



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

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GOVERNOR

ROBERT GORDON  
DIRECTOR

May 18, 2020

**TO:** Executive Directors and Chief Financial Officers of  
Prepaid Inpatient Health Plans (PIHPs)

**FROM:** Jeffery L. Wieferich, MA, LLP *JW*  
Director  
Bureau of Community Based Services  
Behavioral Health and Developmental Disabilities Administration

**SUBJECT:** Premium Pay Increase for Direct Care Workers

With the release of Medicaid L-Letter 20-28 ([L 20-28.pdf](#)), the PIHPs are authorized to provide the designated, appropriate direct care workers with the \$2.00 an hour Premium Pay increase for the period of April 1, 2020 to June 30, 2020. PIHPs will receive increased capitation payments in June to cover the cost of this Premium Pay.

PIHPs are expected to ensure payment of the \$2.00 per hour Premium Pay to direct care workers for every hour worked by the caregiver for face-to-face, in-home services provided from April 1, 2020 through June 30, 2020. The specific services impacted are identified below:

- Community Living Supports
- Overnight Health and Safety Supports
- Personal Care
- Prevocational Services
- Respite
- Skill Building/Out of Home Non-Vocational Services
- ABA Adaptive Behavior Treatment
- ABA Group Adaptive Behavior Treatment
- ABA Exposure Adaptive Treatment
- Crisis Residential Services
- Residential Services -SUD
- Residential Services – Co-occurring SUD/MH
- Withdrawal Management – SUD

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The full \$2.00 per hour Premium Pay amount must be applied to direct caregiver wages. The follow requirements apply:

- The \$2.00 increase must be applied entirely to the hourly wages of the direct care worker in addition the hourly wage the direct care worker has been earning since April 1, 2020.
- The temporary premium pay must be recorded separately from the base pay of the direct care work.
- The temporary premium pay will not be applied to services provided via tele-health or in clinic-based settings.

PIHPs should update/submit encounters for the service codes outlined in L 20-28 to reflect the actual charge and paid amounts, including Premium Pay, for the aforementioned dates of service. PIHPs must direct funding for the \$2.00 per hour Premium Pay increase to provider agencies, including the additional \$0.24 per hour administrative costs, when contracting with agencies to deliver covered services so they can administer Premium Pay payments in accordance with L 20-28.

cc: Allen Jansen  
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