

**Michigan Department of Health and Human Services  
Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase  
Frequently Asked Questions**

**October 27, 2021**

**1. Will the direct care worker wage increase continue past September 30, 2022?**

**a. Has the direct care worker wage increase been extended?**

Yes, the direct care worker wage increase has been extended through September 30, 2022. We are not aware of any extension into FY 2023 at this point.

**b. Has the reimbursement process changed?**

No, the process for requesting reimbursement remains the same. The only difference is that requests for reimbursement for eligible employee hours and payroll tax expenses through September 30, 2021, must be submitted on separate forms from requests for the October 1, 2021 through September 30, 2022 period.

**c. Have there been any changes to who is entitled to the wage increase?**

No, the employees eligible for the wage increase remain the same.

**d. Have there been any changes to the eligible employee hours and payroll tax expenses? Are there additional eligible employee expenses?**

The eligible employee hours and payroll tax expenses remain the same, and there are no additional eligible employee expenses.

**e. Is there a deadline for submitting direct care worker wage increase reimbursement requests?**

Requests for hours worked between October 1, 2020 through September 30, 2021 *must* be submitted no later than December 31, 2021. Requests for reimbursement for hours worked between October 1 through September 30, 2022, should be submitted by October 31, 2022.

**2. Who is entitled to the increase?**

**a. Are administrative staff entitled to the increase (DON/MDS, etc.)?**

No, administrative staff are not eligible for the direct care worker wage pass-through. Only RNs, LPNs, CNAs and respiratory therapists providing direct patient care are eligible for the \$2.35/hour wage pass-through.

**i. If they are entitled to the increase, how are they paid if they are salaried?**

While the administrative staff are not eligible for the wage pass-through, if any of the eligible direct care employees are salaried their payments would be determined as follows: \$188 per pay period (\$2.35 x 80 hours)

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- b. Do licensed staff working outside of the eligible direct patient care designations (RNs, LPNs, CNAs and respiratory therapists) qualify for the \$2.35 increase? For example:**
- i. Does an activities aide who is also a CNA receive the \$2.35 increase for all hours worked or only the hours worked, if any, as a CNA?**
  - ii. Does an administrator who is also a licensed RN receive the \$2.35 increase?**

If these staff were to provide any direct patient care then they would be eligible for the \$2.35 an hour increase for those hours, but their direct patient hours must be tracked separately from other hours worked.

- c. Are non-certified aides who perform direct care worker duties eligible for the \$2.35 an hour increase?**

No, non-certified aides are not eligible for the direct care worker pass-through payments.

- d. Are non-Medicaid certified nursing facilities eligible for the direct care worker pass-through payments?**

Only nursing facilities certified to participate in either Medicaid or Medicare are eligible for the direct care worker pass-through payments. Licensed only nursing facilities and hospice residences are not eligible for the direct care worker pass-through payments.

- e. Does the direct care worker pass-through apply only to those facilities who have COVID-19 cases confirmed?**

No, all Michigan nursing facilities certified to participate in either Medicaid or Medicare, as described above, are eligible for the direct care worker pass-through payments.

- f. Are contract workers eligible for the \$2.35 an hour wage increase?**

No, contract workers are not eligible for the \$2.35 an hour wage increase.

- 3. Is there a mechanism to include administrative staff that need to work on the floor to support adequate resident care?**

If the administrative staff person is properly licensed or certified (RN, LPN, CNA or respiratory therapist) and if a mechanism exists to track the amount of time an administrative staff works on the floor, then MDHHS will reimburse the \$2.35 pay increase for the time in which they were supporting resident care.

- 4. What hours are covered?**

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**a. Do we pay the \$2.35 for PTO/Sick time?**

No, only actual hours worked are eligible.

**b. We pay 1.5 for working on a holiday; does this mean we have to pay 1.5 times the \$2.35 (\$3.53) for working a holiday (July 4<sup>th</sup> and Labor Day).**

In this scenario, MDHHS would only pay for the \$2.35/hour of employee time worked. The nursing home would have to make up the additional \$1.18/hour if they choose to make holiday pay.

**5. What employment costs are eligible for reimbursement?**

**a. Additional overtime compensation caused by the \$2.35?**

Overtime compensation for non-exempt employees is eligible for reimbursement at a rate of \$3.53 an hour. Eligible overtime hours would include hours worked over 40 hours a week for non-exempt employees not covered under the "8 and 80" system. For employees covered under the "8 and 80" overtime system, overtime hours would include hours worked over 8 hours in a day or over 80 hours in a two week pay period (i.e., if an employee worked 84 hours in a week but had one 12 hours shift then the employee would be eligible for only 4 hours of overtime not 8 hours).

**b. Additional employer contributions to the employee's defined benefit or defined contribution plan?**

No, extra retirement contributions would be excluded from the pass-through reimbursement. Since the Senate Fiscal Agency has taken the assumption that retirement contributions are exempt, MDHHS will also consider them exempt from the reimbursement.

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

No, workers' compensation costs will not be eligible for reimbursement since workers' compensation premium amounts include many factors, not just employee wages.

**d. Administrative costs to effect compliance?**

No, administrative cost to comply with the law will not be eligible for reimbursement.

**e. Additional unemployment costs? See above.**

No, extra unemployment costs would be excluded from the pass-through reimbursement. Since the Senate Fiscal Agency has taken the assumption that unemployment costs are exempt, MDHHS will also consider them exempt from the reimbursement.

**f. What payroll tax expenses are eligible for reimbursement?**

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All employer Medicare and Social Security payroll tax expenses associated with the \$2.35 increase are eligible for reimbursement. State and federal employer unemployment insurance taxes are not eligible for reimbursement.

**6. How are we reimbursed?**

**a. Process**

Nursing homes should complete the Direct Care Worker Wage Pass-Through Reimbursement Form after they have made payroll and submit to the [MDHHS-SNF-Testing-Financial@michigan.gov](mailto:MDHHS-SNF-Testing-Financial@michigan.gov) email box to request reimbursement. **When submitting reimbursement requests nursing homes must not submit overlapping months. For example, if the pay period runs November 28, 2021 through December 4, 2021, all November dates of service must be on one reimbursement form and all December dates on another.** Forms not submitted in this manner will be returned for corrections prior to processing.

**b. Required Documentation**

Nursing homes will be required to track eligible expenses and retain documentation (i.e., payroll documentation, job descriptions, etc.) to demonstrate that the direct care workers received the wage pass-through and were eligible for it, and to show that other eligible expenses were actually incurred.

**7. What is the wage level basis?**

**a. Do I need to include the \$2.35 an hour increase for shift differential pay?**

Yes, the \$2.35 an hour increase applies to shift differential pay so it should be \$2.35 an hour above the shift differential wage rate (e.g., if an employee has a standard wage of \$15 an hour but is paid \$18 an hour to work the night shift, then that employee should receive \$20.35 an hour for hours worked during the night shift).

**b. Does the \$2.35 an hour increase factor into employee bonuses?**

No, the \$2.35 an hour increase is excluded from employee bonuses.

**8. Can a nursing home submit one reimbursement request form and make one lump sum payment to their employees?**

No. A nursing home must submit a reimbursement request for each respective month separately.

**9. When will we receive reimbursement?**

Payments are processed on a weekly basis as reimbursement request forms are received. Processing times will depend on the volume and quality of requests, but MDHHS expects quick turnaround times.

**10. Will Medicaid consider the additional \$2.35 per hour for SNF direct care workers as a direct pass-through and not subject to the VCL limits?**

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The \$2.35/hour will be a direct pass-through separate from the Medicaid nursing facility per diem.

**11. When does the direct care worker pass-through payment program end?**

The direct care worker pass-through payments are reimbursable for the period October 1, 2021 through September 30, 2022. If a facility pay period extends beyond September 30, 2022, the wage increase is only required and reimbursable through September 30, 2022.

**12. Will guidance on the required wage reporting of Public Act 87 of 2021, section 231 be provided?**

Yes, MDHHS is currently working on the legislative mandated reporting requirements. Additional guidance will be provided once it is finalized.