



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

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GOVERNOR

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June 8, 2020

TO: Executive Directors of Prepaid Inpatient Health Plans (PIHPs)
and Community Mental Health Services Programs (CMHSPs)

FROM: Jeffery L. Wieferrich, M.A., LLP, Director *JW*
Bureau of Community Mental Health Services

SUBJECT: Questions/Concerns Surrounding Medicaid/GF/Medicare as a result of Covid-19
Emergency

Following are a number of questions raised by the field with MDHHS responses provided in *red italics font* below each item.

- (1) Some CMHSP employees are being carried on payroll, on administrative leave, that do not have assigned work (e.g., drivers, skill building staff, receptionists, etc.). Are the payroll expenses for this group of staff and Staff that may be ill with COVID allowable Medicaid/HMP expenses?
BHDDA RESPONSE: These costs are appropriately charged (allocated) to Medicaid (as they would be had these workers been affected by a multi-day snow emergency) just as they were before the onset of the COVID-19 pandemic.
- (2) The federal government has created new paid leave time benefits. In addition, some CMHSPs are not covered by that legislation and have created local COVID-19 sick bank benefit(s). Are these employee benefit expenses allowable costs under Medicaid?
BHDDA Response: These costs are appropriately charged (allocated) to Medicaid/HMP just as they were before the onset of the COVID-19 pandemic.
- (3) What is our responsibility if consumers are unable to obtain food/sustenance supplies as a result of loss of income, no transportation or other barriers in this emergency? Group homes are foraging for groceries due to “store quantity limits” even when they take copies of their AFC licenses and as a result historic less expensive bulk purchasing is challenged and available fund sources are not covering food and supply costs.
BHDDA Response: Your responsibility would be to ensure local resources are available and that individuals are informed about how to access those resources.
- (3a) Is GF the allowable and expected fund source for emergency food and supplies?
BHDDA Response: This issue was addressed through the communication directing homes to utilize Gordon Foods or Sysco as options for food needs.

- (4) Is there a plan (or any flexibility) around broadening the Medicaid transportation benefit – to assist consumers to get food, supplies, to get to testing sites and so on. In some areas, public transportation systems are closed or running very reduced schedules.

BHDDA Response: Medicaid did make adjustments to Non-Emergency Medical Transportation; however, it still may not apply to the areas of assistance noted above. Here is the policy - [MSA 20-23-NEMT.pdf](#)

- (5) We are considering the redeployment of employees being carried on administrative leave to other than their assigned work. Is this cost chargeable to Medicaid?

BHDDA Response: Yes. Provided the employee being activated from administrative leave status is providing services or supports, directly or indirectly, to a Medicaid/HMP beneficiary. Just as before the pandemic, personnel reassignment is allocable to Medicaid/HMP to the extent the employee is engaged in supports or services to a Medicaid/HMP beneficiary.

- (6) What fund source will be needed to cover costs if we have to remove a consumer from Specialized Residential or General AFC placement or their own home because of COVID illness, to an alternative treatment site like a hotel?

BHDDA Response: Provided there is no applicable unwaived rule prohibiting the action - for example, room and board costs are prohibited by unwaived rule, and the individual is a Medicaid/HMP beneficiary, these costs are allocable to Medicaid/HMP.

- (6a) Medicaid does not cover room and board, should the system assume we will need to use GF or is there another fund source in this emergency?

BHDDA Response: Yes, GF or local are the appropriate fund sources for room and board costs. There is an unwaived federal rule prohibiting use of Medicaid/HMP for this cost object.

- (7) Health Care Workers will have to be identified to care for the consumer in such an alternate setting. Is there an expectation such staffing will be provided by CMH nursing or other personnel under the Carve Out Medicaid Benefit as this is a different scope of work?

BHDDA Response: We are assuming that Health Care Worker is referring to medical staff. The staffing needs for the alternate locations would be on a case by case basis to determine how medical needs would be addressed. If behavioral health benefits remain appropriate and are still medically necessary, those services would still need to continue in the alternate setting. If the individual is a Medicaid/HMP beneficiary, and there is no applicable unwaived rule prohibiting the action, the cost is allocable to Medicaid/HMP.

- (8) What happens to the provider who loses revenue due to the consumer being removed from the residential location as a result of the Covid-19 infection?

BHDDA Response: Options for potential support are being considered through the PIHP Provider Stability Plans.

- (9) The loss of the revenue could be detrimental to the provider who still has the same expense load on the property and other staff and non-staff related cost.

BHDDA Response: Noted. Options for potential support are being considered through the PIHP Provider Stability Plans.

- (10) Will there be a way for the provider to be made whole?
BHDDA Response: Options for potential support are being considered through the PIHP Provider Stability Plans.
- (11) Should the remedy in this emergency be to adjust rates for those that remain in the home? Enter into a cost reimbursement arrangement? Premium (“Hazard”) payments?”
BHDDA Response: Options for potential support are being considered through the PIHP Provider Stability Plans.
- (12) Billing of telehealth for dual eligible and primary insurance other than Medicaid is a concern. Currently we will follow the recently issued MDHHS guidance of billing Medicare/Third Party and waterfalling amounts denied Medicaid within electronic health record systems based upon the EOB reason code of not covered etc.
BHDDA Response: We are unable to impact this at the present time.
- (13) Costs for PPE purchases are significant across the network.
- (13a) We believe these are part of everyday operations and chargeable to Medicaid is this correct?
BHDDA Response: Noted. Supplies can be a part of administrative costs and are allocable to Medicaid/HMP if they are associated with providing approved Medicaid services. MDHHS did arrange for PPE delivery to PIHPs that we hope will offer some relief in this area
- (14) Use of hospital IMD past 15-day Medicaid limit
- (14a) Will there be any extensions?
BHDDA Response: This is being addressed through our disaster State Plan Amendment application.
- (15) How will Milliman be looking at our expenses / encounters as we see the decline in reportable encounters? How do we modify the reporting requirements to ensure these unusual times do not negatively impact the rates?
BHDDA Response: This has been discussed with Milliman – no need to modify reporting requirements right now.
- (16) Predating this communication, other regions have implemented Hazard Pay for Health Care Workers. Is there uniform guidance from the State on what PIHPs/CMHs should be doing?
BHDDA Response: The Direct Care Wage increase for in-home workers has been communicated to the field. PIHPs and CMHSPs have always been free to make their own decisions on worker compensation and other workforce support in their system as well.
- (17) Can Medicaid or GF funds be used to provide CLS staff for consumers in the hospital because the hospital has redeployed available techs to care for COVID-19 patients?
BHDDA Response: We have asked for this as part of the Appendix K application and are awaiting approval from CMS

(18) Can we use GF for ongoing (during and for a set time past the COVID-19 state of emergency) housing costs such as rent or utility bills?

BHDDA Response: Since there are unwaived regulations prohibiting the use of Medicaid/HMP for this cost, CMHSPs and PIHPs should consider this is an allowable cost for GF.

(19) Is Medicaid/HMP the appropriate fund source for provider compliance with federal government guidance to grant all employees federally required paid time off?

BHDDA Response: Yes. These costs are appropriately charged (allocated) to Medicaid (as they would be had these workers been affected by a multi-day snow emergency) just as they were before the onset of the COVID-19 pandemic.

(20) Per CMHAM guidance we are trying to support our CLS providers and currently a few of our CMHSP employees are helping non-CMHSP CLS providers with their labor. We also have a few employees that are carrying out other COVID-related duties. Are these expenses chargeable to Medicaid or is this a local/GF expense?

BHDDA Response: Yes. Provided that the individual is a Medicaid/HMP beneficiary, these costs are allocable to Medicaid/HMP just as they were prior to the pandemic.

(21) Some CMHSPs have opted out of social security and do not pay in payroll taxes (instead we have 401A plan) so there is no way for us to recoup costs through tax credit. Does MDHHS have any guidance on this in light of the federal CARES act?

BHDDA Response: We have no guidance on this issue

(22) There is no clear guidance on how we can recover our costs. If shelter in place continues some PIHPs/CMHSPs just cannot continue doing what we are doing and have to lay off employees and abandon helping CLS providers. We need some written assurance that COVID costs are recoverable otherwise, we are being put in a very uncertain financial position.

BHDDA Response: We are doing all we can to ensure that the PHP managed CMHSP safety net system, and that of associated provider networks, is maintained and healthy. We are committed to ensuring access and quality supports and services, even – and especially – during this pandemic. We are working on potential options and additional support will be needed from the federal level. MDHHS cannot assure that all costs will be recoverable, but we are working to ensure retention and health of our entire public behavioral health provider system.

(23) We appreciate the General Fund allocation made available by the Legislature. Exactly what are these funds to be used for and what rules, if any, will accompany those funds?

BHDDA Response: This information is contained in the contract for each CMH to obtain the funds.

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