

**BOARD ACTION REQUEST**

REGARDING THE CONTINUATION OF THE  
DIRECT CARE WORKER (DCW) PREMIUM PAY

**Meeting Date: February 18, 2021**

**RECOMMENDED MOTION:**

Approve the Lakeshore Regional Entity's request, extending the COVID-19 direct care worker premium pay increase of \$2.00 per hour through March 31, 2021 with the increase going to the same categories of workers covered under the MDHHS approved "COVID-19 Premium Pay" increase effective until February 28, 2021 (attached) and contingent upon there being no other state or federal funds available to cover this expense.

**SUMMARY OF REQUEST/INFORMATION:**

The COVID-19 pandemic has required many adjustments to be made within our region by providers. Our direct care workers are caring for individuals that are in high-risk categories for contracting the virus and even individuals who have tested positive. Staff turnover and recruitment have always been a challenge but is exacerbated during this pandemic and especially in residential settings. Even with the state approved DCW premium pay in place, some have left employment due to health hazards of our current work environment, extended hours and increasing demands due to staff shortages, sickness, and in some cases the ability to receive a higher pay from unemployment than our system pays.

Even with the premium pay in place, turnover and staffing in much of the region has been challenging.

The LRE is concerned about its ability to retain direct care workers and keep the provider network financially stable. The Michigan legislature has appropriated funds to pay the \$2 Direct Care Worker (DCW) increase through February 2021. There are ongoing discussions about the feasibility of extending it to cover additional months.

Other PIHPs and CMHSPs have taken steps to continue the DCW increase with or without the financial support of MDHHS. However, all PIHPs do not have an accumulation of reserves and the financial stability to cover these additional costs.

The LRE currently has an ISF balance of \$2,420,925 plus anticipated earnings of \$2,332,144 from its FY20 performance bonus for a total of \$4,753,069.

**The potential cost to cover the regional DCW shortage for March through September 2021 is \$6,644,744, or \$949,249 per month.**

**STAFF:** William Riley

**DATE:** February 18, 2021

January 13, 2021

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<City> <State> zipcode5-zipcode4

Dear Provider:

RE: COVID-19 Response: Premium Pay

This letter serves as notice that the COVID-19 Premium Pay announced in Letters L 20-28, L 20-42, and L 20-67 has been extended through February 28, 2021 by the passage of Public Act 257 of 2020. The funding source for the Premium Pay for January and February 2021 will be paid through Medicaid funds. This extension applies to the Michigan Department of Health and Human Services (MDHHS) programs and service codes listed below:

| Program Name      | Services   | Related HCPCS Codes   |
|-------------------|--|---|
| Home Help         | Personal Care  |   |
| MI Choice Waiver  | Community Living Supports; Respite   | H2015, H2016, S5150, S5151  |
| MI Health Link    | Expanded Community Living Supports; Personal Care; Respite   | H2015, H2016, S5150, S5151, T1019   |
| Behavioral Health | Community Living Supports; Overnight Health and Safety Supports; Personal Care; Prevocational Services; Respite Skill Building; Applied behavior analysis (ABA) Adaptive Behavior Treatment; ABA Group Adaptive Behavior Treatment; ABA Exposure Adaptive Treatment; Crisis Residential Services; Residential Services – Substance Use Disorder (SUD); Residential Services - Co-occurring SUD/MH; Withdrawal Management – SUD | 97153, 97154, 0373T, H0043, H0019, H0010, H0012, H0014, H0018, H2014, H2015, H2016, T2027, T1020, T2015, S5151, T1005 |

L 21-02

The temporary Premium Pay for services provided April 1, 2020 to February 28, 2021 is intended to cover a \$2.00 per hour increase in direct care worker wages, along with a \$0.24 per hour increase for agencies to cover their additional costs associated with implementing this increase. These amounts are to be paid in addition to the wage the direct care worker was earning since March 1, 2020 and recorded separately from base pay. The \$2.00 per hour Premium Pay must be applied entirely to direct care worker wages. The \$2.00 and \$0.24 per hour amounts may be implemented by an equivalent as divided per billing unit. One example of “an equivalent as divided per billing unit” is, for programs billing in 15-minute increments, the payment would be \$0.50 per 15-minute unit for the direct care worker, and \$0.06 per 15-minute unit for the additional agency cost.

For program participants receiving services through a self-determination arrangement under the behavioral health, MI Health Link and MI Choice Waiver programs, direct care workers must receive this Premium Pay for the hours or billing units worked between April 1, 2020 and February 28, 2021. The Fiscal Intermediary, or agency (for Agency with Choice), must receive \$0.24 per hour for related taxes. The “equivalent as divided per billing unit” described above applies.

**All Premium Payments are subject to audit and potential recoupment. Providers should retain documentation that supports the distribution to direct care workers and that payments were made in accordance with the requirements in this letter and letters L 20-28, L 20-42, and L 20-67.**

Direct care workers should still follow the guidance issued in March 2020 titled “Actions for Caregivers of Older Adults During COVID-19” along with the document “Actions for Caregivers for Older Adults Addendum Frequently Asked Questions”. These documents describe recommendations for in-home direct care workers and methods to assure a face-to-face visit is needed. These documents can be found at: [https://www.michigan.gov/mdhhs/0,5885,7-339-71547\\_4860\\_78446\\_78448---,00.html](https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860_78446_78448---,00.html).

Direct care workers who are providing behavioral health services should also follow the additional guidance found at: <https://www.michigan.gov/mdhhs/BHDDACOV19>.

If you have questions, you can call Provider Support at 1-800-292-2550 or e-mail [providersupport@michigan.gov](mailto:providersupport@michigan.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Massey', followed by a horizontal line.

Kate Massey, Director  
Medical Services Administration