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State/Territory Name: Michigan

State Plan Amendment (SPA) #: 16-0010

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

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



March 31, 2017

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 #: 16-0010: Diabetes Self-Management Education
- Effective Date: October 1, 2016
- Approval Date: March 31, 2017

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

Sincerely,

/s/ Alan Freund, acting ARA

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

Cc: Erin Black

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

1. TRANSMITTAL NUMBER:

16 - 0010

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 SERVICES4. PROPOSED EFFECTIVE DATE
October 1, 20165. 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 440.130(c)

7. FEDERAL BUDGET IMPACT:

a. FFY 2016 \$0

b. FFY 2017 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1-A, Page 27
Attachment 4.19-A, Page 20a9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):Supplement to Attachment 3.1-A, Page 27
Attachment 4.19-A, Page 20a

10. SUBJECT OF AMENDMENT:

This SPA modifies language to allow for the enrollment of Diabetes Self-Management Education (DSME) programs that are American Diabetes Association-recognized or American Association of Diabetes Educators-accredited, in addition to those certified as a DSME program by MDHHS. The new language also recognizes DSME ordered by a non-physician practitioner, in addition to physician, responsible for the beneficiary's diabetic care.

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:

13. TYPED NAME:
Chris Priest

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

July 19, 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:

July 19, 2016

18. DATE APPROVED:

March 31, 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPE NAME:

Alan Freund

22. TITLE:

Acting 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

13. OTHER DIAGNOSTIC, SCREENING, PREVENTIVE AND REHABILITATIVE SERVICES

d. Rehabilitative Services (cont.)

- 4) Rehabilitation Service for Persons with a Neurological Damage - The program covers, upon prior authorization, medically necessary rehabilitation services for persons with neurological damage. Medical necessity is documented by an authorized assessment and physician approval of a care plan which has been developed by an interdisciplinary team. Services may be provided in supervised residential settings or on an outpatient basis.

Rehabilitation programs for persons with neurological damage must meet the program and staffing requirements stipulated by the single state agency. These requirements are based on the relevant standards established by the Commission on the Accreditation of Rehabilitation Facilities (CARF). All Medicaid enrolled providers of these services must have/maintain a three year CARF accreditation as a condition of participation in the Medicaid program.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Rates
Inpatient Hospital***

1. Sub-Acute Ventilator-dependent Care

Sub-Acute Ventilator-dependent Care- If a hospital has a sub-acute ventilator-dependent care unit, the unit must be certified and meet all other requirements established by the Michigan Department of Health and Human Services.

Each admission must be prior authorized by the Michigan Department of Health and Human Services. Payment for services provided to patients in sub-acute ventilator-dependent units (SVDUCU) is made using a negotiated prospective per diem rate that includes capital and direct medical education costs.

The per diem rate is based on cost estimates for the upcoming year. The negotiated per diem rate is not to exceed the average outlier per diem rate that would be paid for outlier days between DRG 004X and DRG 005X. The payment rate for patients in subacute ventilator-dependent care units is an all-inclusive facility rate. No additional reimbursement is made for capital or direct medical education costs. These units are not eligible for indigent volume adjustor or indirect medical education adjustor payments.

2. Michigan State-Owned Psychiatric Hospitals

Reimbursement to Michigan state-owned psychiatric hospitals is a prospective per diem rate.

H. Disproportionate Share

Minimum Eligibility Criteria

Indigent volume data is taken from each hospital's cost report and from supplemental forms that each hospital must file with its cost report. Data from the most recent available filed cost report are used to calculate a disproportionate share adjustor. New adjustors are calculated and become effective concurrently with annual inflation updates. Separate indigent volume data is collected for and applied to distinct part psychiatric units.

Indigent volume is measured as the percentage of inpatient indigent charges to a hospital's total inpatient charges. Indigent charges are the annual charges for services rendered to patients eligible for payments under the Medicaid, CSHCS and the Adult Benefits Waiver plus uncompensated care charges. Uncompensated care is limited by Medicare standards and is offset by any recoveries.

Each hospital must have a Medicaid utilization rate of at least 1%. Medicaid utilization is measured as:

$$\frac{\text{Medicaid Inpatient Days (Whole Hospital including Subproviders)}}{\text{Total Hospital Days (Whole Hospital including Subproviders)}}$$

Individual inpatient hospital claims will be paid without DSH adjustments. Inpatient DSH payments will be made annually in a single distribution based on charges converted to cost

TN NO.: 16-0010

Approval Date 03/31/2017

Effective Date: 10/01/2016

Supersedes

TN No.: 15-0014