

August 25, 2020

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

Dear Provider:

This letter provides direction to Medicaid-certified nursing homes regarding administering the \$2.00/hour premium pay available to certain nursing home direct care workers. All Medicaid-certified nursing homes are required to provide premium pay to all eligible employees.

Effective period: July 1, 2020 through September 30, 2020.

Eligible workers: Registered Nurses, Licensed Practical Nurses, competency-evaluated nursing assistants and respiratory therapists. The premium pay is for eligible employees performing direct care services to residents. Special conditions include:

- An employee in a non-direct care position (e.g. recreation coordinator, administrator) who also has a current license as a Registered Nurse, Licensed Practical Nurse or respiratory therapist, or current certification as a competency-evaluated nursing assistant, is eligible for premium pay for hours worked providing direct care.
- A nursing assistant who has not completed the evaluation for certification is not eligible for the premium pay.
- An administrative or support employee providing direct care does not qualify if that person does not have the qualifying license or certification.

### **Administration of the premium pay**

- The \$2.00/hour wage increase is compared to wage rates on June 30, 2020. Only hours worked between July 1, 2020 and September 30, 2020 are eligible for the premium pay.
- The premium pay cannot be used to supplant other wage increases.
- These amounts are to be paid in addition to the wage the eligible employee was earning on June 30, 2020 and recorded separately from base pay.

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- The \$2.00 per hour premium pay must be applied entirely to eligible employee wages.
- Premium pay only applies to hours worked. It will not be applied to sick leave, annual leave, personal days, paid holidays, or any other time for which the employee is paid but does not work.
- Premium pay applies to overtime hours for non-exempt employees (including employees covered by the "8 and 80" overtime system) at a rate of \$3.00/hour. For example, if an employee works 43 hours in a week and is not covered by the "8 and 80" overtime system, they would be eligible for 3 hours of overtime and the premium pay would be \$3.00/hour for the 3 overtime hours.
- If an eligible employee providing direct care is paid on a salary basis, the premium pay for a regular work week would be \$80 (40 hours X \$2.00) or \$160 (80 hours X \$2.00) in a two-week work period.
- A nursing facility is eligible for reimbursement for employee payroll tax expenses directly related to the \$2.00/hour premium pay and \$3.00/hour overtime premium pay.
- Premium pay does not apply to employer contributions to the employee's retirement plan.
- Additional funding is not available to the nursing home for Workers' Compensation, unemployment insurance costs or other additional administrative costs associated with the premium pay funding.
- Premium pay is a direct pass through separate from the Medicaid nursing home per diem.
- An employee eligible for premium pay may elect to not receive the wage increase. This decision must be documented in writing or electronically by the employee.

## Reporting

- Nursing homes must complete the Direct Care Worker Wage Pass Through Reimbursement form (attached) and submit it to MDHHS at [MDHHS-SNF-TESTING-FINANCIAL@Michigan.gov](mailto:MDHHS-SNF-TESTING-FINANCIAL@Michigan.gov). Completed forms should be submitted on a monthly or bi-weekly basis. Nursing homes must maintain payroll and personnel records to support premium pay payments to eligible employees for direct care hours worked, including overtime hours. As with all MDHHS payments to providers, premium pay funds are subject to audit and recovery of inappropriate payments.
- **IMPORTANT: Nursing homes should not send to MDHHS any information that is specific to an individual employee. Employee-specific information must be maintained by the nursing homes for audit purposes. If the documentation is required for an audit, it must be submitted using a secure method.**

Questions may be submitted to [MDHHS-SNF-TESTING-FINANCIAL@Michigan.gov](mailto:MDHHS-SNF-TESTING-FINANCIAL@Michigan.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Massey', with a long horizontal flourish extending to the right.

Kate Massey, Director  
Medical Services Administration

## Nursing Home Direct Care Worker Wage Pass Through Reimbursement Form

Input information about your nursing home and the reimbursement period (i.e., the payroll period(s)) in the table below.

<b>Facility Name:</b>	
<b>Facility NPI:</b>	
<b>Facility SIGMA Vendor ID:</b>	
<b>Facility Address:</b>	
<b>Facility Contact:</b>	
<b>Contact's Email:</b>	
<b>Contact's Phone Number:</b>	
<b>Reimbursement Period:</b>	

Input direct care worker hours in the table below, only input time associated with direct care work.

<b>Direct Care Worker Hours Information</b>	
<b>Registered Nurse (RN) Hours:</b>	
<b>RN Overtime Hours:</b>	
<b>Licensed Practical Nurse (LPN) Hours:</b>	
<b>LPN Overtime Hours:</b>	
<b>Competency Evaluated Nursing Assistant (CENA) Hours:</b>	
<b>CENA Overtime Hours:</b>	
<b>Respiratory Therapist Hours:</b>	
<b>Respiratory Therapist Overtime Hours:</b>	
<b>Administrative Staff (With Qualifying Credentials) Direct Care Worker Hours:</b>	
<b>Administrative Staff (With Qualifying Credentials) Direct Care Worker Overtime Hours:</b>	
<b>Total Standard Hours:</b>	
<b>Total Overtime Hours:</b>	

Input total direct care worker payroll tax expenses specifically associated with the \$2/hour direct care worker wage established by Michigan Public Act (PA) 123 of 2020.

<b>Direct Care Worker Payroll Tax Expenses</b>	
<b>RN Payroll Tax Expenses:</b>	
<b>LPN Payroll Tax Expenses:</b>	
<b>CENA Payroll Tax Expenses:</b>	
<b>Respiratory Therapist Payroll Tax Expenses:</b>	
<b>Administrative Staff (With Qualifying Credentials) Direct Care Work Payroll Tax Expenses:</b>	

<b>Total Payroll Tax Expenses:</b>	
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The table below shows the total reimbursement for direct care worker related expenses due the nursing home.

<b>Direct Care Reimbursement Due Nursing Home</b>	
<b>Direct Care Wage Reimbursement:</b>	
<b>Direct Care Overtime Reimbursement:</b>	
<b>Payroll Tax Reimbursement:</b>	
<b>Total Reimbursement:</b>	

By typing the individual's name below (*physical signature is not required*) and checking the certification box, the individual or officer signing this Nursing Home Direct Care Worker Wage Pass Through Reimbursement Form certifies by his or her signature that he or she is authorized to sign this form on behalf of the nursing home, responsible governing board, official and/or contractor(s), and agrees to abide by any specific direct care worker wage pass through reimbursement guidance provided by the Michigan Department of Health and Human Services, pass the direct care worker wage reimbursement on to eligible employees, retain documentation to support wage expenses claimed on this form, comply with Michigan PA 123 of 2020, and agrees that payments may be subject to audit and recoupment if the terms of this form are violated.

<b>Individual Name</b>	<b>Individual Title</b>	<b>Date</b>