

Medicaid Benefits and Health Programs Group

December 19, 2023

Kate Massey, Director
Medical Services Administration
Michigan Department of Health and Human Services
400 S. Pine Street, 7th Floor
Lansing, Michigan 48933

Dear Director Massey:

I am writing to inform you that the Centers for Medicare & Medicaid Services (CMS) has reviewed your state's Electronic Visit Verification (EVV) Compliance Survey submission and determined, based on the information you provided, that Michigan does not meet the requirements specified in section 1903(l) of the Social Security Act, as added by Section 12006(a) of the 21st Century Cures Act, for home health care services rendered in some or all applicable authorities available within your state. The non-compliant programs include the following:

- Section 1905(a)(7) home health care services
- Section 1915(c) home and community based services waivers
- Section 1915(i) home and community based services state plan benefit
- Section 1115 demonstrations
- Other authorities (to the extent they operate concurrently with the authorities listed above): Section 1915(b)(1), 1915(b)(2), and 1915(b)(4) managed care waivers.

The state reported to CMS that it is currently working with their EVV vendor to meet all EVV requirements. The state anticipates achieving compliance by March 1, 2024.

Because your state has not demonstrated that it complies with all EVV requirements as specified by the statute, CMS must apply federal medical assistance percentage (FMAP) reductions to home health care service expenditures for the authorities and/or programs listed above, beginning in the first calendar quarter of 2024, consistent with the requirements of 1903(l)(1)(A) of the Act. For each quarter during which the state is not compliant, FMAP will be reduced by 0.25 percentage points for calendar quarters in 2024, 0.5 percentage points for calendar quarters in 2025; by 0.75 percentage points for calendar quarters in 2026; and by 1 percentage point for calendar quarters in 2027 and each year thereafter.

Because FMAP reductions are assigned each quarter, you are encouraged to review your survey information on a quarterly basis and update your response when you achieve compliance in any or all authorities to ensure FMAP reductions are lifted in a timely manner. Should the state deliver home health care services in any additional Medicaid authorities other than listed above at a point in the future the state is also responsible for updating its compliance survey.

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I have included the state's current EVV Compliance Survey submission with this letter. If you need assistance, please feel free to contact the CMS EVV mailbox at evv@cms.hhs.gov.

Sincerely,

Alissa Mooney DeBoy, Director
MBHPG