

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

10 - 1 0

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE *Inc*
~~January 1, 2011~~ *October 1, 2010*

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1902(a)(70) of the SSA

7. FEDERAL BUDGET IMPACT:

a. FFY 11 \$ -0-

b. FFY 12 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement to Attachment 3.1-A, pp 36 - ~~36e~~ *36g Inc* and Attachment
3.1-D, pages 1 & 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Supplement to Attachment 3.1-A, pp 36 - ~~36e~~ *Inc* and Attachment
3.1-D, pages 1 & 2

10. SUBJECT OF AMENDMENT:

Brokered non-emergency transportation. Cost effectiveness is expected because: 1) The more appropriate assignment of transports will occur because a unified, organized, and coordinated network of providers will now exist; and 2) Competition among providers in the network to demonstrate value to the broker and therefore be assigned more riders may dampen unit costs and increase transport efficiency.

11. GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
Stephen Fitton, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
August 4, 2010

16. RETURN TO:

Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attention: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

August 5, 2010

18. DATE APPROVED:

DEC 16 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2010

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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***Methods of Providing Transportation
for the Categorically and Medically Needy***

In addition to ambulance benefits covered under the Medical Assistance Program, provision is made for assuring other essential medical transportation to and from providers of service of recipients not receiving transportation under the brokerage program, by the following methods:

- a) For all eligible beneficiaries, transportation expenses related to the beneficiary's use of medical services are paid if not otherwise available without cost to the client. Transportation costs for all Medicaid covered services are allowable for this purpose. A medical transportation payment requires an initial verification of need for the trip by the beneficiary's treating physician.
- b) For applicants or beneficiaries requiring medical examinations to determine factors of eligibility, i.e., employability, incapacity or disability, transportation related to receiving the medical examination is paid as a part of the administrative cost of the program.
- c) For applicants or beneficiaries requiring a medical examination to meet the particular needs of children for protective services, child care services or foster care services, transportation related to receiving the necessary medical examination is paid as an administrative cost.
- d) For beneficiaries released from mental institutions, transportation is arranged through relatives and friends, if feasible, or conveyors, when necessary, and paid as a part of administrative costs.
- e) Volunteers of the DHS volunteer services program to provide transportation for many beneficiaries in need of such service, and are paid as administrative costs.
- f) For all eligible beneficiaries, the DHS worker is required, when appropriate, to enlist the aid of relatives and friends for the purpose of helping the beneficiary obtain needed care, including meeting the beneficiary's needs for transportation initially and on an ongoing basis. workers are also permitted, if necessary and practical, to transport clients as part of program administrative costs.
- g) For all medically needy eligible beneficiaries, the application of available income provides for income in excess of that needed for maintenance, be applied to the costs of necessary medical transportation as well as other necessary medical or remedial care.
- h) An eligible beneficiary's transportation expenses to and from EPSDT screening sites, and to and from initial referrals made by the screening site for diagnosis and treatment, are included as administrative costs of the Title XIX Program. The Michigan Department of Community Health (MDCH) has an agreement with the Michigan Department of Human Services (DHS) which sets forth the responsibilities and assigned functions to be carried out by both departments for the administration and oversight of transportation services in order to insure compliance with the statutory and regulatory requirements of MDCH policies and Michigan's approved state plan.

Transportation is an administrative service, except in the areas where Michigan has an approved brokerage program under 440.170(a)(4). Clients or the medical provider can request non-emergency transportation. The request goes to the local DHS office and the transportation service is screened and approved.

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TN No.: 92-07

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- l) Transportation expenses to and from medical providers for ongoing medically necessary treatment are included as administrative costs of the Title XIX program.
- j) Transportation expenses to and from medical providers for dual (Medicare/Medicaid) eligibles are included as administrative costs of the title xix program.
- k) Related travel expenses, including meals, lodging, and an attendant, are reimbursed if necessary to obtain medical services, and are included as an administrative cost.
- l) Transportation services are requested through county DHS offices. DHS screens requests and approves the least costly, most appropriate mode of transportation available to meet the beneficiary's need, including, as appropriate, commercial, public, and not-for-profit providers and agencies.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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24. OTHER MEDICAL CARE

Any other medical care, and any other type of remedial care recognized under State law, and specified by the Secretary in accordance with section 1905(a)(28) of the Social Security Act and 42 CFR 440.170.

a. Transportation (Same for categorically needy and medically needy clients)

Ambulance service to a hospital for inpatient services, or from a hospital on completion of an inpatient stay, is an allowable benefit when a physician has ordered the service. The physician's name must be indicated on the claim for payment when submitted by the provider service.

Ambulance service to a hospital for emergency care is an allowable benefit. (Emergency is defined as any condition in which a delay in treatment may result in permanent injury or loss of life.) A physician's order is not required if the definition of emergency is met. However, the nature of the affliction which gave cause for emergency service must be clearly described on the claim for payment when submitted by the provider of the service. The return trip from an emergency situation is a covered service, if ordered by a physician because the patient required ambulance transportation based on his medical condition, whether or not there was an inpatient stay.

If the ambulance service is by air, it is covered only under the following circumstances:

- 1) Time and distance would be hazard to the life of the patient, either to or from the hospital, and
- 2) The reason for hospitalization at the distantly located hospital is that comparable care and medical services are not available locally, and the reason for hospital admission is for medical or surgical therapy, not for diagnosis only.

a.1 ☒ Non-emergency transportation is provided in accordance with 42 CFR 431.53 as an administrative service.

☐ Without limitations

☒ With limitations

The Michigan Department of Community Health (MDCH) administers the provision of Fee For Service (FFS) Non-Emergency Medical Transportation (NEMT) through an agreement with the Michigan Department of Human Services (DHS). MDCH pays DHS for transportation costs and administration. DHS administers NEMT in all Michigan counties except Wayne, Oakland, and Macomb, where NEMT is administered through a brokerage program. The NEMT program includes transportation for FFS beneficiaries and transportation to dental, substance abuse, and community mental health services for beneficiaries enrolled in a Medicaid managed care plan.

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Transportation is requested through the county DHS office. DHS reviews the request for appropriateness and approves accordingly. DHS conducts all activities necessary to administer the NEMT program, including provider registration, receipt, screening, and approval of requests for transportation; and payment to providers and beneficiaries for approved transportation services. MDCH administrative oversight includes examination and evaluation of monthly and quarterly financial reports submitted by DHS; and monitoring, tracking and responding to client contacts in order to identify and resolve transportation access issues.

- ☐ Non-emergency transportation is provided without a broker in accordance with 42 CFR 440.170 as an optional medical service, excluding "school-based" transportation.

☐ Without limitations ☐ With limitations

- ☒ Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 CFR 440.170(a)(4).

MDCH contracts with a single broker to administer FFS NEMT in Wayne, Oakland, and Macomb Counties.

- ☒ The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36(b)(i).

- 1) The State will operate the broker program without regard to the requirements of the following paragraphs of section 1902(a):

- ☒ (1) state-wideness – the State operates the broker program in Wayne, Oakland and Macomb counties.
☐ (10)(B) comparability
☒ (23) freedom of choice

- 2) Transportation services provided will include:

- ☒ wheelchair van
☒ taxi
☐ stretcher car
☒ bus passes
☒ tickets

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- ☐ secured transportation
- ☒ other transportation:
 - volunteer mileage
 - beneficiary mileage
 - meals and lodging
 - airplane

- 3) The State assures that transportation services will be provided under a contract with a broker who:
 - (i) is selected through a competitive bidding process based on the State's evaluation of the broker's experience, performance, references, resources, qualifications and costs;
 - (ii) has oversight procedures to monitor beneficiary access and complaints and ensures that transport is timely and transport personnel are licensed, qualified, competent and courteous;
 - (iii) is subject to regular auditing and oversight by the State in order to ensure the quality and timeliness of the transportation services provided and the adequacy of beneficiary access to medical care and services; and,
 - (iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on prohibitions on physician referrals under section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate).
- 4) The broker contract will provide transportation to the following mandatory categorically needy and medically needy populations:
 - ☒ Low-income families with children (section 1931)
 - ☐ Deemed AFDC-related eligibles
 - ☒ Poverty-level related pregnant women
 - ☒ Poverty-level infants
 - ☒ Poverty-level children 1 through 5
 - ☒ Poverty-level children 6 – 18
 - ☐ Qualified pregnant women AFDC-related
 - ☒ Qualified children AFDC-related
 - ☒ IV-E foster care and adoption assistance children
 - ☒ TMA recipients (due to employment) (section 1925)
 - ☒ TMA recipients (due to child support)
 - ☒ SSI recipients
 - ☐ Individuals eligible under 1902(a)(10)(a)(i) - new eligibility group vii (very low income adults who are not otherwise eligible under any other mandatory eligibility group)

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- ☒ Under age 21, or under age 21, 19 or 18 (as the State may choose)
 - ☒ Relatives specified in section 406(b)(1) with whom a child is living if child is a dependent child under part A of title IV
 - ☒ Aged (65 years of age or older)
 - ☒ Blind with respect to States eligible to participate under title XVI
 - ☒ Permanently or totally disabled individuals 18 or older under title XVI
 - ☐ Persons essential to recipients under title I, X, XIV or XVI
 - ☐ Blind or disabled as defined in section 1614 with respect to States not eligible to participate in the State Plan program under title XVI
 - ☒ Pregnant women
 - ☒ Individuals provided extended benefits under section 1925
 - ☐ Individuals described in section 1902(u)(1)
 - ☐ Employed individuals with a medically improved disability (as defined in section V)
 - ☒ Individuals described in section 1902(aa)
 - ☒ Individuals screened for breast or cervical cancer by CDC program
 - ☐ Individuals receiving COBRA continuation benefits
- 5) The broker contact will provide transportation to the following categorically needy optional populations:
- ☒ Optional poverty level – related pregnant women
 - ☒ Optional poverty-level – related infants
 - ☒ Optional targeted low income children
 - ☒ Non IV-E children who are under State adoption assistance agreements
 - ☒ Non IV-E independent foster care adolescents who were in foster care on their 18th birthday
 - ☒ Individuals who meet income and resource requirements of AFDC or SSI
 - ☐ Individuals who would meet the income & resource requirements of AFDC if child care costs were paid from earnings rather than by a State agency
 - ☐ Individuals who would be eligible for AFDC if State plan had been as broad as allowed under Federal law
 - ☐ Children aged 15-20 who meet AFDC income and resource requirements
 - ☒ Individuals who would be eligible for AFDC or SSI if they were not in a medical institution
 - ☐ Individuals infected with TB
 - ☒ Individuals screened for breast or cervical cancer by CDC program
 - ☐ Individuals receiving COBRA continuation benefits
 - ☒ Individuals in special income level group, in a medical institution for at least 30 consecutive days, with gross income not exceeding 300% of SSI income standard
 - ☒ Individuals receiving home and community based waiver services who would only be eligible under State plan if in a medical institution

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- ☐ Individuals terminally ill if in a medical institution and will receive hospice care
- ☒ Individuals aged or disabled with income not above 100% FPL
- ☐ Individuals receiving only an optional State supplement in a 209(b) State
- ☐ Individuals working disabled who buy into Medicaid (BBA working disabled group)
- ☐ Employed medically improved individuals who buy into Medicaid under TWWIIA Medical Improvement Group
- ☒ Working individuals with disabilities who buy in to Medicaid under TWWIIA basic coverage Group
- ☒ Individuals disabled age 18 or younger who would require an institutional level of care (TEFRA 134 kids)

6) Payment Methodology

(A) Describe the methodology used by the state to pay the broker:

MDCH payment to the broker is a fixed fee monthly prepayment reimbursement with quarterly adjustments for services/deliverables. The broker fee was developed using a percentage of non-emergency medical transportation from the counties covered under the contract, following the concept utilized by MDCH to reimburse DHS for providing similar services in the past. The contract allows for adjustments to the rate.

(B) Describe how the transportation provider will be paid:

The broker contracts with providers to provide NEMT services to Medicaid beneficiaries and issues direct vendor payments to providers. The broker may also issue payment for beneficiary mileage reimbursement. Beneficiaries that can provide their own transportation or receive transportation from a family member, relative, or friend are expected to do so without reimbursement. Reimbursement is approved when no other means of transportation is available.

(C) What is the source of the non-Federal share of the transportation payments?

The State share is from state general funds appropriated by the legislature.

- ☒ (D) The State assures that no agreement (contractual or otherwise) exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly). This assurance is not intended to interfere with the ability of a transportation broker to contract for transportation services at a lesser rate and credit any savings to the program.

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- ☒ (E) The State assures that payments proposed under this State Plan amendment will be made directly to transportation providers and that the transportation provider payments are fully retained by the transportation providers and no agreement (contractual or otherwise) exists between the State or local government and the transportation provider to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).
- ☐ (F) The state has included federal Medicaid matching funds as state match when drawing down FTA SAFETEA-LU grants.
- 7) The broker is a non-governmental entity:
- ☒ The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial relationship as described at 42 CFR 440.170(a)(4)(ii).
- ☐ The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:
- ☐ Transportation is provided in a rural area as defined at 42 CFR 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.
- ☐ Transportation is so specialized that there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.
- ☐ The availability of other non-governmental Medicaid participating providers or other providers determined by the State to be qualified is insufficient to meet the need for transportation
- 8) The broker is a governmental entity and provides transportation itself or refers to or subcontracts with another governmental entity for transportation. The governmental broker will:
- ☐ Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.
- ☐ Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.
- ☐ Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public para-transit services than the rate charged to other human services agencies for the same service.

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9) The NEMT brokerage program operates as follows:

MDCH contracts with a single broker to administer FFS NEMT services for beneficiaries in the following three counties in Michigan: Wayne, Oakland, and Macomb. The broker administers and oversees the NEMT program by:

- 1) assuring NEMT is provided to eligible Medicaid beneficiaries according to the policies that govern the FFS NEMT program. The broker develops outreach and general information materials describing the availability of NEMT services, eligibility, access, use, and other policies and procedures;
- 2) Establishing a comprehensive network of transportation providers that includes public, not-for-profit, for-profit organizations and individual qualified operators, including relatives, and diverse modes of available transportation capable of serving beneficiaries from a variety of cultural and geographic areas. The broker educates transportation providers regarding rules, regulations, policies, practices and laws relating to the delivery of NEMT to eligible Medicaid beneficiaries, and ensures providers meet health and safety standards for vehicle maintenance, operation and inspection, and driver qualifications;
- 3) Establishing an adequately staffed, toll-free, telephone call center to respond to requests and questions from beneficiaries, beneficiary designated representatives, providers, Medicaid technicians, and MDCH. the call center fields requests for transportation, provides information about transportation services, and handles calls to register complaints;
- 4) verifying beneficiary Medicaid eligibility through MDCH-provided online access;
- 5) approving and arranging for the most appropriate transportation for the beneficiary's condition and needs, including chronic and ongoing treatment, prescriptions, medical supplies and one time, occasional and ongoing visits for medical care, travel outside the normal service delivery area, overnight stays (including meals and lodging), commercial non-emergency transport vehicle (wheelchair lift/medivan), and attendant (parent, caretaker, etc);
- 6) providing reimbursement to NEMT providers for authorized services rendered and, if appropriate, to beneficiaries for mileage. the broker will conduct random pre-payment claim checks and validation of information required on invoices; and
- 7) collecting, monitoring, and reporting monthly data on beneficiaries, providers, services, approvals, denials, calls, complaints, utilization, and trends, and submitting encounter data.

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MDCH administers and oversees the NEMT brokerage contract through:

- 1) inspection of work performed;
- 2) scheduled and unscheduled onsite visits;
- 3) examination of records;
- 4) action plans to address and resolve deficiencies, concerns, and/or audit recommendations;
- 5) scheduled, periodic meetings;
- 6) review of broker charges, reports, and data, including encounter data;
- 7) beneficiary satisfaction surveys;
- 8) issue and change management processes, including complaint, appeal and escalation;
- 9) approval of all NEMT written materials prior to distribution; and
- 10) online access to broker complaint tracking system.

- c. Care and services provided in Christian Science sanatoria (Same for categorically needy and medically needy clients)

Admission must be upon the written direction of a physician or a certified Christian Science practitioner, who must periodically recertify need for care. The facility must be operated or listed and certified by the First Church of Christ Scientist, Boston, Massachusetts. The primary items and services covered include nursing and related services, bed and board and certain supplies, equipment, and appliances used as part of the Christian Science method of healing.

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