

June 21, 2021

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

Dear Provider:

RE: COVID-19 Response: Premium Pay for Adult Foster Care and Homes for the Aged

This letter serves as an addendum to L Letter 21-30 regarding direct care worker premium pay passed under Public Act 2 of 2021. This letter is specific to premium payment made to direct care workers employed by State of Michigan licensed adult foster care (AFC) or homes for the aged (HFA) residential settings. This applies to the Michigan Department of Health and Human Services (MDHHS) programs and service codes listed below:

Program Name	Services	Related HCPCS Codes
Behavioral Health	Community Living Supports Personal Care Crisis Residential Services Residential Services -SUD Residential Services – Co-occurring SUD/MH	H0018, H0019, H2016, T1020
MI Choice Waiver	Community Living Supports, Respite	H2015, H2016, S5150, S5151
MI Health Link	Expanded Community Living Supports, Respite	H2015, H2016, S5150, S5151

Direct care worker premium payments for the aforementioned programs must be coordinated with MDHHS to avoid duplicative payment. On a monthly basis, program entities (MI Choice Waiver agencies, Prepaid Inpatient Health Plans, and MI Health Link Integrated Care Organizations) will receive a list from MDHHS that will include all AFCs and HFAs that received the Medicaid personal care supplemental payment by MDHHS the previous month for at least one Medicaid beneficiary residing in those settings. For those settings on the list from MDHHS, the program entity **must not** pay the direct care worker premium pay. It will be up to those settings to request premium payment directly from MDHHS. The AFCs and HFAs will be informed of that process by MDHHS. The payment from MDHHS will include \$2.25 per hour plus FICA payroll tax.

There may be some Medicaid beneficiaries residing in licensed AFC or HFA settings **not included on the list of settings from MDHHS and receiving services indicated above**. For these beneficiaries, as applicable, the program entities indicated above must pay these settings the premium pay for direct care workers providing services. The premium payment is \$2.25 per hour applied directly to direct care worker wages and recorded separately from base pay. The \$2.25 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 \$0.56 per 15-minute unit for the direct care worker. An additional \$0.27 per hour or billing unit equivalent must be paid to the AFC or HFA to cover employer taxes associated with implementing this increase.

All Premium 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 and letters L 20-28, L 20-42, L 20-67, L 21-02, and L 21-30.

If you have questions, you can call Provider Support at 1-800-979-4662 or e-mail at [providersupport@michigan.gov](mailto:providersupport@michigan.gov).

An electronic version of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders)  
>> Policy, Letters & Forms.

Sincerely,



Kate Massey, Director  
Medical Services Administration