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State/Territory Name: MI

State Plan Amendment (SPA) #: 15-0004

This file contains the following documents in the order listed:

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

October 15, 2015

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 #: 15-0004: Indian Health Services
- Effective: February 1, 2015

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

/s/

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

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 15 - 0004

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 SERVICES

4. PROPOSED EFFECTIVE DATE
February 1, 2015

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 2015 $207,600
b. FFY 2016 $311,400

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, Pages 10 and 11

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-B, Pages 10 and 11

10. SUBJECT OF AMENDMENT:
Allows Indian Health Centers to receive the Indian Health Service all-inclusive encounter rate for eligible services provided.

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:
Stephen Fitton, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[redacted]

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
March 31, 2015

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:
March 31, 2015

18 DATE APPROVED:
October 15, 2015

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
February 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPE NAME:
Ruth A. Hughes

22. TITLE:
Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Policy and Methods for Establishing Payment Rates (Other than Hospital and Long Term Care Facilities)

18. Indian Health Centers (IHC) Services

If eligible, a Tribal 638 facility may choose to participate in the Medicaid Program and receive reimbursement for Medicaid covered services under one of three options.

Option 1: Fee-For-Service

If the 638 facility or the urban center chooses to bill as a fee-for-service provider, the provider may receive reimbursement as established in the State Plan's Attachment 4.19-B, Page 1, Item 1.

Option 2: Federally Qualified Health Center (FQHC) Payment Methodology

As a provider of Federally Qualified Health Center (FQHC) services, the IHC may receive reimbursement as established in State Plan Attachment 4.19-B, Page 6c, Item 14. Payments must comply with all requirements set forth within State Plan Attachment 4.19-B, Page 6c, Item 14.

Section 5006(d) of the American Recovery and Investment Act of 2009 protects Indian FQHC providers that are not participating providers of a managed care network when serving an American Indian or Alaska Native by requiring the supplemental payment from the state even if there is no contract with the managed care entity.

Option 3: All-Inclusive Rate Payment Methodology

The Indian Health Service (IHS) per visit outpatient rate will be reimbursed by the Indian Health Service in accordance with the annual federal register notice.

As a Tribal 638 facility, the IHC may, in accordance with the Federal Regulations, receive the IHS per visit outpatient rate for a face-to-face visit at the IHC for fee-for-service and managed care enrollees.

A visit is a face-to-face contact within the IHC between a Medicaid beneficiary and the provider of health care services who exercises independent judgment in the provision of Medicaid covered services. All outpatient ancillary Medicaid services are bundled in the per visit rate and cannot be billed as a separate visit. The IHC provider may be credited with no more than one face-to-face visit with a given beneficiary per day, except when the beneficiary, after the first visit, suffers illness or injury requiring additional diagnosis or treatment.

Payments must comply with requirements under Section 1932(h) of the Social Security Act and Section 5006(d) of the American Recovery and Investment Act of 2009 for all contracts with Medicaid Managed Care Organizations (MCO).

The IHCs that provide services with or without a contract with a MCO will receive prospective, quarterly supplemental payments that are an estimate of the difference between the payments the IHC receives from the MCO and the payments the IHC would have received under the IHS per visit outpatient rate.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Policy and Methods for Establishing Payment Rates (Other than Hospital and Long Term Care Facilities)

At the end of each IHC's fiscal year, the total amount of the supplemental and MCO payments will be reviewed against the amount that the actual number of visits provided to the enrollees of the MCOs would have yielded under the IHS per visit outpatient rate. The IHC will be paid the difference between the IHS amount calculated using the actual number of visits and the total amount of supplemental and MCO payments received by the IHC, if the IHS amount exceeds the total amount of supplemental and MCO payments. The IHC will refund the difference between the IHS amount calculated using the actual number of visits and the total amount of supplemental and MCO payments received by the IHC, if the IHS amount is less than the total amount of supplemental and MCO payments.

The IHC is free to negotiate contracts with the MCO and receive reimbursement at the contracted rate for managed care enrollees. The negotiated rate may or may not be the IHS rate.

Under all 3 options described above, it is the IHCs responsibility to pursue reimbursement from all legally liable third parties, including Medicare, prior to seeking payment for services from Medicaid.