

Michigan Department of Health and Human Services
Home for the Aged (HFA) & Adult Foster Care (AFC) COVID-19 Response: Direct
Care Worker Wage Increase
Frequently Asked Questions

April 30, 2021

1. How do I know if my HFA/AFC is eligible for the \$2.25 direct care wage increase for staff?

A licensed HFA/AFC must be receiving the Medicaid Personal Care Supplement Payment for at least one Medicaid resident in their facility. MDHHS is verifying eligibility based on the Personal Care Supplement reimbursement so it is very important that you submit your Personal Care Supplement billing timely to ensure timely eligibility/reimbursement of any DCW wages.

For licensed facilities that have a resident enrolled in an Integrated Care Organization please contact MDHHS-HFA-COVID-PAYMENT@michigan.gov and request assistance. MDHHS will need to know if there are other residents residing in the facility that receive a Medicaid Personal Care Supplement through the Adult Services Authorized Payments (ASAP) or if the facility bills an ICO for the Personal Care Supplement. Please do not send resident specific information via email.

2. Are licensed facilities that do not have any Medicaid residents eligible for reimbursement? Do I have to be a licensed facility to receive the reimbursement?

Licensed facilities that are receiving the Medicaid Personal Care Supplement Payment for at least one Medicaid resident are eligible for reimbursement of the direct care worker wage increase for their direct care staff. The facility must have at least one Medicaid resident receiving the Personal Care Supplement during the same month they are requesting reimbursement for the \$2.25 direct care wage increase. Facilities accepting only private pay or other non-Medicaid funding sources are not eligible for the direct care worker wage increase.

Licensed facilities that have Medicaid residents and receive a combination of the Medicaid Personal Care Supplement Payment and payment for services provided to beneficiaries enrolled in other Medicaid programs (MI Choice, Behavioral Health, or MI Health Link), will receive the direct care worker wage increase directly from MDHHS by submitting a request to MDHHS for all of their direct care staff that qualify.

Licensed facilities receiving reimbursement through some other Medicaid funded program but DO NOT have any Medicaid residents receiving the Personal Care Supplement will continue to receive the direct care worker wage increase reimbursement through those programs, but only for services authorized and provided by the programs. This process will be the same as it has been for other direct care worker premium payments since April 2020.

If you receive reimbursement under the HFA/AFC reimbursement methodology you will no longer be eligible under any other direct care wage reimbursement methodology.

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3. Who is entitled to the wage increase?

Direct care workers include only those staff who are employees of the facility and provide direct hands-on personal care services or direct hands on supervised personal care to residents. Staff are only eligible for the hours they are awake during their shift and providing direct care to residents.

- a. Personal care means personal assistance provided by a licensee or employee of a licensee to a resident who requires assistance with dressing, personal hygiene, grooming, maintenance of a medication schedule (administration of medication) as directed and supervised by the resident's physician, or the development of those personal and social skills required to live in the least restrictive environment.
- b. Supervised personal care means guidance (cuing, prompting, reminding) or assistance with eating, toileting, bathing, grooming, dressing, transferring, mobility, medication management, reminding resident of important activities to be carried out, assisting a resident to keep appointments. This does not mean supervising other staff performing hands on assistance.
- c. Administrative staff who provide personal care services or direct hands on supervised personal care as needed in addition to their administrative duties may qualify for the direct care worker wage increase for the work that is consistent with the tasks defined in 3.a. and 3.b. above. However, only for those hours worked that include the specific tasks for direct personal care services qualify for the wage increase. Those hours must be tracked and documented separately from other hours worked.

4. Does this wage increase apply to all DCWs working in the facility, or only hours caring for the Medicaid resident(s) that the facility is receiving the Personal Care Supplement for?

When the licensed AFC or HFA receives a Personal Care Supplement for at least one Medicaid resident, all staff providing direct hands-on personal care that are working in the facility (inclusive of all units operating under the same license number) would be eligible for reimbursement.

5. Does the direct care worker wage increase apply only to those facilities who have COVID-19 cases confirmed?

No, all Michigan licensed adult foster care and homes for the aged facilities that have at least one Medicaid resident receiving the Medicaid Personal Care Supplement, as described above, are eligible for the direct care worker wage increase.

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6. Are private pay AFC's and HFA's required to pay the \$2.25 per hour hazard pay to direct care workers without receiving a reimbursement?

Public Act 2 of 2021, sec. 251 specifically appropriated funds to adjust the pay of direct care workers who are "employed by the department of health and human services, its contractors, and its subcontractors", please see questions 1, 2 and 3 of this FAQ to determine if you are a qualified facility that will receive reimbursement that will be required to pay the direct care worker wage increase.

When a qualified facility receives reimbursement from MDHHS, failure to pay the wage adjustment to qualified employees may subject that facility to claims, investigation and penalties under any and all applicable laws.

7. What hours are covered?

a. Do we pay the \$2.25 per hour for Personal Time Off or Sick time?

Only actual hours worked that meet the requirements in 3.a. and 3.b above are eligible.

b. Do we pay overtime for hours worked over 40?

Overtime hours would be compensated at the \$2.25 rate.

This FAQ resource explains the MDHHS reimbursement process related to funds appropriated through sec. 251 of PA 2 of 2021 and does not address state and federal wage and hour requirements.

8. What employment costs are eligible for reimbursement? Does the facility have to pay anything out of pocket?

a. Additional employer contributions to the employee's defined benefit or defined contribution plan

Retirement contributions are excluded from the direct care worker wage reimbursement.

b. Increased workers' compensation costs (that may not be realized/calculated until next year)

Workers' compensation costs are not eligible for reimbursement since workers' compensation premium amounts include many factors, not just employee wages.

c. Administrative costs to effect compliance

Administrative costs to comply with the law are not eligible for reimbursement.

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d. Additional unemployment costs

Extra unemployment costs are excluded from the pass-through reimbursement.

e. What payroll tax expenses are eligible for reimbursement?

All employer Medicare and Social Security payroll tax expenses associated with the \$2.25 per hour increase are eligible for reimbursement. State and federal employer unemployment insurance taxes are not eligible for reimbursement. The facility must be able to provide documentation to support that payroll taxes are paid for staff and that staff are not 1099 reportable employees.

9. How are we reimbursed?

a. Obtaining a SIGMA Vendor ID

Reimbursement will be processed through SIGMA, the state's accounting system. Facilities must be registered in SIGMA to receive reimbursement and may [access SIGMA here](#) or [register a new account here](#).

b. Process

Licensed HFAs and AFCs should complete the Direct Care Worker Wage Pass-Through Reimbursement Form after they have processed payroll and submitted their respective AFC/HFA billing for the month to the MDHHS-HFA-COVID-PAYMENT@michigan.gov email box to request reimbursement.

c. Required Documentation

Licensed HFAs and AFCs are required to track eligible expenses and retain documentation (i.e., payroll documentation, resident charting, etc.) to demonstrate that the direct care workers received the wage increase and were eligible for it, and to show that eligible expenses were actually incurred.

10. Does the \$2.25 an hour increase factor into employee bonuses?

The \$2.25 per hour increase is excluded from employee bonuses.

11. Can a licensed HFA or AFC submit one reimbursement request form and make one lump sum payment to their employees?

A qualified licensed HFA or AFC can make one lump sum payment to their employees for hours worked between March 1, 2021 and September 30, 2021 and then submit one reimbursement request form to MDHHS. **HFAs and AFCs should email MDHHS-HFA-COVID-PAYMENT@michigan.gov if they plan to pursue a one-time lump sum payment rather than monthly payments.** Please note that, in accordance with FAQ response 2.

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above, these facilities must receive the Medicaid Personal Care Supplement Payment for at least one Medicaid resident in every month for which they are requesting reimbursement.

12. When will we receive reimbursement?

MDHHS will reimburse monthly or as one lump sum. Licensed HFAs and AFCs should not submit the reimbursement request until after they have processed payroll. MDHHS processing times will depend on the volume and quality of requests.

13. When does the direct care worker wage increase program end?

The direct care worker wage increase payments are reimbursable for qualifying hours worked between March 1, 2021 and September 30, 2021. If a facility pay period extends beyond September 30 (i.e., September 20 – October 3) the wage increase is only required and reimbursable through September 30, 2021.