



# Home Help Agency Audit Training

Home Help Policy Team

January 12, 2023

# Overview

The Michigan Department of Health and Human Services (MDHHS) audits Home Help agency providers to ensure compliance with policy and procedures.



# Agenda

Compliance Audits for New Providers & Payroll Report Example

Random Audits

Common Reasons an Agency Fails an Audit

Premium Pay

Approved Agency Provider Status

Job Aids & Resources



# Compliance Audits for New Home Help Agency Providers

**The MDHHS Home Help Policy Section requests the following documents three months after the first Home Help services payment to a new agency:**

1. A letter from the agency owner(s).
2. A list of all agency providers/caregivers.
3. Three months of payroll records.



# 1. Letter from Agency Owner(s)



Identify the agency owner(s) and managing employee(s).



Provide agency owner(s) / managing employee(s) email address(es) and phone number(s).



Indicate the agency correspondence address.



The letter must be signed and dated by the owner or managing employee.



The information must match what is listed in the ownership step of the agency's CHAMPS application.

# EXAMPLE LETTER FROM AGENCY OWNER:

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Mickey Mouse Home Care, Inc

24897 Dewpoint Dr.

Orlando, MI 48917

(Current Date)

To Whom It May Concern:

I, Donald Duck, am the agency owner of Mickey Mouse Home Care, Inc. My personal home address is 24018 Sunny Dr., Orlando, MI 48033. My personal phone number is 123-456-7890 and my email address is [DonaldDuck@gmail.com](mailto:DonaldDuck@gmail.com).

Daisy Duck is the managing employee/administrator of Mickey Mouse Home Care, Inc. Her personal home address is 24018 Sunny Dr., Orlando, MI 48033. Her personal phone number is 123-456-7890 and her email address is [DaisyDuck@gmail.com](mailto:DaisyDuck@gmail.com).

Sincerely,

*Donald Duck*

## 2. A List of All Agency Providers/Caregivers

The list of all agency providers/caregivers providing Home Help services must include each agency provider's/caregiver's name, individual Community Health Automated Medicaid Processing System (CHAMPS) provider ID number, and the name(s) of the client(s) they serve.

Here is an example:

Mickey Mouse Home Care, Inc		
Client Name	Caregiver Name	Provider Number
Harry Potter	Daisy Duck	9749515
Ron Weasley	Minnie Mouse	9749516
Hermione Granger	Donald Duck	9520817

## 2. A list of All Agency Providers/Caregivers: **CHAMPS Association**

Agency owners, agency providers/caregivers, and agency employees must enroll and associate to the agency in CHAMPS so a criminal history screening can be completed.

For more information regarding the Criminal History Screening, please visit the Provider Enrollment Section of the Home Help Chapter in the MDHHS Medicaid Provider Manual.



## 2. A List of All Agency Providers / Caregivers: **Resources**

- Individual provider/caregiver enrollment:  
<https://www.michigan.gov/mdhhs/doing-business/providers/providers/other/homehelp/individual-providers/champs-instructions-information>
- Individual provider/caregiver associating to agency:  
<https://www.michigan.gov/mdhhs/doing-business/providers/providers/other/homehelp/individual-providers/champs-instructions-information>
- Servicing Provider List:  
<https://www.michigan.gov/mdhhs/doing-business/providers/providers/other/homehelp/individual-providers/champs-instructions-information>
- How to remove a caregiver from the servicing provider list – see attached job aid
- Medicaid Provider Manual:  
<https://www.michigan.gov/mdhhs/doing-business/providers/providers/medicaid/policyforms/medicaid-provider-manual>

# 3. Three Months of Payroll Records

Three months of payroll records must include:

1. Agency caregiver names,
2. Pay period dates,
3. Payment amounts,
4. Federal Insurance Contributions Act (FICA) withholdings, and
5. Proof of compliance with state unemployment insurance filings and payments.

## Check # 100

FICA-SS	49.60
FICA-MED	11.60
Michigan SIT	34.00
Michigan Hamtramck	8.00
City Tax	
	<hr/>
	103.20

### 3. Three Months of Payroll Records: IRS 941

The IRS 941 may be submitted if payroll records do not verify tax payments.

**941 for 2022: Employer's QUARTERLY Federal Tax Return**  
 Form (Rev. June 2022) Department of the Treasury — Internal Revenue Service 950122  
 OMB No. 1545-0029

Employer identification number (EIN)  -   
 Name (not your trade name)   
 Trade name (if any)   
 Address   
 Number Street Suite or room number  
 City State ZIP code  
 Foreign country name Foreign province/county Foreign postal code

**Report for this Quarter of 2022**  
 (Check one.)  
☐ 1: January, February, March  
☐ 2: April, May, June  
☐ 3: July, August, September  
☐ 4: October, November, December  
 Go to [www.irs.gov/Form941](https://www.irs.gov/Form941) for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1: Answer these questions for this quarter.**

1 Number of employees who received wages, tips, or other compensation for the pay period including: June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4) . . . . . 1

2 Wages, tips, and other compensation . . . . . 2

3 Federal income tax withheld from wages, tips, and other compensation . . . . . 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax ☐ Check and go to line 6.

	Column 1	Column 2
5a Taxable social security wages* . . . . .	<input type="text"/>	<input type="text"/>
5a (i) Qualified sick leave wages* . . . . .	<input type="text"/>	<input type="text"/>
5a (ii) Qualified family leave wages* . . . . .	<input type="text"/>	<input type="text"/>
5b Taxable social security tips . . . . .	<input type="text"/>	<input type="text"/>
5c Taxable Medicare wages & tips . . . . .	<input type="text"/>	<input type="text"/>
5d Taxable wages & tips subject to Additional Medicare Tax withholding <input type="text"/>	<input type="text"/>	<input type="text"/>
5e Total social security and Medicare taxes. Add Column 2 from lines 5a, 5a(i), 5a(ii), 5b, 5c, and 5d	<input type="text"/>	<input type="text"/>
5f Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions) . . . . .	<input type="text"/>	<input type="text"/>
6 Total taxes before adjustments. Add lines 3, 5e, and 5f . . . . .	<input type="text"/>	<input type="text"/>
7 Current quarter's adjustment for fractions of cents . . . . .	<input type="text"/>	<input type="text"/>
8 Current quarter's adjustment for sick pay . . . . .	<input type="text"/>	<input type="text"/>
9 Current quarter's adjustments for tips and group-term life insurance . . . . .	<input type="text"/>	<input type="text"/>
10 Total taxes after adjustments. Combine lines 6 through 9 . . . . .	<input type="text"/>	<input type="text"/>
11a Qualified small business payroll tax credit for increasing research activities. Attach Form 8974	<input type="text"/>	<input type="text"/>

\*Include taxable qualified sick and family leave wages paid in this quarter of 2022 for leave taken after March 31, 2021, and before October 1, 2021, on line 5a. Use lines 5a(i) and 5a(ii) only for taxable qualified sick and family leave wages paid in this quarter of 2022 for leave taken after March 31, 2020, and before April 1, 2021.

### 3. Three Months of Payroll Records: UIA 1028

The UIA (Unemployment Insurance Agency) 1028 Quarterly Wage/Tax Report is used if the agency is not able to display unemployment information on the payroll report.

A common online tool used by agency providers to complete the UIA 1028 is MiWAM:  
<https://miwam.unemployment.state.mi.us/EmpMiWAM/>

#### Example of the form:

UIA 1028  
(Rev. 02-13)  
Rick Snyder  
GOVERNOR

State of Michigan  
Department of Licensing and Regulatory Affairs  
Unemployment Insurance Agency  
3024 W Grand Blvd, Suite 11-500, Detroit, MI 48202  
www.michigan.gov/ua

Authorized by  
MCL 421.1 et seq.  
Steve Anwood  
DIRECTOR

#### Employer's Quarterly Wage/Tax Report

Employer Name & Address:  
MI \*\*\*MASTER CLIENT\*\*\*  
Test Data Base For Michigan  
123 Main  
Anytown MI 48400

Mail To:  
Unemployment Insurance Agency  
Tax Office  
PO Box 33598  
Detroit, MI 48232-5598

YOU MUST FILE THIS REPORT EVEN IF YOU ARE UNABLE TO PAY OR HAVE NO PAYROLL FOR THE QUARTER.  
For details about completing this report see the instructions page.

Employer Type: Contributing ☒ (Complete Sections 1, 2, 3 & 4) Reimbursing ☐ (Complete Sections 1, 2 & 4)

#### SECTION 1

☐ Check this box if this is an Amended report. Explain: \_\_\_\_\_

UIA Employer Account No: 822-82209

FEIN: 01-0822822

Quarter Ending Date (mm/dd/yyyy): 03/31/2014

Provide the number of all full-time employees plus part-time employees who worked during or received pay for the pay period that includes the 12th of the month:

1st Month	2nd Month	3rd Month
0	0	4

#### SECTION 2

List only employees who had wages during this quarter

Family Owned Enter "F"	Delete "X"	Social Security No.	Employee Last Name	Employee First Name	Employee Middle Initial	Gross Wages Paid This Quarter
		013-01-3013	Boop	Betty	B	2739.58
		015-01-5015	Girt	Asongle		3284.97
		021-02-1021	Gladshuder	Tia	G	7465.31
		032-03-2032	Boss	Iantha		113520.19

If more lines are needed to enter employee information, continue to Section 2 on page 2 of form. When finished entering employees, continue to Section 3 for Contributing Employers or Section 4 for Reimbursing Employers.

For UIA Use Only. Do Not Write Below Line.

# Payroll Report Example

## Payroll Register Report

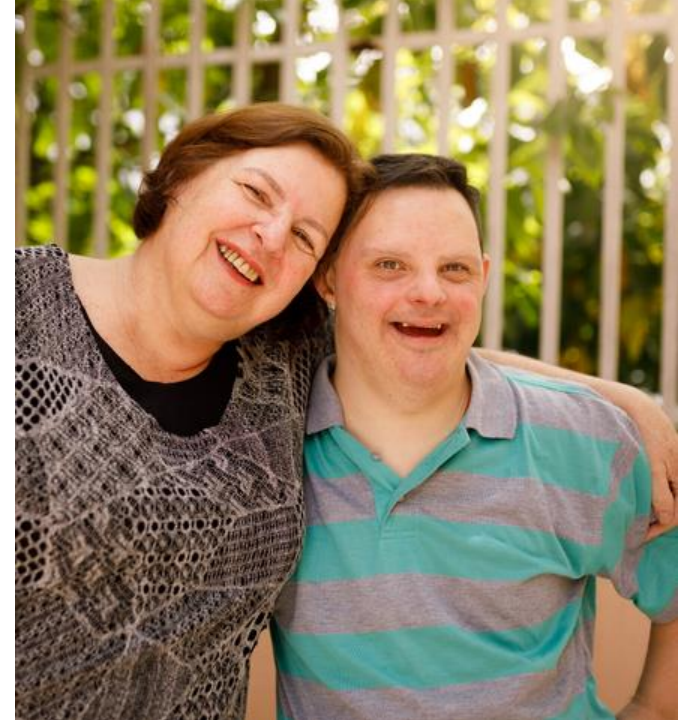
Employee Name	Employee ID	Date	Check Number	Net	
Duck, Donald	108	1/15/2021	Check # 111	Net 483.58	
For 12/1/2020 to 12/31/2020					
Type Pay	Rate	Hours	Wages	Type Deduction	Amount
Regular Pay	11.00	40.28	443.08	Social Security	32.47
Covid Pay	2.00	40.28	80.56	Medicare	7.59
Total Wages			523.64	Total Deductions	40.06
Duck, Daisy	104	1/15/2021	Check # 222	Net 1330.87	
For 12/1/2020 to 12/31/2020					
Type Pay	Rate	Hours	Wages	Type Deduction	Amount
Regular Pay	11.00	114.52	1259.72	Federal W/H	44.00
Covid Pay	2.00	114.52	229.04	Social Security	92.30
				Medicare	21.59
Total Wages			1488.76	Total Deductions	157.89



# Random Audits

When selected for a random audit, agencies will be e-mailed a letter to the CHAMPS correspondence address on file outlining the required information; which includes:

- List of current Home Help agency providers/caregivers, including their CHAMPS provider ID numbers.
- Four months of payroll records.





# Common reasons an agency fails an audit



The agency does not update its contact information in CHAMPS.



The agency does not complete the audit in its entirety.



The agency doesn't contact the Home Help team to ask questions or submits incorrect documents at the last minute.



The agency doesn't have its caregivers enrolled and associated to the agency in CHAMPS.

# Premium Pay

## Review of Premium Pay/FY22 Provider Pay Increase

- April 1, 2020 – February 28, 2021, to verify distribution of the \$2.00 COVID-19 Premium Pay
- March 1, 2021 – September 30, 2021, to verify the distribution of the \$2.25 COVID-19 Premium Pay
- October 1, 2021 – September 30, 2022, to verify distribution of the \$2.35 FY22 Provider Payment Increase
- October 1, 2022 – L 22-59 was issued continuing the \$2.35 per hour increase for FY23

# Approved Agency Provider Status

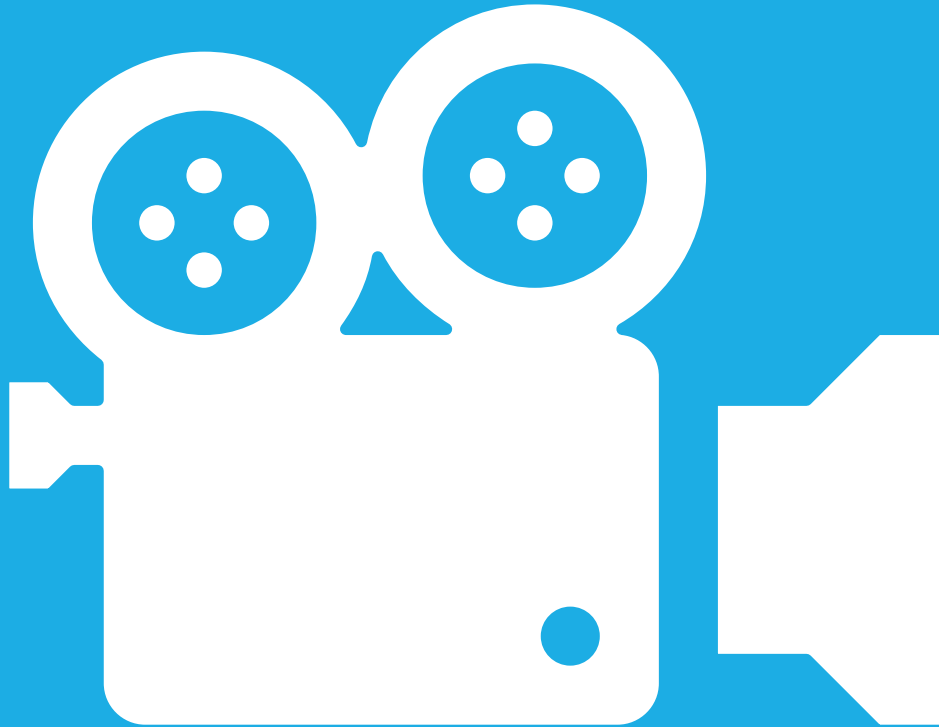
**MDHHS maintains a list of agencies approved to provide Home Help services to Home Help clients. MDHHS may remove an agency provider from the Approved Agency List for the following reasons:**

- An agency provider fails to comply with Home Help policies.
- A new agency provider has not received payments for Home Help services within 12 months of the date of approval.
- An established agency provider has not rendered Home Help services within the last six months.

An unapproved agency provider remains eligible to provide services at the individual caregiver rate.

The agency provider may contact the Home Help team at [MDHHS-MSA-HHProviderReporting@Michigan.gov](mailto:MDHHS-MSA-HHProviderReporting@Michigan.gov) to request reinstatement of the approved status and the agency provider rate.

# Home Help Webpage



[www.Michigan.gov/HomeHelp](http://www.Michigan.gov/HomeHelp)

**Video instructions on how to use the  
Home Help webpage:**

[https://www.michigan.gov/mdhhs/-  
/media/Project/Websites/mdhhs/Medicaid-  
Provider-Assets/Home-Help-  
Assets/MDHHS-Home-Help-Webpage-  
Walkthrough.mp4?rev=5ee86dd23108498c  
8433fb6785b5fe41&hash=5B23241344DFA  
28194FB978834C4EAC2](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Medicaid-Provider-Assets/Home-Help-Assets/MDHHS-Home-Help-Webpage-Walkthrough.mp4?rev=5ee86dd23108498c8433fb6785b5fe41&hash=5B23241344DFA28194FB978834C4EAC2)

# Listserv

Sign up for Listserv notifications to get automatic email updates from the MDHHS Home Help Policy Section.

**Link:**

<https://public.govdelivery.com/accounts/MIDHHS/subscriber/new>

**Instructions:** [https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder95/Folder1/Folder195/ListServ Instructions HH.pdf](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder95/Folder1/Folder195/ListServ%20Instructions_HH.pdf)

# Knowledge Check

**How many providers/caregivers does an agency need to be an approved agency?**

- ☐ 1 Provider/Caregiver
- ☐ 2 Providers/Caregivers (including the agency owner)
- ☐ 2 Providers/Caregivers (not including the agency owner)



# Answer

**How many providers/caregivers does an agency need to be an approved agency?**

- ☐ 1 Provider/Caregiver
- ☐ 2 Providers/Caregivers (including the agency owner)
- ☒ 2 Providers/Caregivers (not including the agency owner)

# Knowledge Check

**Which of the following needs to be included on a payroll report?**

- ☐ Provider's/Caregiver's name
- ☐ Rate of pay
- ☐ Pay period dates
- ☐ All the above

# Answer

**Which of the following needs to be included on a payroll report?**

- ☐ Provider's/Caregiver's name
- ☐ Rate of pay
- ☐ Pay period dates
- ☒ All the above

# Knowledge Check

**What happens if the agency does not comply with Home Help policy?**

- ☐ Nothing happens
- ☐ The agency's pay rate is reduced
- ☐ The agency's pay rate is reduced, and the agency is removed from the approved agency list
- ☐ All the above

# Answer

**What happens if the agency does not comply with Home Help policy?**

- ☐ Nothing happens
- ☐ The agencies pay rate is reduced
- ☒ The agencies pay rate is reduced, and the agency is removed from the approved agency list
- ☐ All the above

# Quick Reference Guide

- ❖ **Individual provider/caregiver enrollment:** [https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder51/Folder1/Folder151/New\\_Provider\\_Enrollment\\_Instructions.pdf?rev=7266b32d9e974819ac6907074ccc9a4b&hash=BD1E1E7DDDEF9C7B82B7E39B8B3974CE](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder51/Folder1/Folder151/New_Provider_Enrollment_Instructions.pdf?rev=7266b32d9e974819ac6907074ccc9a4b&hash=BD1E1E7DDDEF9C7B82B7E39B8B3974CE)
- ❖ **Individual provider/caregiver associating to agency:** <https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Medicaid-Provider-Assets/Home-Help-Assets/Agency-Employee-Enrollment-Instructions.pdf>
- ❖ **Servicing Provider List:** [https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder51/Folder1/Folder151/New\\_Provider\\_Enrollment\\_Instructions.pdf?rev=7266b32d9e974819ac6907074ccc9a4b&hash=BD1E1E7DDDEF9C7B82B7E39B8B3974CE](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder51/Folder1/Folder151/New_Provider_Enrollment_Instructions.pdf?rev=7266b32d9e974819ac6907074ccc9a4b&hash=BD1E1E7DDDEF9C7B82B7E39B8B3974CE)
- ❖ **How to remove a provider/caregiver from the servicing provider list:** See Job Aid included in Adobe Recording
- ❖ **Medicaid Provider Manual:** <https://www.michigan.gov/mdhhs/doing-business/providers/providers/medicaid/policyforms/medicaid-provider-manual>
- ❖ **Listserv job aid:** [https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder95/Folder1/Folder195/ListServ\\_Instructions\\_HH.pdf](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder2/Folder95/Folder1/Folder195/ListServ_Instructions_HH.pdf)





## Home Help Website

[www.Michigan.gov/HomeHelp](http://www.Michigan.gov/HomeHelp)



## Provider Support

1-800-979-4662  
[ProviderSupport@Michigan.gov](mailto:ProviderSupport@Michigan.gov)



## Home Help Section

[MDHHS-MSA-  
HHProviderReporting@Michigan.gov](mailto:MDHHS-MSA-HHProviderReporting@Michigan.gov)

# Resources