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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 23-0029

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

January 17, 2024
Meghan Groen
Senior Deputy Director
State of Michigan, Department of Community Health
400 South Pine Street
Lansing, Michigan 48933

RE: Michigan State Plan Amendment (SPA) 23-0029

Dear Senior Deputy Director Groen:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0029 effective for services on or after October 1, 2023. This SPA provides authority to establish hospital reimbursement, separate from the Diagnosis Related Group (DRG) payment, for Spinraza and drugs for which the State has entered CMS approved outcomes-based contract arrangements with drug manufacturers for drugs provided to Medicaid beneficiaries.

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 23-0029 is approved effective October 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

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

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Rory Howe
Director

Enclosure

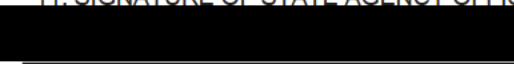
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|--|---|-----------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | 1. TRANSMITTAL NUMBER <u>23</u> — <u>0029</u> | 2. STATE <u>MI</u> |
| | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT | |
| TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE October 1, 2023 | |
| 5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 | 6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2024 \$0 b. FFY 2025 \$0 | |
| 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19--A Page 11a | 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19--A Page 11a (TN# 21-0010) | |

9. SUBJECT OF AMENDMENT
This SPA provides authority to establish hospital reimbursement, separate from the Diagnosis Related Group (DRG) payment, for Spinraza and drugs for which the State has entered CMS approved outcomes-based contract arrangements with drug manufacturers for drugs provided to Medicaid beneficiaries.

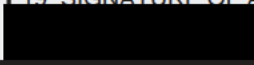
10. GOVERNOR'S REVIEW (Check One)

- 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 th Floor 400 South Pine Lansing, Michigan 48933 Attn: Erin Black |
| 12. TYPED NAME Meghan Groen | |
| 13. TITLE Senior Deputy Director | |
| 14. DATE SUBMITTED November 1, 2023 | |

FOR CMS USE ONLY

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|--|---|
| 16. DATE RECEIVED November 1, 2023 | 17. DATE APPROVED January 17, 2024 |
| PLAN APPROVED - ONE COPY ATTACHED | |
| 18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2023 | 19. SIGNATURE OF APPROVING OFFICIAL  |
| 20. TYPED NAME OF APPROVING OFFICIAL Rory Howe | 21. TITLE OF APPROVING OFFICIAL Director , FMG |

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

I. Hospital Rapid Whole Genome Sequencing (rWGS) Testing Reimbursement

Rapid whole genome sequencing testing provided in the inpatient hospital setting is excluded from the DRG payment. An additional payment for medically necessary rWGS will be made to a hospital when established clinical criteria is met. Costs associated with rWGS are to be billed separately from the inpatient episode. Hospital reimbursement will be made according to the Medicaid laboratory fee schedule.

J. SPINRAZA

SPINRAZA PROVIDED IN THE INPATIENT HOSPITAL SETTING IS EXCLUDED FROM THE DRG PAYMENT. AN ADDITIONAL PAYMENT FOR MEDICALLY NECESSARY SPINRAZA WILL BE MADE TO A HOSPITAL WHEN ESTABLISHED CLINICAL CRITERIA IS MET. COSTS ASSOCIATED WITH SPINRAZA ARE TO BE BILLED SEPARATELY FROM THE INPATIENT EPISODE. HOSPITAL REIMBURSEMENT WILL BE MADE ACCORDING TO THE MEDICAID FEE SCHEDULE.

K. OUTCOMES-BASED CONTRACT ARRANGEMENTS

DRUGS PROVIDED UNDER OUTCOMES-BASED CONTRACT ARRANGEMENTS WITH DRUG MANUFACTURERS FOR DRUGS PROVIDED TO MEDICAID BENEFICIARIES IN THE INPATIENT HOSPITAL SETTING ARE EXCLUDED FROM THE DRG PAYMENT. AN ADDITIONAL PAYMENT FOR DRUGS UNDER AN OUTCOMES-BASED CONTRACT ARRANGEMENT WILL BE MADE TO A HOSPITAL WHEN ESTABLISHED CLINICAL CRITERIA IS MET. COSTS ASSOCIATED WITH THESE DRUGS ARE TO BE BILLED SEPARATELY FROM THE INPATIENT EPISODE. HOSPITAL REIMBURSEMENT WILL BE MADE ACCORDING TO THE MEDICAID FEE SCHEDULE.