



Detroit Wayne
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Date: March 26, 2019

To: Provider Network

From: Stacie Durant, Chief Financial Officer

Cc: Willie E. Brooks, Chief Executive Officer, Dhannetta Brown, Deputy Chief Financial Officer, Dana Lasensby, Chief Clinical Officer, Eric Doeh, Chief Network Officer, Shirley Hirsch, Director of Residential Services, and Kimberly Flowers, Interim Director of Utilization Management

Re: \$.25 Mandated Direct Care Wage Increase Effective April 1, 2019

Detroit Wayne Mental Health Authority (DWMHA) received the attached correspondence from the Michigan Department of Health and Human Services (MDHHS) providing the necessary direction on how the \$.25 direct care wage increase shall be implemented by the Prepaid Inpatient Health Plan (PIHP).

It is DWMHA's expectations that all providers increase the wages for all direct care workers on April 1, 2019 by a minimum of \$.25 per hour. DWMHA will ensure that the rates appropriately reflect the increase of \$.27/hr. (includes 7.65% for FICA taxes) for the applicable codes as set forth in the December 14, 2017 letter issued by the Department.

If you have any questions or concerns, feel free to contact sdurant@dwmha.com.

Thank you in advance for cooperation.

Attachment

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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ROBERT GORDON
DIRECTOR

March 26, 2019

To: Executive Directors
Prepaid Inpatient Health Plans

From: Jeffery L. Wieferrich MA, LLP *JW*
Director
Bureau of Community Based Services

Subject: Direct Care Wage Payment

Public Act 618 of 2018 made available funding for a wage increase for direct care workers. The raise was indicated to be a \$.25 per hour wage increase that is effective April 1, 2019. The Prepaid Inpatient Health Plans (PIHPs) received the Milliman rate letter on March 15, 2019 that indicated that effective April 1, 2019, the statewide capitation rate payments have been amended to reflect that the direct care wage funding was added.

The Behavioral Health and Developmental Disabilities Administration (BHDDA) has received reports from some provider organizations that they are being told the wage increase is being delayed due to needing guidance from the State. It should also be noted that some PIHPs have already communicated with providers about the raise and its effective date and it is this mixed message that has the provider system concerned. It is expected that all PIHPs will initiate this wage increase on April 1, 2019 to comply with the supplemental budget direction.

This wage increase process is consistent with the methods used for the \$.50 increase that was authorized through Public Act 107 of 2017, therefore, the PIHPs have experience with how to move this wage increase on to the direct care workforce. There is no further guidance that the state plans on providing regarding this process.

Please contact John Duvendeck at Duvendecki@michigan.gov if you have questions or concerns about providing this wage increase. If you are unable to initiate this wage increase to all eligible workers on April 1, 2019, please inform John immediately. In that communication please outline the following:

- Reasons why the deadline cannot be met
- The date that you will meet the deadline
- How you will ensure that the direct care workers will be made whole due to not meeting the deadline

BHDDA will follow-up accordingly to any questions or communications that are received.

cc: PIHP Finance Officers
Dr. George Mellos

Farah Hanley
Penny Rutledge

Kristen Jordan
John Duvendeck