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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 16-0009

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

SEP 12 2016

Mr. Chris Priest, Director
Medical Services Administration
Department of Community Health
400 South Pine
Lansing, MI 48933

RE: Michigan State Plan Amendment (SPA) 16-0009

Dear Mr. Priest:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 16-0009 effective for services on or after April 1st, 2016, corrects the Michigan Department of Health and Human Services Disproportionate Share Hospital (DSH) allotment methodology which was previously approved. This SPA corrects state plan language by reflecting a \$3,500,000 payment as approved with SPA 13-04. Back in 2014, two SPAs were approved about the same time that modified the same page. The final version should have reflected the \$3.5 million, but instead reflected an earlier allocation. The issue was identified recently and CMS indicated this technical SPA should be submitted to correct the language to reflect that previously approved.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 16-0009 is approved effective April 1st, 2016. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 16 - 0009 2. STATE: Michigan 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) 4. PROPOSED EFFECTIVE DATE April 1, 2016
TO: REGIONAL ADMINISTRATOR HEALTH FINANCING ADMINISTRATION DEPARTMENT OF HUMAN SERVICES		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: 42 CFR 447	7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$0 b. FFY 2017 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 23	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Page 23	
10. SUBJECT OF AMENDMENT: This SPA corrects State Plan language by reflecting a \$3,500,000 payment as approved with SPA 13-04. Back in 2014, two SPAs were approved about the same time that modified the same page. The final version should have reflected the \$3.5 million, but instead reflected an earlier allocation. The issue was identified recently and CMS indicated this technical SPA should be submitted to correct the language to reflect that previously approved.		
11. GOVERNOR'S REVIEW (Check One): ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ☒ OTHER, AS SPECIFIED: ☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Chris Priest, 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 - Federal Liaison Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933 Attn: Erin Black	
13. TYPED NAME: Chris Priest	14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: June 23, 2016	17. DATE RECEIVED:	
FOR REGIONAL OFFICE USE ONLY		
18. DATE APPROVED:		SEP 12 2016
PLAN APPROVED - ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 01 2016	20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPE NAME: Kristin Fan	22. TITLE: Director, FMG	
23. REMARKS:		

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Methods and Standards for Establishing Payment Rates Inpatient Hospital Care

c. Distinct Part Rehab Units

Title XIX Charges x Operating Ratio x (IV - 0.2)

2. Special Pools

In addition to the regular DSH pools of \$45,000,000, the single state agency (SSA) is establishing the following special pools:

- a. Effective June 1, 2006, a separate DSH pool will be created annually for areas covered by an Indigent Care Agreement (ICA) approved by the Director of the SSA. The areas covered by an ICA must be within reasonable geographic proximity to the hospital receiving the ICA DSH payment. The ICA must be between the hospital and a partner health care related entity in the area. The ICA must stipulate that direct or indirect healthcare services be provided to low-income patients with special needs who are not covered under other public or private health care programs. This pool will be \$172,343,362 in fiscal year 2006, \$147,687,951 in fiscal year 2007, \$122,707,686 in fiscal year 2008, \$110,937,485 in fiscal year 2009, \$125,001,655 in fiscal year 2010, \$107,926,496 in fiscal year 2011, \$124,803,035 in fiscal year 2012, \$111,026,217 in fiscal year 2013, \$86,173,665 in fiscal year 2014, \$10,000,000 in fiscal year 2015, and \$0 in fiscal year 2016 and each subsequent fiscal year. All payments made under (a) in fiscal year 2006 will occur on or after June 1, 2006. No payment will be made under (a) to any hospital with a contractual obligation to forward that payment to a partner health care related entity in the area.

To be eligible for DSH payments made under (a.), hospitals must meet minimum federal requirements for Medicaid DSH payments and have an approved ICA in place. A table showing the eligible hospitals and their annual allocations from this pool is included in Appendix B.

- b. The single state agency (SSA) is creating a special DSH payment pool of \$2,772,003 million in fiscal year 2005, and \$2,764,340 for **FISCAL YEARS 2006 – 2012, AND \$3,500,000 FOR** each subsequent fiscal year.

The purpose of this pool is to:

- Assure continued access to medical care for indigents, and
- Increase the efficiency and effectiveness of medical practitioners providing services to Medicaid beneficiaries under managed care.

The SSA will approve one (1) agreement statewide each state fiscal year. To be eligible for the pool, a hospital must meet the following criteria:

- Meet the minimum federal requirements for DSH eligibility listed in Section III.H.
- Have in place an approved agreement between itself and a university with both a college of allopathic medicine and a college of osteopathic medicine that specifies all services and activities to be conducted.

THIS AGREEMENT SHALL NOT REQUIRE THE HOSPITAL TO DONATE MONEY OR SERVICES TO THE OTHER PARTY IN THE AGREEMENT.

TN NO.: 16-0009

Approval Date: SEP 12 2016

Effective Date: 04/1/2016

Supersedes

TN No.: 14-014