

Bulletin Number: MSA 09-32

Distribution: Home Help Provider Agencies

Issued: June 1, 2009

Subject: Home Help Provider Agency Policy Clarification

Effective: July 1, 2009

Programs Affected: Medicaid

Effective August 1, 2008, the Michigan Department of Community Health (MDCH) established a wage rate for home help provider agencies (herein referred to as agencies) across all counties in the state. MDCH also established additional requirements that must be met in order to meet the definition of an agency (see bulletin MSA 08-28). This bulletin further clarifies the criteria that must be met in order to qualify as an agency, provides additional information as to the acceptable documentation agencies need to present, and addresses payment amounts for all home help providers operating in counties where the Department of Human Services (DHS) has established dual county operations.

Criteria and Documentation

Agencies are to submit complete documentation to the DHS Adult Services worker at the client's case opening or re-determination for home help services. The worker will forward all paperwork to MDCH for review to determine if the agency meets the established criteria. Agencies will receive a determination letter from MDCH stating the agency has met the criteria and is approved, has not met the criteria and is denied, or the agency must submit additional information in order to meet the requirements. Some agencies may receive provisional approval. These agencies may provide client services, however, any actions specified in the provisional approval letter must be satisfied within the timeframe specified or the provisional approval will be withdrawn.

Once approved, an agency shall present the approval letter at case openings and re-determinations for all home help clients to document that it has met the agency requirement. Agencies will not be required to annually submit paperwork for verification. MDCH will randomly select agencies and request they submit documentation for verification.

An agency must continue to notify the DHS Adult Services worker within 10 business days of any changes that may affect its meeting the agency requirement. Failure to report changes may result in the recoupment of money paid to the agency.

Each agency must:

1. Provide documentation of a Federal Tax ID Number (TIN), also known as Employer Identification Number (EIN), and
2. Employ or subcontract with two or more persons, not including the agency owner, to provide home help services.

After fulfilling the above criteria, an agency will then fall into one of two categories: (1) the agency will be the direct employer of its service providers and they are considered employees of the agency, or (2) the agency will contract with its service providers and they will be subcontractors of the agency.

Agencies that Directly Employ Service Providers

An agency that directly employs its service providers must document that Federal Insurance Compensations Act (FICA) taxes and State Unemployment Insurance (SUI) are paid for all service providers.

FICA is paid on a quarterly basis. The agency's current IRS-941, Employer's Quarterly Federal Tax Return, will serve to document the agency has paid FICA for its employees.

SUI, also paid on a quarterly basis, is documented by presentation of the agency's current UIA-1020, Employer's Quarterly Tax Report.

There are agencies that employ their service providers that qualify as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. These agencies may choose to pay SUI on a quarterly basis or they may choose to pay as a reimbursing employer. If the agency chooses to pay as a reimbursing employer, the state is paid only for claims actually paid out to former employees. In these cases, the agency's current UIA-1020-R, Reimbursing Employer's Quarterly Payroll Report, will serve as documentation.

Agencies that Subcontract with Service Providers

Agencies that subcontract with service providers are not required to pay FICA or SUI. Copies of subcontractor agreements in addition to Internal Revenue Service (IRS) 1099 forms will serve as documentation.

The 1099 is an IRS form that states how much was paid to a subcontractor for the year. It is a record of income paid by the agency to the subcontractor. The agency is responsible for preparing and sending the information to the subcontractor and to the IRS. Agencies are required to submit this information for every person that is not an employee.

Agencies that subcontract may also present the response letter to an IRS SS-8 form request. The IRS SS-8 is a request that an agency can make to the IRS to determine an employee's work status for the purposes of Federal Employment Taxes and Income Tax Withholding. It states whether a worker is an employee or a subcontractor.

Dual County Payment Rates

Home help providers that operate in counties where DHS has established dual county operations will receive the higher of the two established county rates. This will be applicable to agency and individual providers. The attached sheet provides payment rates for home help providers. The higher payment rate was used for counties where dual county operations are indicated.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider 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



Stephen Fitton, Acting Director
Medical Services Administration

Michigan Department of Community Health
Home Help Provider Rates by County
Individual and Agency

MSA 09-32 - Attachment

County Code	County Name	Dual County Code	Dual County Name	Third County Code	Third County Name	Individual Rate	Agency Rate
1	Alcona	35	Iosco			\$7.50	\$14.50
2	Alger	77	Schoolcraft			\$8.00	\$13.50
3	Allegan					\$7.50	\$12.75
4	Alpena	71	Presque Isle			\$7.50	\$13.50
5	Antrim	40	Kalkaska			\$8.00	\$14.75
6	Arenac	9	Bay			\$7.50	\$13.50
7	Baraga	31	Houghton	42	Keweenaw	\$7.50	\$15.00
8	Barry	23	Eaton			\$7.50	\$14.50
9	Bay	6	Arenac			\$7.50	\$13.50
10	Benzie	51	Manistee			\$10.50	\$13.50
11	Berrien					\$7.50	\$12.75
12	Branch	30	Hillsdale			\$7.50	\$14.50
13	Calhoun					\$7.50	\$14.50
14	Cass	75	St. Joseph			\$7.50	\$14.50
15	Charlevoix	24	Emmet			\$7.50	\$13.00
16	Cheboygan	49	Mackinac			\$7.50	\$14.50
17	Chippewa	48	Luce			\$8.50	\$13.75
18	Clare	26	Gladwin			\$7.50	\$13.00
19	Clinton	29	Gratiot			\$7.50	\$14.50
20	Crawford	69	Otsego			\$8.00	\$15.00
21	Delta	55	Menominee			\$8.00	\$12.75
22	Dickinson	36	Iron			\$7.50	\$14.50
23	Eaton	8	Barry			\$7.50	\$14.50
24	Emmet	15	Charlevoix			\$7.50	\$13.00
25	Genesee					\$7.50	\$12.75
26	Gladwin	18	Clare			\$7.50	\$13.00
27	Gogebic	66	Ontonagon			\$8.00	\$15.00
28	Grand Traverse	45	Leelanau			\$10.50	\$14.50
29	Gratiot	19	Clinton			\$7.50	\$14.50
30	Hillsdale	12	Branch			\$7.50	\$14.50
31	Houghton	7	Baraga	42	Keweenaw	\$7.50	\$15.00
32	Huron	79	Tuscola			\$7.50	\$12.75
33	Ingham					\$7.50	\$13.75
34	Ionia	59	Montcalm			\$7.50	\$12.75
35	Iosco	1	Alcona			\$7.50	\$14.50
36	Iron	22	Dickinson			\$7.50	\$14.50
37	Isabella	56	Midland			\$7.50	\$13.00
38	Jackson					\$8.00	\$14.50
39	Kalamazoo					\$7.50	\$14.50
40	Kalkaska	5	Antrim			\$8.00	\$14.75
41	Kent					\$7.50	\$15.50
42	Keweenaw	7	Baraga	31	Houghton	\$7.50	\$15.00
43	Lake	62	Newaygo			\$7.50	\$12.75

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County Code	County Name	Dual County Code	Dual County Name	Third County Code	Third County Name	Individual Rate	Agency Rate
44	Lapeer	76	Sanilac			\$7.50	\$14.00
45	Leelanau	28	Grand Traverse			\$10.50	\$14.50
46	Lenawee					\$9.00	\$13.50
47	Livingston	78	Shiawassee			\$8.50	\$12.75
48	Luce	17	Chippewa			\$8.50	\$13.75
49	Mackinac	16	Cheboygan			\$7.50	\$14.50
50	Macomb					\$7.50	\$14.25
51	Manistee	10	Benzie			\$10.50	\$13.50
52	Marquette					\$7.50	\$12.75
53	Mason	64	Oceana			\$7.50	\$15.00
54	Mecosta	67	Osceola			\$7.50	\$12.75
55	Menominee	21	Delta			\$8.00	\$12.75
56	Midland	37	Isabella			\$7.50	\$13.00
57	Missaukee	83	Wexford			\$7.50	\$12.75
58	Monroe					\$7.50	\$14.50
59	Montcalm	34	Ionia			\$7.50	\$12.75
60	Montmorency	68	Oscoda			\$7.50	\$14.00
61	Muskegon					\$8.00	\$14.50
62	Newaygo	43	Lake			\$7.50	\$12.75
63	Oakland					\$7.50	\$12.75
64	Oceana	53	Mason			\$7.50	\$15.00
65	Ogemaw	72	Roscommon			\$7.50	\$14.50
66	Ontonagon	27	Gogebic			\$8.00	\$15.00
67	Osceola	54	Mecosta			\$7.50	\$12.75
68	Oscoda	60	Montmorency			\$7.50	\$14.00
69	Otsego	20	Crawford			\$8.00	\$15.00
70	Ottawa					\$8.25	\$12.75
71	Presque Isle	4	Alpena			\$7.50	\$13.50
72	Roscommon	65	Ogemaw			\$7.50	\$14.50
73	Saginaw					\$7.50	\$12.75
74	St. Clair					\$7.50	\$14.50
75	St. Joseph	14	Cass			\$7.50	\$14.50
76	Sanilac	44	Lapeer			\$7.50	\$14.00
77	Schoolcraft	2	Alger			\$8.00	\$13.50
78	Shiawassee	47	Livingston			\$8.50	\$12.75
79	Tuscola	32	Huron			\$7.50	\$12.75
80	Van Buren					\$7.50	\$14.50
81	Washtenaw					\$7.50	\$14.50
82	Wayne					\$7.50	\$13.00
83	Wexford	57	Missaukee			\$7.50	\$12.75