsego	\$15.00
70	Ottawa	\$12.75
71	Presque Isle	\$13.25
72	Roscommon	\$14.50
73	Saginaw	\$12.75
74	St. Clair	\$14.50
75	St. Joseph	\$14.50
76	Sanilac	\$12.75
77	Schoolcraft	\$12.75
78	Shiawassee	\$12.75
79	Tuscola	\$12.75
80	VanBuren	\$14.50
81	Washtenaw	\$14.50
82	Wayne	\$13.00
83	Wexford	\$12.75