



STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ROBERT GORDON
DIRECTOR

July 29, 2020

TO: Executive Directors of Prepaid Inpatient Health Plans (PIHPs)
and Community Mental Health Services Programs (CMHSPs)

FROM: Jeffery L. Wieferich, M.A., LLP *JW*
Director
Bureau of Community Based Services

Re: Continued Clarification of the Premium Pay Increase for July – September

There continue to be questions and unique interpretations of how the Premium Pay increase for July – September is to be provided to direct care workers.

The communication sent on 7/23/2020 titled “July – September Premium Pay Place of Service Clarification” indicated that there was now no restriction on the place of service for the wage increase to be paid. Staff who provide the approved services in facilities and other non-home settings now qualify for the increase. **This only applies to the July – September Premium Pay increase.** This wage increase is for face-to-face services only. Consistent with the previous wage increase, staff who provide telehealth services, using the approved codes for the Premium Pay, are not eligible for the increase.

As with the prior wage increase (April – June), this increase must also be reported on the encounter. Michigan Department of Health and Human Services (MDHHS) has not changed their direction and there is no further guidance planned for finding alternatives to this approach. MDHHS is confident that the PIHPs have the capability and capacity to correctly report the wage increase for the appropriate codes on the encounter.

The wage increase is based on hours worked and is not restricted to just those hours where billable services are provided. As an example, if an individual works eight hours and provides six hours of the approved services for the wage increase, that person would receive the Premium Pay for eight hours. Any direct care worker providing any of the approved services will receive the wage increase for all their hours worked. This payment process applies to both the April – June increase and the July – September increase.

As decided during the PIHP Director’s Forum on July 9th, the funds for the wage increase for July – September will be provided to the PIHPs in the September capitation payment. MDHHS continues to encourage PIHPs to pay the wage increase now and not wait for the capitation payment. The wage increase is viewed as being critical to provider stability and should be considered as part of the overall provider stability work of the PIHP. If paying the increase now is not feasible, please contact me as soon as possible.

cc: Al Jansen Belinda Hawks Jackie Sproat
Bob Sheehan Kathy Haines Kendra Binkley