

June 27, 2024

Michigan Legislature Passes State Fiscal Year 2025 Budget Bill

On Wednesday, June 26, The Michigan Senate and House of Representatives each approved the omnibus budget bill for the state fiscal year 2025, which begins on October 1, 2024.

Provisions of the budget of interest to HCAM members are detailed below. You may find the budget bill and supporting documents [HERE](#).

Medicare Only Dual Certification – Policy Change

The budget directs the Michigan Department of Health and Human Services (MDHHS) to update Medicaid Policy by easing restrictions on the process for dual certification of Medicare only beds. Current Medicaid policy makes it very difficult for nursing facilities with Medicare only beds to become dually certified. There is a long list of requirements, including an 8 quarter lookback on survey issues, which has limited Medicaid access throughout the state.

The boilerplate language specifies that the new Medicaid policy must allow for dual certification if the applicant is in substantial compliance at the time of application – this removes the previous restrictions relating to survey history that often prevented dual certification under the current policy.

MDHHS will now submit a state plan amendment to update the Medicaid policy as directed by the budget. HCAM will continue to work with the department to ensure the new policy is implemented as soon as possible.

Direct Care Worker Wage Increase - \$3.40/Hour

For the 2024 state fiscal year, the wage increase has applied to only CNAs, LPNs, RNs, and respiratory therapists at a rate of \$3.20 per hour. The budget as passed increases the wage pass through by another \$0.20 per hour, bringing the total wage increase for direct care workers employed in nursing facilities to \$3.40 per hour. This new hourly rate will take effect on October 1, 2024.

Non-Clinical Staff Wage Increase - \$0.85/Hour

The budget maintains the \$0.85 per hour increase to the wages of non-clinical staff of nursing facilities. The non-clinical staff eligible for the wage increase includes the following job classifications:

DCW/non DCW estimated totals

•	FY 20	\$13 M
•	FY 21	\$100 M
•	FY 22	\$109 M
•	FY 23	\$109 M
•	FY 24	\$137 M
•	FY 25	\$139 M
Total		\$607 M

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Licensed HFA and AFC Wage Increase - \$3.40/Hour

The budget also includes an additional \$0.20 per hour wage increase for direct care workers employed by licensed AFCs and HFAs that provide Medicaid-funded fee-for-service personal care services. The current wage increase for these direct care workers is \$3.20 – the increase will continue the current program at an increased rate of \$3.40 per hour.

Each of the wage increases described above will take effect on October 1, 2024.