

PARAMETERS FOR UNUSUAL COST REIMBURSEMENT AND DIRECT SUPPORT PROFESSIONAL ENHANCED COMPENSATION (“PREMIUM PAY”) DURING THE COVID-19 SOCIAL DISTANCING/ISOLATION PUBLIC HEALTH EMERGENCY

MID-STATE HEALTH NETWORK

July 21, 2022

ORIGINALLY RELEASED APRIL 17, 2020

REVISED APRIL 20, 2020, MAY 1, 2020 and May 12, 2020, July 1, 2020, September 2, 2020, September 30, 2021
INCORPORATES L-LETTERS 20-27 AND 20-28 and SB 690; Updated January 13, 2021 to extend Direct Care Worker Premium Pay through July 09, 2021.

Updated March 11, 2021 to increase hourly wage to \$2.25 (plus 12% taxes and administration costs) effective 03/01/2021 and to continue the initiative through 09/30/2021 per provisions of Public Act 2 of 2021

Updated April 1, 2021 to include the addition of Supported Employment and clarification of the temporary premium pay intended to cover a \$2.25 per hour increase in direct care worker wages, along with an extra \$0.27 per hour for agencies to cover their costs associated with implementing this increase.

Updated September 30, 2021 to increase premium pay to \$2.35 per hour plus 12% employer costs associated with implementing the increase per Enrolled Senate Bill 82 signed by the Governor 09/29/21.
(Public Act number not yet assigned)

Revised March 21, 2022 to clarify MDHHS contractual requirements.

Revised July 21, 2022 to extend all provisions of this regional guidance through FY 23 (Fiscal Year ending 09/30/2023)

Mid-State Health Network (MSHN), as the Pre-Paid Inpatient Health Plan, and its regional Community Mental Health Services Participants (CMHSPs), concur on the following regional policy parameters for the support of direct support professionals and/or custodial care providers (i.e., Adult Foster Care Homes, Specialized Residential Providers, Withdrawal Management Providers, Substance Use Disorder Residential Treatment Providers, Crisis Residential Unit personnel and/or other residential treatment providers under contract to the MSHN or CMHSP). (references to MSHN and CMHSPs collectively, hereinafter “the region”).

The region recognizes the unique roles and challenges of the current pandemic and the role of the residential provider system and the direct support professionals employed to deliver supports and services to beneficiaries under extraordinary circumstances.

The region is committed to, during the period of the public health emergency (~~which is defined as the duration of the Governor’s Executive Order to “stay home/stay safe” and continuing until further written notice for 30 days thereafter [or as specified in this document (or other regional guidance protocols), or as otherwise communicated by MSHN]~~) the payment of unusual residential provider expenses and direct care worker additional compensation as detailed in this regional guidance document and any subsequent or successor guidance or legislation. The elements of this guidance are applicable to contracted providers (and, as applicable, directly employed personnel). Some State of Michigan guidance has been released and has been incorporated into this regional guidance document, as summarized below.

On April 23, 2020, Michigan Governor Gretchen Whitmer announced a temporary pay increase for direct care workers (DCW) referred to as “Premium Pay”. On April 30, MDHHS (BHDDA) issued clarification. L-Letter 20-27 was released on May 1, 2020 with additional detailed guidance which has been incorporated into this regional document. On May 12, 2020, a supplemental L-Letter (#20-28) was issued including additional members of the workforce in the premium pay program. These two L-Letters added the workforce members to be included in the premium pay initiative to include those providing some ABA services, Prevocational Services, Respite, Skill Building, Crisis Residential, SUD residential and SUD withdrawal management to the original list of individuals providing community living supports, personal care, and overnight health and safety services.

L-Letters 20-27 and 20-28 (and subsequent legislation) also clarified that the premium pay increase for DCWs is intended to be effective for the period 4/1/20 through ~~6/30/20~~ 09/30/20 (NOTE: 09/30/20 under SB 690, signed 07/01/20), at \$2/hour plus a 12% employer cost (taxes and fringes) payment. This guidance has been extended several times, most recently extending it by statute through ~~09/30/21~~ 09/30/2022. This is inclusive of individuals providing the listed eligible services through fiscal intermediaries for the benefit of individuals in self-determined arrangements.

UPDATED: On September 1, 2020, the Mid-State Health Network Board of Directors unanimously voted to extend the premium pay for direct care workers covered by this guidance to January 9, 2021.

UPDATED: On January 12, 2021, the Mid-State Health Network Board of Directors unanimously voted to extend the premium pay for direct care workers covered under this regional guidance to July 9, 2021

UPDATED: On March 9, 2021, Governor Whitmer signed into law Public Act 2 of 2021 which extends the DCW premium pay through 09/30/2021 and increases the hourly wage amount to \$2.25 (plus 12% employer costs).

UPDATED: On April 2, 2021, MSA issued L-Letter 21-30 which extends the DCW premium pay effective March 1, 2021 to include supported employment service codes. In addition, the temporary premium pay is intended to cover a \$2.25 per hour increase in direct care worker wages, along with an extra \$0.27 per hour for agencies to cover their costs associated with implementing this increase. These amounts are to be paid in addition to the wage the direct care worker was earning prior to April 1, 2020 and recorded separately from base pay.

UPDATED: On September 29, 2021, Governor Whitmer signed Enrolled Senate Bill 82 into law. The statute raises the direct care worker premium pay from \$2.25/hour to \$2.35 per hour plus 12% employer costs. These amounts are to be paid in addition to the wage the direct care worker was earning prior to April 1, 2020 and are intended to be permanent.

UPDATED: On March 21, 2022 to include language from L-Letter 22-10 to require that the Premium Pay should have been paid in addition to the worker’s regular wage, but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on March 1, 2020. If the agency was not in business in

March 2020, the direct care worker must be paid at least minimum wage plus the premium pay amount.

UPDATED: On July 21, 2022, based on MSHN/MDHHS contract which includes state funding, to extend all elements of this regional guidance through fiscal year 2023 (ending 09/30/2023).

Some of the statewide DCW increase instructions conflict with previous actions taken by the MSHN region and related communications. To the best of our knowledge, these conflicts and changes are reflected in this regional guidance document and it is consistent with State guidance documents.

UNUSUAL EXPENSES INCURRED AS A DIRECT RESULT OF CARE, SERVICES AND SUPPORTS TO BENEFICIARIES DUE TO COVID-19:

The region commits to (See Note 1 and Note 2):

- Payment of documented overtime necessary to deliver supports and services to beneficiaries with the advance approval of the purchaser (CMHSP or MSHN, depending on which entity contracts for the service[s]);
- Payment of Provider actual costs of personal protective equipment (PPE) and supplies related to sanitation of PPE;
- Payment of higher-than-average costs of food;
- Payment of higher-than-average costs of supplies needed for handwashing, hygiene, sanitation, sterilization or other products intended/used for the prevention of virus transmission;
(Note 1) Providers should retain receipts for PPE, PPE sanitation supplies, food costs and supplies costs and submit to the CMHSP for reasonableness review, compliance with criteria and subsequent payment.
(Note 2) All reimbursement or additional compensation under this protocol is subject to acceptable documentation that supports the cost claimed by the provider.
- These actions will continue until written notice is provided that this provider stabilization support ends.

ADDITIONAL COMPENSATION FOR COMMUNITY MENTAL HEALTH DIRECT AND CONTRACTED WORKFORCE MEMBERS DELIVERING COVERED SERVICES IN RESIDENTIAL SETTINGS

As purchasers of behavioral health supports and services covered by this guidance, the Mid-State Health Network region will implement the Statewide Premium Pay (DCW Increase) as follows:

State-Wide Adjustments to specialty behavioral health provider per diems to reflect:

- Direct Care Worker wage adjustment of \$2.35/hour (two dollars and thirty five cents per hour) and
- 12% admin load to cover taxes, fringes and administrative costs.

UPDATED: On March 9, 2021, Governor Whitmer signed into law Public Act 2 of 2021 which extends the DCW premium pay through 09/30/2021 and increases the hourly wage amount from \$2.00 to \$2.25/hour (plus 12% employer costs).

UPDATED: On April 2, 2021, MSA issued L-Letter 21-30 which extends the DCW premium pay effective March 1, 2021 to include supported employment service codes. In addition, the temporary premium pay is intended to cover a \$2.25 per hour increase in direct care worker wages, along with an extra \$0.27 per hour for agencies to cover their costs associated with implementing this increase. These amounts are to be paid in addition to the wage the direct care worker was earning prior to April 1, 2020 and recorded separately from base pay.

UPDATED: On September 29, 2021, Governor Whitmer signed Enrolled Senate Bill 82 into law. The statute raises the direct care worker premium pay from \$2.25/hour to \$2.35 per hour plus 12% employer costs. These amounts are to be paid effective 10/01/2021 (not retroactively) in addition to the wage the direct care worker was earning prior to April 1, 2020 and are intended to be permanent.

UPDATED: On March 21, 2022 to include language from L-Letter 22-10 to require that the Premium Pay should have been paid in addition to the worker's regular wage, but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on March 1, 2020. If the agency was not in business in March 2020, the direct care worker must be paid at least minimum wage plus the premium pay amount.

UPDATED: On July 21, 2022, to continue existing DCW premium pay for workers providing specified service codes at State-established rates.

For the MSHN region only, purchasing entities (CMHSPs), at their discretion, may adjust per diems or otherwise cause to be paid up to \$6/hour (six dollars per hour) plus a 12% admin load to cover taxes, fringes and administrative costs at facilities/settings where residential staff are providing face-to-face, in-person supports and services to beneficiaries that have tested or screened positive for COVID-19.

Per diem adjustments (or unit rate adjustments in the case of time-based units of service) should be calculated by the purchasing entities for the following service codes:

ELIGIBLE CMH-SPECIFIC SERVICE CODES

97153 (ABA Adaptive Behavior Treatment)
97154 (ABA Group Adaptive Behavior Treatment)
0373T (ABA Exposure Adaptive Behavior Treatment)
H0043 (CLS)
H2015 (CLS)
H2016 (CLS)
T1020 (Personal Care)
T2027 (Overnight Health and Safety)
T2015 (Prevocational Services)
T1005 (Respite)
S5151 (Respite)
H2014 (Skill Building)
H0018 (Crisis Residential)
H2023 (Supported Employment)

PROVIDER REQUIREMENTS:

- Providers must pass the per diem adjustment directly to direct service staff (personnel) in the form of a compensation increase; requirements of L-Letter 20-27, 20-28 and 21-30 (and any subsequent official guidance) as to being in addition to existing base pay on April 1, 2020 and recorded separately.
- Providers must maintain payroll records documenting that the premium pay was provided to eligible members of the workforce and make those records available (on-site or by submission) for inspection by the purchaser.

PURCHASER EXPECTATIONS:

- Contract amendments executed by the purchaser and provider shall include language that:
Per diem adjustments provided under this temporary program are subject to offset against any state or federal funds received by the provider for the same purpose over the same period of time.
- Contract amendments should also include the appropriate elements from the “State Wide Adjustments” and “Provider Requirements” sections above.

PROVIDER IDENTIFICATION AND DISTRIBUTION OF DCW INCREASE:

- All current providers under contract with the purchaser (CMHSP) that deliver the eligible service codes listed above (including workers delivering these eligible codes through fiscal intermediaries to benefit individuals in self-determined arrangements) shall have an adjustment to per diems (or amounts paid, if financed on a cost settlement basis; or rates, if financed on a fee-for-service basis) for personnel delivering eligible service codes regardless of location within or outside of the MSHN geographic region per the guidance in MDHHS L-Letter 20-27 and/or MDHHS L-Letter 20-28 and 21-30 (and any subsequent official guidance). (i.e., if the CMHSP holds a contract with a provider for one or more of the eligible service codes, the increase shall be passed through to that provider).
 - From L 20-27 and L-20-28: “The temporary Premium Pay for services provided in April, May and June 2020 (Note: Expiration extended to 09/30/20 by SB 690 and extended through 09/30/2021 by 2021 PA 2, and extended to 09/30/2022 via FY 22 budget statute), is intended to cover a \$2.00 per hour increase in direct care worker wages, along with a \$.24 per hour increase for agencies to cover their additional costs associated with implementing this increase. Effective 03/01/2021 and continuing through ~~09/30/2021~~ 09/30/2022, the hourly rate adjustment is ~~\$2.25 under 2021 PA 2~~ \$2.35/hour. These amounts are to be paid in addition to the wage the direct care worker was earning since April 1, 2020, and recorded separately from base pay. The \$2.00 (or effective 3/1/21, \$2.25, or \$2.35/hour effective 10/01/2021) per hour Premium Pay must be applied entirely to direct care worker wages. For programs billing in 15-minute increments, the payment would be the correct hourly wage, divided by 4, and then applied per 15-minute unit for the direct care worker, and 12% administrative cost for taxes and fringes per unit for the additional agency cost. Program participants receiving services through a self-determination arrangement under the behavioral health, MI Health Link and MI Choice Waiver programs must receive an the applicable additional ~~\$2.00 per hour or \$.50 cents per unit~~ Premium Pay to implement this increase for the hours worked in April, May, and June 2020.
 - UPDATE (07/01/20): SB 690, signed by Governor Whitmer on 07/01/20 extends the premium pay expiration to 09/30/2020.

- UPDATE (09/02/20): On September 1, 2020, the Mid-State Health Network Board of Directors unanimously voted to extend the premium pay for direct care workers covered by this guidance to January 9, 2021.
- Update (01/13/21): On January 12, 2021, the Mid-State Health Network Board of Directors unanimously voted to extend the premium pay for direct care workers covered by this regional guidance to July 9, 2021.
- UPDATE: On March 9, 2021, Governor Whitmer signed into law Public Act 2 of 2021 which extends the DCW premium pay through 09/30/2021 and increases the hourly wage amount to \$2.25 (plus 12% employer costs).
- UPDATED: On April 2, 2021, MSA issued L-Letter 21-30 which extends the DCW premium pay effective March 1, 2021 to include supported employment service codes. In addition, the temporary premium pay is intended to cover a \$2.25 per hour increase in direct care worker wages, along with an additional \$0.27 per hour 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 prior to April 1, 2020 and recorded separately from base pay.
- UPDATED: On September 29, 2021, Governor Whitmer signed Enrolled Senate Bill 82 into law. The statute raises the direct care worker premium pay from \$2.25/hour to \$2.35 per hour plus 12% employer costs. These amounts are to be paid in addition to the wage the direct care worker was earning prior to April 1, 2020 and are intended to be permanent.
- All current employees of the CMHSP that deliver the eligible service codes shall have an adjustment to their hourly rate
- In all cases, the provider employee or CMHSP employee receiving the increase must be delivering face-to-face, in-person services during the eligibility period of 4/1/20 to ~~6/30/20~~ ~~09/30/2020~~ ~~01/09/2021~~ ~~07/09/2021~~ ~~09/30/2021~~ ~~09/30/2022~~ **09/30/2023**. Employees not delivering the eligible service code services are excluded.

EFFECTIVE: April 1, 2020 (retroactively)

DURATION: From date of implementation through ~~June 30, 2020~~ ~~September 30, 2020~~ ~~January 9, 2021~~ ~~July 9, 2021~~ ~~September 30, 2021~~ ~~September 30, 2022~~ **September 30, 2023**. The state and/or region may consider extension/renewal or other actions at that time.

CMHSP-Contracted providers are asked to direct any questions to the attention of the lead contact at the CMHSP.

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ADDITIONAL COMPENSATION FOR SUBSTANCE USE DISORDER RESIDENTIAL TREATMENT WORKFORCE MEMBERS DELIVERING SUPPORTS AND SERVICES IN WITHDRAWAL MANAGEMENT AND OTHER SUBSTANCE USE DISORDER RESIDENTIAL TREATMENT SETTINGS

(This guidance originally issued April 17 and has been revised to include all pertinent guidance documents)

L-Letter #20-28 expanded eligible workforce members to include personnel delivering face-to-face, in-person residential supports in the SUD network. Mid-State Health Network (MSHN) had already committed to a region-wide payment adjustment to compensation for SUD workforce members that provide direct services and supports to individuals with substance use disorders in licensed residential and withdrawal management settings. Pursuant to this guidance, MSHN will implement the premium pay program for workforce members, as follows:

ELIGIBLE SUD-SPECIFIC SERVICE CODES

H0010 (SUD Withdrawal Management)
H0012 (SUD Withdrawal Management)
H0014 (SUD Withdrawal Management)
H0018 (SUD Residential Treatment)
H0019 (SUD Residential Treatment)

- Effective (retroactive to) April 1 and continuing through ~~June 30, 2020~~ ~~September 30, 2020~~ ~~January 9, 2021~~ ~~July 9, 2021~~ ~~September 30, 2021~~ ~~September 30, 2022~~ **September 30, 2023.**
- Wage adjustment of \$2.35/hour (two dollars and thirty five cents per hour) (through 02/28/21 and \$2.25/hour [two dollars and twenty-five cents per hour] effective 03/01/2021 through 09/30/2021 and \$2.35/hour effective 10/01/2021 through ~~09/30/2022~~ **09/30/2023**) and
- 12% admin load to cover taxes, fringes and administrative costs.

Licensed SUD residential treatment and withdrawal management providers delivering the eligible SUD-specific service codes listed above:

- Qualify for this temporary increase; and
- Must calculate a cost estimate based on current personnel roster of staff delivering in-person, face-to-face services; and
- Submit the calculation with a request for financial support from MSHN to provide the required premium pay increase using the attached “MSHN Direct Care Worker - wage passthrough” form; and
- Must agree to the following:
 - Must pass the per diem adjustment directly to direct service staff (personnel) in the form of a temporary compensation increase.
 - Submit to a MSHN-audit against payroll records to confirm that the direct care worker adjustment was received by the intended personnel.
 - The condition that per diem adjustments (or other compensation provided by MSHN for the purpose of direct care worker wage increases) provided under this temporary program are subject to offset against any state or federal funds received by the provider for the same purpose over the same period of time.

The financial support provided by MSHN under this temporary program is intended exclusively to provide additional compensation for workers providing “**hands on**”/direct services and supports to individuals in licensed SUD residential and withdrawal management settings. We stress that this is



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temporary and may not be renewed when the program expires on ~~6/30/20~~ ~~09/30/20~~ ~~01/09/2021~~ ~~07/09/2021~~ ~~September 30, 2021~~ ~~September 30, 2022~~ **September 30, 2023.**

Licensed SUD Residential and withdrawal management providers should direct any questions and all required forms (fillable versions have been sent directly to providers) to the attention of Leslie Thomas, Chief Financial Officer (leslie.thomas@midstatehealthnetwork.org).

MSHN will make payments within two weeks of forms submission.

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For the Mid-State Health Network Region

Joseph P. Sedlock,
Chief Executive Officer
Mid-State Health Network

- Released: 04/17/20
- Revised: 04/20/20
- 05/01/20
- 05/12/20
- 07/01/20
- 09/02/20
- 01/13/2021
- 03/11/2021
- 04/02/2021
- 09/30/2021
- 03/21/2022
- 07/21/2022

Attachment (For Qualifying Licensed Residential and Withdrawal Management Providers Only)