

**Michigan Department of Health and Human Services  
Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase  
Frequently Asked Questions**

**August 29, 2023**

**1. Will the direct care worker wage increase continue past September 30, 2023?**

**a. Has the direct care worker wage increase been extended?**

Public Act 119 of 2023 extended the direct care wage hourly increase from October 1, 2023, through September 30, 2024 (FY24).

**b. What is the amount of the direct care wage increase?**

For eligible direct care workers, the hourly wage increase is \$2.35 for time periods through September 30, 2023, and \$3.20 for time periods occurring October 1, 2023, through September 30, 2024 (FY24).

For eligible non-clinical workers, the hour wage increase is \$.85 for time periods occurring October 1, 2023, through September 30, 2024 (FY24).

**i. How are they paid if they are salaried?**

If any of the eligible direct care employees are salaried their payments would be determined as follows: \$188 per pay period (\$2.35 x 80 hours) for FY23 and \$256 per pay period (\$3.20 x 80 hours) for FY24.

If any of the eligible non-clinical staff employees are salaried their payments would be determined as follows: \$68 per pay period (\$.85 x 80 hours) for FY24.

**c. Has the reimbursement process changed?**

The process for requesting reimbursement remains the same, but requests for time periods after September 30, 2023, must be submitted on the updated FY24 reimbursement form. MDHHS is no longer processing requests for expenses incurred during calendar years 2020 and 2021.

**d. Have there been any changes to who is entitled to the wage increase?**

The direct care workers eligible for the wage increase remain the same and, in addition, eligible non-clinical staff employed by the facility are eligible October 1, 2023, through September 30, 2024 (FY24).

Eligible direct care workers include direct hands-on care hours for the following facility employees:

- Registered professional nurse
- Licensed practical nurse
- Competency-evaluated nursing assistant
- Respiratory Therapist

**Michigan Department of Health and Human Services**  
**Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase**  
**Frequently Asked Questions**

Eligible non-clinical staff include those facility employees who did not receive a wage subsidy as a direct care worker during the previous fiscal year and whose costs are reported in the following job classifications in nursing facility institutional cost reports shared with the department:

- Other housekeeping.
- Other maintenance worker.
- Other plant operations.
- Other laundry.
- Dining room assistants.
- Other dietary workers.
- Other medical records.
- Other social services.
- Other diversion therapy.
- Beauty and barber.
- Gift, flower, coffee, and canteen worker.

**e. Have there been any changes to the eligible employee hours and payroll tax expenses? Are there additional eligible employee expenses?**

The eligible employee hours and payroll tax expenses remain the same for direct care workers. Eligible non-clinical staff have been added for FY24.

**f. Is there a deadline for submitting direct care worker wage increase reimbursement requests?**

Requests for hours worked from January 1, 2022, through September 30, 2022, *must* be submitted no later than September 30, 2023.

**2. Who is entitled to the increase?**

**a. Are administrative staff entitled to the increase (DON/MDS, etc.)?**

No, administrative staff are not eligible for the direct care worker wage pass-through. Only RNs, LPNs, CNAs and respiratory therapists that are facility employees providing direct patient care are eligible for the direct care wage pass-through. Only the time spent providing direct hands-on care to residents would be eligible for the direct care wage reimbursement. Supervising other staff that are performing hands on direct care would not be eligible for reimbursement.

Non-clinical staff in the categories identified in 1 part d. are also eligible for October 1, 2023, through September 30, 2024 (FY24).

**Michigan Department of Health and Human Services  
Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase  
Frequently Asked Questions**

- b. Do licensed staff working outside of the eligible direct patient care designations (RNs, LPNs, CNAs and respiratory therapists) qualify for the direct care wage increase? For example:**
- i. Does an activities aide who is also a CNA receive the direct care wage increase for all hours worked or only the hours worked, if any, as a CNA?**
  - ii. Does an administrator who is also a licensed RN receive the direct care wage increase?**

If these staff were to provide any direct patient care, then they would be eligible for the direct care wage increase for those hours, but their direct patient hours must be tracked separately from other hours worked.

- c. Are non-certified aides who perform direct care worker duties eligible for the direct care wage increase?**

Non-certified aides are not eligible for the direct care worker pass-through payments.

- d. Are non-Medicaid certified nursing facilities eligible for the direct care wage increase?**

Only nursing facilities certified to participate in either Medicaid or Medicare are eligible for the direct care worker pass-through payments. Licensed only nursing facilities and hospice residences are not eligible for the direct care worker pass-through payments.

- e. Does the direct care worker pass-through apply only to those facilities who have COVID-19 cases confirmed?**

No, all Michigan nursing facilities certified to participate in either Medicaid or Medicare, as described above, are eligible for the direct care worker pass-through payments.

- f. Are contract workers eligible for the direct care wage increase?**

No, contract workers are not eligible for the direct care wage increase.

- g. Are central office employees eligible for the direct care wage increase?**

No, central office employees are not eligible for the direct care wage increase.

**Michigan Department of Health and Human Services  
Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase  
Frequently Asked Questions**

**3. Is there a mechanism to include administrative staff that need to work on the floor to support adequate resident care?**

If a mechanism exists to track the amount of time an administrative staff works on the floor, MDHHS will reimburse the direct care wage increase for the time in which they were supporting resident care and providing direct care. The administrative staff person would need to be properly licensed or certified (RN, LPN, CNA or respiratory therapist).

**4. What hours are covered?**

**a. Do we pay the hourly direct care wage increase for PTO/Sick time?**

No, only actual hours worked are eligible.

**b. We pay 1.5 for working on a holiday; does this mean we have to pay 1.5 times the hourly direct care wage increase for working a holiday (July 4<sup>th</sup> and Labor Day).**

In this scenario for FY23 for eligible direct care workers, MDHHS would only pay for the \$2.35/hour of employee time worked and the nursing home would have to make up the additional \$1.18/hour if they choose to make holiday pay.

For FY24 for eligible direct care workers, MDHHS would only pay for the \$3.20/hour of employee time worked and the nursing home would have to make up the additional \$1.60/hour if they choose to make holiday pay.

For FY24 for eligible non-clinical workers, MDHHS would only pay for the \$.85/hour of employee time worked and the nursing home would have to make up the additional \$.43/hour if they choose to make holiday pay.

**5. What employment costs are eligible for reimbursement?**

**a. Additional overtime compensation?**

For eligible direct care workers, overtime compensation for non-exempt employees is eligible for reimbursement at a rate of \$3.53 an hour for FY23 and \$4.80 for FY24. For eligible non-clinical workers, overtime compensation is eligible for reimbursement at a rate of \$1.28 an hour for FY24.

Eligible overtime hours would include hours worked over 40 hours a week for non-exempt employees not covered under the “8 and 80” system. For employees covered under the “8 and 80” overtime system, overtime hours would include hours worked over 8 hours in a day or over 80 hours in a two week pay period (i.e., if an employee worked 84 hours in a pay period but had one 12-hour shift then the employee would be eligible for only 4 hours of overtime not 8 hours).

**Michigan Department of Health and Human Services**  
**Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase**  
**Frequently Asked Questions**

**b. Additional employer contributions to the employee’s defined benefit or defined contribution plan?**

No, extra retirement contributions would be excluded from the pass-through reimbursement. Since the Senate Fiscal Agency has taken the assumption that retirement contributions are exempt, MDHHS will also consider them exempt from the reimbursement.

**c. Increased workers’ compensation costs (that may not be realized/calculated until next year)?**

No, workers’ compensation costs will not be eligible for reimbursement since workers’ compensation premium amounts include many factors, not just employee wages.

**d. Administrative costs to effect compliance?**

No, administrative cost to comply with the law will not be eligible for reimbursement.

**e. Additional unemployment costs? See above.**

No, extra unemployment costs would be excluded from the pass-through reimbursement. Since the Senate Fiscal Agency has taken the assumption that unemployment costs are exempt, MDHHS will also consider them exempt from the reimbursement.

**f. What payroll tax expenses are eligible for reimbursement?**

All employer Medicare and Social Security payroll tax expenses associated with the direct care wage increase are eligible for reimbursement. State and federal employer unemployment insurance taxes are not eligible for reimbursement.

**6. How are we reimbursed?**

**a. Process**

Nursing homes should complete the Direct Care Worker Wage Pass-Through Reimbursement Form after they have made payroll and submit to the [MDHHS-SNF-Testing-Financial@michigan.gov](mailto:MDHHS-SNF-Testing-Financial@michigan.gov) email box to request reimbursement. **When submitting reimbursement requests nursing homes must not submit overlapping months. For example, if the pay period runs May 28, 2023, through June 3, 2023, all May dates of service must be on one reimbursement form and all June dates on another.** Forms not submitted in this manner will be returned for corrections prior to processing.

**Michigan Department of Health and Human Services  
Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase  
Frequently Asked Questions**

**b. Required Documentation**

Nursing homes will be required to track eligible expenses and retain documentation (i.e., payroll documentation, job descriptions, etc.) to demonstrate that the eligible direct care workers and eligible non-clinical staff received the wage pass-through and were eligible for it, and to show that other eligible expenses were actually incurred.

**7. What is the wage level basis?**

**a. Do I need to include the direct care wage increase for shift differential pay?**

Yes, for eligible direct care workers, the \$2.35 an hour increase for FY23 and \$3.20 an hour increase for FY24 applies to shift differential pay. For example, for FY23 it should be \$2.35 an hour above the shift differential wage rate (e.g., if an employee has a standard wage of \$15 an hour but is paid \$18 an hour to work the night shift, then that employee should receive \$20.35 an hour for hours worked during the night shift).

For eligible non-clinical employees, the \$.85 increase for FY24 also applies to shift differential pay.

**b. Does the direct care wage increase factor into employee bonuses?**

No, the direct care wage increase is excluded from employee bonuses.

**8. Can a nursing home submit one reimbursement request form and make one lump sum payment to their employees?**

No. A nursing home must submit a reimbursement request for each respective month separately.

**9. When will we receive reimbursement?**

Payments are processed on a biweekly basis as reimbursement request forms are received. Processing times will depend on the volume and quality of requests, but MDHHS expects quick turnaround times.

**10. Will Medicaid consider the additional direct care wage increase per hour for SNF direct care workers as a direct pass-through and not subject to the VCL limits?**

The direct care wage increase will be a direct pass-through separate from the Medicaid nursing facility per diem.

**11. When does the direct care worker pass-through payment program end?**

The direct care worker wage increase payments are reimbursable for qualifying hours worked between January 1, 2022, and September 30, 2024. If a facility pay period extends beyond September 30, 2024 (i.e., September 20 – October 3) the wage increase currently is only

**Michigan Department of Health and Human Services**  
**Skilled Nursing Facility COVID-19 Response: Direct Care Worker Wage Increase**  
**Frequently Asked Questions**

required and reimbursable through September 30, 2024. Reimbursements for qualifying hours worked during calendar year 2022 must be submitted to the [MDHHS-SNF-TESTING-FINANCIAL@michigan.gov](mailto:MDHHS-SNF-TESTING-FINANCIAL@michigan.gov) mailbox by September 30, 2023 or the reimbursement will not be processed.