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State/Territory Name: MI

State Plan Amendment (SPA) #: 14-007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

May 19, 2014

Stephen Fitton, Medicaid Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal: #14-007 NEMT
- Effective: January 1, 2014

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

/s/

Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

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

1. TRANSMITTAL NUMBER:
1 4 - 07

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
January 1, 2014

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 2014 \$ 0
b. FFY 2015 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement to Attachment 3.1-A, Page 36d

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):
Supplement to Attachment 3.1-A, Page 36d

10. SUBJECT OF AMENDMENT:
This SPA amends the reimbursement methodology for Michigan's non-emergency medical transportation brokerage contract. It also provides for inclusion of Michigan's Healthy Michigan Plan population to receive covered services provided by the contracted broker.

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Stephen Fitton, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:


16. RETURN TO:
Medical Services Administration
Actuarial Division
Capitol Commons Center - 7th Floor
400 South Pine Street
Lansing, Michigan 48933

Attn: Loni Hackney

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
March 17, 2014

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: March 17, 2014

18. DATE APPROVED:
5/19/14

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPE NAME:
Verlon Johnson

22. TITLE:
Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

- 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)
- Individuals ages 19-64 years, with income at or below 133% of the federal poverty level as determined by the modified adjusted gross income methodology, and meet all eligibility requirements for the Healthy Michigan Plan

1) 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 for services/deliverables. The fee is an all-inclusive rate that includes all costs associated with the contract. The contract allows for adjustments to the rate annually.

(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.

TN NO.: 14-07

Approval Date: 5/19/14

Effective Date: 01/01/2014

Supersedes

TN No.: 10-10