Table of Contents

State/Territory Name: MI

State Plan Amendment (SPA) #: 16-0007

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Chicago Regional Office
233 N. Michigan
Suite 600
Chicago, Illinois 60601

June 24, 2016

Chris Priest
Medical Services Administration
Michigan Department of Health and Human Services
400 South Pine Street, P.O. Box 30479
Lansing, Michigan 48909-7979

ATTN: Erin Black

Dear Mr. Priest:

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

- Transmittal #: 16-0007: Hospice Inclusion
- Effective Date: January 1, 2016

If you have any questions, please contact Keri Toback at (312) 353-1754 or keri.toback@cms.hhs.gov.

Sincerely,

/s/

Ruth A. Hughes
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

CC: Erin Black

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 16 - 0007

2. STATE: Michigan

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

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2016

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:

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 $214,000
b. FFY 2017 $283,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, Page 5
Attachment 4.19-B, Page 5.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-B, Page 5
New Page

10. SUBJECT OF AMENDMENT:
Reflects the inclusion of hospice categories of care within the State Plan per Centers for Medicare & Medicaid Services (CMS) request.

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:
Chris Priest, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[redacted]

13. TYPED NAME:
Chris Priest

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
March 30, 2016

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

Attn: Erin Black

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
March 30, 2016

18 DATE APPROVED:
June 24, 2016

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2016

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPE NAME:
Ruth A. Hughes

22. TITLE:
Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Policy and Methods for Establishing Payment Rates
Other than Inpatient Hospital and Long-Term-Care Facilities

10. Hospice Services

Michigan will pay the Medicaid Hospice rates developed annually by the Centers for Medicare and Medicaid Services and apply the appropriate local wage index for the following categories or levels of care provided. The "appropriate local wage index" is the index indicated for the recipient's county of residence. With the exception of payment for physician services, Medicaid reimbursement for hospice care will be made at predetermined rates for each day the individual receives care under one of the following categories or levels of hospice care.

There are four categories or levels of Medicaid hospice care:

A. Routine Home Care, (RHC)
Hospice providers are paid at one of two tiers of RHC. Effective for dates of service on or after January 1, 2016. A higher rate is paid for day one (1) through day sixty (60) of hospice care
- A decreased rate is paid for hospice days 61 and beyond
- A minimum of sixty (60) days gap in hospice services must elapse before the hospice day count resets to the higher level of RHC reimbursement.

B. Continuous Home Care (CHC)
CHC is to be provided only during a period of crisis. CHC is covered when a patient requires primarily nursing care to achieve palliation or management of acute-medical symptoms. This care need not be continuous (i.e. 4 hours could be provided in the morning and another 4 hours provided in the evening of that day). A minimum of eight hours of care per day must be provided to qualify as continuous home hospice care. At least half of the hours of CHC must predominantly be that of nursing care provided by either a registered nurse or licensed practical nurse in a crisis situation. Home health aide or homemaker services may be provided in addition to nursing care. Payment is made for the hours of continuous care provided, up to 24 hours in one day. The continuous home care rate is divided by 24 hours in order to arrive at an hourly rate.

C. Inpatient Respite Care
Inpatient Respite Care is defined as short-term inpatient care to relieve the primary caregiver(s) providing at-home hospice care for the beneficiary. Hospice care may be provided in a licensed hospice residence, hospital, or nursing facility meeting hospice standards for staffing and patient areas. Medicaid inpatient respite care will pay for a maximum of 5 days at a time including the date of admission but not counting the date of discharge. Medicaid will pay for the sixth and any subsequent days at the routine home care rate. Inpatient Respite care may not be provided when the hospice patient is a nursing home resident.

D. General Inpatient Care
General inpatient care is covered when the beneficiary's condition is such that their symptoms cannot be adequately treated under the routine hospice care benefit. It is

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Policy and Methods for Establishing Payment Rates
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defined as short-term inpatient care provided in a licensed hospice residence, hospital, or Nursing Facility meeting hospice standards for staffing and patient areas. This brief episode of care is usually for pain control, or acute or chronic symptom management, that cannot be reasonably treated in another setting. General inpatient care is not to be used solely if a beneficiary requires care in a facility setting. Michigan Medicaid provides payment for room and board in a nursing facility if the beneficiary's hospice care would be more appropriately provided in this setting under the routine hospice benefit.

Service Intensity Add-On
Effective for dates of service on or after January 1, 2016, a Service Intensity Add-on (SIA) rate will be reimbursed to hospice agencies for services provided by a registered Nurse (RN) or Social Worker in the last seven days of a hospice beneficiary's life, under the following conditions:

1) The SIA payment is provided for visits of a minimum of 15 minutes but not more than four hours combined in a day.
2) During the last seven days of a beneficiary's life for in-person visits made by an RN and/or Social worker when the beneficiary is receiving routine home care.
3) The SIA payment is made in addition to the routine home care rate for the day. However, the total of combined time rendered by an RN and Social Worker will not be reimbursed for more than four hours a day.

Direct patient care provided by the hospice medical director, hospice employed physician or consulting physician must be billed by the hospice, using the appropriate Common Procedure Coding System code(s) and will be reimbursed at the applicable Medicaid fee screen.

If the beneficiary is residing in a Medicaid enrolled nursing facility, Michigan will pay the hospice an additional amount on routine home care and continuous home care days to take into account the room and board furnished by the facility. The amount is determined in accordance with the rates established under Section 1902 (a)(13) of the Act. The additional amount paid to the hospice on behalf of an individual residing in a nursing facility must equal at least 95 percent of the per diem rate that Michigan would have paid to the nursing facility for that individual in that specific facility under Michigan's Medicaid State Plan.

Medicaid will pay a hospice agency serving a beneficiary in a nursing facility, to hold the beneficiary's bed for hospital and therapeutic leave when the requirements described under nursing facility reimbursement for hospital and therapeutic leave are met (Attachment 14.9-C, pages 1 and 2).

For fiscal year 2014, and each subsequent year, failure to submit Medicare required quality data shall result in a 2 percentage point reduction to the market basket percentage increase for that fiscal year.