

## **Table of Contents State/**

**Territory Name: MICHIGAN**

**State Plan Amendment (SPA) #: 23-0001**

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  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

February 28, 2023

Ms. Farah Hanley  
Medicaid Director  
Medical Services Administrations  
400 South Pine Street 7<sup>th</sup> Floor  
Lansing, MI 48933-2250

RE: TN 23-0001

Dear Ms. Hanley:

We have reviewed the proposed Michigan State Plan Amendment (SPA) to Attachment 4.19-B MI-23-0001, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on January 3, 2023. This plan amendment updates hearing aid dispensing rates and clarifies existing hearing aid payment language.

Based upon the information provided by the State, we have approved the amendment with an effective date of February 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 1-(312)-886-0360 or [Deborah.Benson@cms.hhs.gov](mailto:Deborah.Benson@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

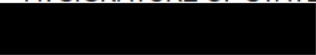
<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER 23      —      0001      —      —	2. STATE MI      —
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	3. PROPOSED EFFECTIVE DATE February 1, 2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 C.F.R. Part 440	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2023                      \$368,100 b. FFY 2024                      \$490,800	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19-B, Page 3	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Page 3 (TN# 19-0014) Attachment 4.19-B, Page 13a (TN# 09-0002) - Delete	

9. SUBJECT OF AMENDMENT  
This SPA provides authority for updated hearing aid dispensing rates and for clarification to existing hearing aid payment language, including elimination of an existing duplicate page.

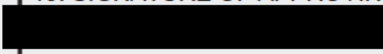
10. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO  Behavioral and Physical Health and Aging Services Administration Office of Strategic Partnerships & Medicaid Administrative Services – Federal Liaison Capitol Commons Center – 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933  Attn: Erin Black
11. TYPED NAME Farah Hanley	
12. TITLE Chief Deputy Director for Health	
13. DATE SUBMITTED January 3, 2023	

FOR CMS USE ONLY

16. DATE RECEIVED January 3, 2023	17. DATE APPROVED February 28, 2023
PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL February 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL TODD MCMILLION	21. TITLE OF APPROVING OFFICIAL DIVISION OF REIMBURSEMENT REVIEW

22. 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)***

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6. Dentures, prosthetic devices and eyeglasses/optical house services

A. Dentures

The agency's fee schedule rate was set using the same methodology that applies to Item 19, Dental Services.

B. Prosthetic Devices

1.) Hearing Aids

Hearing Aid Device Reimbursement Methodology

Reimbursement rates for hearing aid devices covered via a multi-state Medicaid volume purchasing agreement are established directly with hearing aid manufacturers. Michigan meets the certification requirements of section 1902(A)(23) of the Social Security Act to permit the selection of one or more providers, through a competitive bidding process, to deliver hearing aids on a statewide basis under the authority of section 1915(a)(1)(B) of the Social Security Act and 42 CFR 431.54(d). Providers are reimbursed and not allowed to discount or bill more than the contract established prices. Rates were set September 1, 2019.

For hearing aids not included in the agreement, that is those reimbursed on a fee for service basis, payment rates and reimbursement are prior authorized and are based on documentation of the manufacturer's invoice price minus any discounts and includes actual shipping costs.

Except as otherwise noted in the plan, Michigan's Medicaid payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the usual and customary charge for these services, whichever amount is less, minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients.

Effective Date of Payment

The agency's fee schedule rates were set as of November 1, 2019 and are effective for hearing aid devices dispensed on and after that date. All rates are published on the Agency's website at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).

Hearing Aid Service Reimbursement Methodology

Reimbursement for hearing aid related services including dispensing fees is made in accordance with Medicaid fee screens. Other State Medicaid fee screens and providers' charges were used as guidelines or reference in determining the maximum fee screen for individual services.

Except as otherwise noted in the plan, state-developed payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the provider's usual and customary charge for these services, whichever amount is less, minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients.

Effective Date of Payment

The agency's fee schedule was set as of February 1, 2023 and is effective for hearing aid services rendered on and after that date. All rates are published on the Agency's website at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).

1.) Cochlear implants

Payment rates for services related to cochlear implants are based on the rate for the HCPCS/CPT code in the National Physician Fee Schedule multiplied by the conversion factor for Michigan Medicaid, which is currently 21.53 and then minus any other reduction (i.e., 2009 budget reductions).