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State/Territory Name: MI

State Plan Amendment (SPA) #: 13-0130-MM4

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Form (with 179-like data)
3) Superseding Pages Notice
4) Approved SPA Pages

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

May 2, 2014

Stephen Fitton, Medicaid Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal: #13-0130 Single State Agency
- Effective: January 1, 2014

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

Sincerely,

/s/
Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

Medicaid State Plan Eligibility: Summary Page (CMS 179)

State/Territory name: **Michigan**

Transmittal Number:

Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

MI-13-0130 -MM4

Proposed Effective Date

01/01/2014 *(mm/dd/yyyy)*

Federal Statute/Regulation Citation

42 CFR 431.10, 431.11, 431.12, 431.50

Federal Budget Impact

	Federal Fiscal Year	Amount
First Year	2014	$ 0.00
Second Year	2015	$ 0.00

Subject of Amendment

Establishes the Michigan Department of Community Health (MDCH) as the single state agency to administer or supervise the administration of the Medicaid program under title XIX of the Social Security Act.

Governor's Office Review

Governor's office reported no comment

Comments of Governor's office received

Describe:

No reply received within 45 days of submittal

◉ **Other, as specified**

Describe:

Stephen Fitton, Director
Medical Services Administration

Signature of State Agency Official

Submitted By:	**Loni Hackney**
Last Revision Date:	**Apr 24, 2014**
Submit Date:	**Oct 24, 2013**

DATE RECEIVED: October 24, 2013	DATE APPROVED: May 2, 2014
PLAN APPROVED – ONE COPY ATTACHED	
EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2014	SIGNATURE OF REGIONAL OFFICIAL: /s/
TYPED NAME: Verlon Johnson	TITLE: Associate Regional Administrator
REMARKS:	

SUPERSEDING PAGES OF STATE PLAN MATERIAL	
TRANSMITTAL NUMBER: MI 13-0130	**STATE:** Michigan
PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: A1 – A3	**COMPLETE PAGES SUPERSEDED:** Page 1 Section 1.1 (pages 2-6) Section 1.2 (page 7) Section 1.3 (page 8) Section 1.4 (page 9) Attachment 1.1-A (Attorney General certification) Attachment 1.2-A (Organizational chart) Attachment 1.2-B (Description of the functions of the single state agency) Attachment 1.2-C (Description of professional medical and supporting staff) Attachment 1.2-D
A1-A2	Notwithstanding any other provisions of the Medicaid State Plan, the agencies designated in A1 and A2 will determine eligibility for coverage to the extent specified in A1 and A2.

Medicaid Administration

OMB Control Number 0938-1148
OMB Expiration date: 10/31/2014

State Plan Administration Designation and Authority	A1

42 CFR 431.10

Designation and Authority

State Name: Michigan

As a condition for receipt of Federal funds under title XIX of the Social Security Act, the single state agency named below submits the following state plan for the medical assistance program, and hereby agrees to administer the program in accordance with the provisions of this state plan, the requirements of titles XI and XIX of the Act, and all applicable Federal regulations and other official issuances of the Department.

Name of single state agency: Department of Community Health

Type of Agency:

- ○ Title IV-A Agency
- ◉ Health
- ○ Human Resources
- ○ Other

Type of Agency

The above named agency is the single state agency designated to administer or supervise the administration of the Medicaid program under title XIX of the Social Security Act. (All references in this plan to "the Medicaid agency" mean the agency named as the single state agency.)

The state statutory citation for the legal authority under which the single state agency administers the state plan is:

Section 400.105 of the Michigan social welfare Act (Act 280, Public Acts of 1939), as most recently amended by Act 289, Public Acts of 1967

The single state agency supervises the administration of the state plan by local political subdivisions.

○ Yes ◉ No

☑ The certification signed by the state Attorney General identifying the single state agency and citing the legal authority under which it administers or supervises administration of the program has been provided.

An attachment is submitted.

The state plan may be administered solely by the single state agency, or some portions may be administered by other agencies.

The single state agency administers the entire state plan under title XIX (i.e., no other agency or organization administers any portion of it).

○ Yes ◉ No

☒ Waivers of the single state agency requirement have been granted under authority of the Intergovernmental Cooperation Act of 1968.

The waivers are still in effect.

◉ Yes ○ No

Enter the following information for each waiver:

Remove

Date waiver granted (MM/DD/YY): 04/07/14

The type of responsibility delegated is (check all that apply):

☐ Determining eligibility

☒ Conducting fair hearings

☐ Other

Name of state agency to which responsibility is delegated:

Department of Licensing and Regulatory Affairs

Describe the organizational arrangement authorized, the nature and extent of responsibility for program administration delegated to the above named agency, and the resources and/or services of such agency to be utilized in administration of the plan:

The agreement MDCH has with LARA is under the ICA waiver and is not a delegation under CMS Rules 42 CFR 431.10.

MDCH and LARA jointly conduct operations to the extent necessary to assure MDCH control over Medicaid decisions and fair hearings. The agreement between MDCH and LARA assures MDCH control over all Medicaid fair hearings. MDCH has delegated to LARA the authority to issue decisions entitled Decisions and Orders (D & Os) for only certain case types. Administrative Law Examiners (ALEs) have been authorized by MDCH to issue only Proposals for decisions for Medicaid provider appeals pursuant to the Social Welfare Act, 1939 PA 280, MCL 400.1 et seq., and 1979 AC R 400.3401 et seq.

In all other cases referred to LARA by MDCH, ALEs are authorized to issue D & Os. D & Os are issued by ALEs in a timely manner and are forwarded for review to MDCH. In form and substance, the administrative law judges' decisions continue to be subject to the oversight, supervision, and authority of the Director of MDCH.

The methods for coordinating responsibilities among the agencies involved in administration of the plan under the alternate organizational arrangement are as follows:

Decisions and Orders are forwarded to MDCH staff for review from LARA. MDCH has a specified period of time to review the Decisions and Orders.

MDCH has a specified period of time to review the Decisions and Orders. MDCH retains oversight of the State Plan and monitors the entire appeals process, including the quality and accuracy of all final decisions issued by LARA. MDCH will ensure that every applicant and beneficiary is informed in writing of the fair hearing process, how to contact LARA and how to obtain information about requesting a fair hearing from the agency. MDCH will ensure that LARA complies with all federal and state laws, regulations, policies and guidance covering the Medicaid program.

MDCH retains final authority to change or modify a particular individual decision. The MDCH review is limited to conclusions of law.

Add

☐ The agency that administers or supervises the administration of the plan under Title X of the Act as of January 1, 1965, has been separately designated to administer or supervise the administration of that portion of this plan related to blind individuals.

The entity or entities that have responsibility for determinations of eligibility for families, adults, and for individuals under 21 are:

☒ The Medicaid agency

☒ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands

☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act

The entity that has responsibility for determinations of eligibility for the aged, blind, and disabled are:

☒ The Medicaid agency

☒ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands

☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act

☒ The Federal agency administering the SSI program

Indicate which agency determines eligibility for any groups whose eligibility is not determined by the Federal agency:

☒ Medicaid agency

☐ Title IV-A agency

☐ An Exchange

The entity or entities that have responsibility for conducting fair hearings with respect to denials of eligibility based on the applicable modified adjusted gross income standard are:

☒ Medicaid agency

☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act

☐ An Exchange appeals entity, including an entity established under section 1411(f) of the Affordable Care Act

The agency has established a review process whereby the agency reviews appeals decisions made by the Exchange or Exchange appeals entity or other state agency, but only with respect to conclusions of law, including interpretations of state or federal policies.

◉ Yes ○ No

State Plan Administration
Organization and Administration **A2**

42 CFR 431.10
42 CFR 431.11

Organization and Administration

Medicaid Administration

Provide a description of the organization and functions of the Medicaid agency.

The Michigan Department of Community Health (MDCH) is designated as Michigan's single state agency. MDCH is responsible for health policy and managing public-funded health services systems. It plans and delivers services through a number of integrated components including Medicaid. The Department of Community Health (DCH) is responsible for all aspects of the Medicaid and CHIP programs, including the development of all eligibility, provider, and payment policies, the administration of the MMIS system, contract management, sub-recipient monitoring, and oversight over the administrative hearings process.

Within MDCH its largest component, the Medical Services Administration (MSA), provides coverage to the state's Medicaid recipients. MSA's primary responsibility is oversight of Michigan's Medicaid program. Medicaid provides medical assistance for low-income residents who meet certain eligibility criteria. The program pays for a broad range of services, such as inpatient and outpatient hospital care, physician visits, drugs, nursing home care, durable medical equipment, and mental health services.
The current Medicaid caseload is over 1.7 million people—the highest ever for the program. Approximately two-thirds of Medicaid beneficiaries are enrolled in managed care.
Medicaid comprises more than two-thirds of MDCH's budget. More than half of the Medicaid beneficiaries receiving services are children.
MSA also administers the MIChild program—a comprehensive benefits package for the children of Michigan's eligible working families. Within MSA, the Bureau of Medicaid Policy and Health Systems Innovation promulgates eligibility policy and the Bureau of Medicaid Program Operations maintains oversight of program quality assurance. The bureaus work closely to ensure continuity of in policies and the process for applying for and receiving Medicaid. The Bureau of Medicaid Policy and the Bureau of Medicaid Program Operations both review decisions from LARA. The bureaus within MSA work together making certain the burden of the policy or the process is not unmanageable for the Department of Human Services (DHS) or for the applicant/beneficiary.

-Eligibility policy is made in the Bureau of Medicaid Policy and Health Systems Innovation, Program Policy Division
-Eligibility determinations for all groups based on MDCH policy, are made in the Department of Human Services.
-Fair Hearings are conducted with the Department of Licensing and Regulatory Affairs (LARA).

Upload an organizational chart of the Medicaid agency.

An attachment is submitted.

Provide a description of the structure of the state's executive branch which includes how the Medicaid agency fits in with other health, human service and public assistance agencies.

The Michigan executive branch is comprised of 18 State departments. Michigan's Governor oversees the departments and is vested with principal executive authority.

The largest of these departments, the Michigan Department of Community Health (MDCH) is designated as Michigan's single state agency. MDCH is responsible for health policy and managing public-funded health services systems. It plans and delivers services through a number of integrated components including Medicaid, behavioral health and disability health services, Emergency Preparedness, WIC, EPSDT, Maternal and Infant Health, and the Office of Services to the Aging. MDCH is responsible for health policy and management of the state's health, mental health, and substance use care systems. Services provided by the department include:

Chief Deputy Director
The Chief Deputy Director is responsible for directing the activities of all employees and programs within the Department, as well as responsible for assisting the Director in the formulation and implementation of policies and programs that are critical to the mission of the Department.
The Chief Deputy Director has direct supervision of the Department's Deputy Directors as well as the Bureau of Legal and Policy Affairs. This includes the day-to-day operations of the Department. This position takes a lead role in the Department's infrastructure development and for assuring appropriate outcomes for Department-wide committees and work groups related to the infrastructure.

Public Health Administration (PHA)
The Public Health Administration is responsible for many aspects of public health policy, including communicable disease

surveillance and outbreak investigation; control and prevention of chronic diseases, including cancer, cardiovascular disease, diabetes, and injuries; health statistics compilation and dissemination; HIV/AIDS and sexually transmitted disease prevention and care; and tobacco cessation, immunizations, lead abatement, newborn screenings, and vital records collection and maintenance. The administration also coordinates this work through contracts with 45 local public health departments that serve all the jurisdictions in Michigan.

The Office of Public Health Preparedness (OPHP), the state's frontline response to bioterrorism activity, coordinates the state's bioterrorism response and all hazards emergency planning with the Michigan State Police and State Emergency Operations Center. This office also coordinates emergency planning with all other state agencies.

The Bureau of Family, Maternal, and Child Health serves Michigan residents with the Women, Infants, and Children (WIC) program, Family and Community Health initiatives, and Children's Special Health Care Services Plan programming.
The Public Health Administration also houses the Bureau of Laboratories, which manages one of the nation's best public health laboratories.

Behavioral Health and Developmental Disabilities Administration (BHDDA)
The public mental health system in Michigan operates under the authority of the Michigan Mental Health Code (MCL 330.1001 et seq.). The Behavioral Health and Developmental Disabilities Administration provides services to people who have a mental illness, developmental disability, or substance use problem. Under contracts with the Michigan Department of Community Health, the direct delivery of almost all publicly funded mental health services is undertaken through a system of 46 county-based Community Mental Health Services Programs (CMHSPs), operating under contracts with the Michigan Department of Community Health. The CMHSPs provide a single point of entry for accessing the full array of mental health services provided by the public system, including 24-hour emergency services.
This administration directly operates five inpatient psychiatric hospitals and centers to supplement the current 59 primary inpatient hospital programs that are part of the CMHSP service network.

The Bureau of Substance Abuse and Addiction Services (BSAAS) administers the state's public substance use disorder network of prevention, treatment, and recovery services. BSAAS provides funds to 16 regional coordinating agencies, which in turn contract with 400 local agencies. Annually, there are 70,000 treatment admissions statewide, and 600,000 people receive primary prevention services statewide. Major sources of revenue include the federal Substance Abuse Prevention and Treatment Block Grant, Medicaid, and state General Funds. In addition, BSAAS administers the problem gambling program, which includes education, prevention and treatment services and a 24-hour help line. Approximately 600 persons statewide receive problem gambling treatment annually.

Medical Services Administration (MSA)
Within MDCH its largest component, the Medical Services Administration (MSA), provides coverage to the state's Medicaid recipients.

MDCH also works with the Department of Human Services (DHS), and the Department of Licensing and Regulatory Affairs (LARA) to administer the Medicaid Program.

DHS is Michigan's public assistance, child and family welfare agency and serves as Michigan's IV-A agency. DHS directs the operations of public assistance and service programs through a network of county offices around the state. DHS is the designated entity responsible for determining Medicaid eligibility.

LARA, which administers the administrative fair hearing system for MDCH, is responsible for providing administrative hearings to appellants requesting a hearing who do not agree with a decision made by MDCH or an MDCH contracted agency.

Operations Administration
The Operations Administration is comprised of the Bureau of Budget and Audit, the Office of Accounting, and the Office of Medicaid and Main Support, and is responsible for the overall administration of the department's financial activities.

Policy and Planning Administration

The Policy and Planning Administration is responsible for many components of DCH's health policy and regulatory responsibilities. It is comprised of the Office of Nurse Policy and the Health Planning and Organizational Support Division. The Health Planning and Organizational Support Division oversees primary care and access to care initiatives as well as program and policy analysis for the Certificate of Need (CON) program. In addition, the Workforce Engagement and Transformation Section plans events, meetings and trainings internally for MDCH employees.

Developmental Disabilities Council (DD Council)
The DD Council is established by Executive Order 2006-12 and operates under the authority of the Developmental Disabilities and Assistance Bill of Rights Act of 2000 (DD Act). The fundamental goal of the DD Council is to ensure that people with developmental disabilities have the opportunities and support to achieve their full potential. The council consists of 21 Michigan residents appointed by the governor. It is funded with federal funds and a 25 percent match, mostly at the local level. The federal grant requires that a minimum of 70 percent of those funds be used for advocacy, capacity building, and systemic change activities on behalf of people with developmental disabilities and their families. The council funds pilot or demonstration project grants in communities around the state to promote systemic change.
The program goals include enhancing self determination, independence, and community inclusion of people with developmental disabilities. The council provides funding and leadership to the statewide regional interagency consumer committees (RICCs), which are the local/community-based advocacy groups empowered to promote local advocacy, community capacity building, and systemic change. This local advocacy assists the council in carrying out its fundamental mandates of the DD Act.

Office of Services to the Aging (OSA)
OSA promotes and enhances the dignity and independence of older persons in Michigan. This office is state government's focal point for issues important to our state's 1.8 million older adults and their caregivers. It allocates and monitors state and federal funds for all Older Americans Act services, including nutrition, community services, a legal hot line, emergency prescriptions, heating assistance, senior education, and care management. The governor appoints the OSA director and members of the Commission on Services to the Aging.

Office of Recipient Rights (ORR)
The Office of Recipient Rights provides direct rights protection and advocacy services to individuals admitted to state psychiatric hospitals and centers for developmental disabilities and assesses and monitors the quality and effectiveness of the rights protection systems in community mental health services programs and licensed private psychiatric hospitals/units.

Entities that determine eligibility other than the Medicaid Agency (if entities are described under Designation and Authority)

Remove

Type of entity that determines eligibility:

- ○ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- ○ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ◉ The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

The State of Michigan has a 1634 agreement with the Social Security Administration whereby SSI employees determine eligibility for Medicaid as part of the SSI eligibility determination process.

Remove

Medicaid Administration

Type of entity that determines eligibility:

- (•) Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- ( ) An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ( ) The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

In accordance with Michigan's Social Welfare Act, PA 280 of 1939, Section 400.45, a county Department of Human Services (DHS) office is created in each county of the state to perform duties imposed by the act. The DHS County office director and its employees are state employees, who are appointed by DHS from among persons certified as qualified by the state civil service commission.

Through an inter-agency agreement, DHS staff perform the eligibility determination functions for the Medical Assistance Program. Staff in DHS Central office provide coordination, administration, review and support of county-based operations. They prepare and distribute instructional materials to the county-based staff, conduct training as is necessary and perform other supportive services. They also monitor the activities of county-based staff to assure compliance with applicable policy and procedure. The county-based operations are responsible for the determination of client eligibility for Medicaid and performance of other supportive services to assure client access to and receipt of medically necessary care. Staff facilitate client appeals of negative actions and assure compliance with any decision affecting eligibility issued as a result.

Add

Entities that conduct fair hearings other than the Medicaid Agency (if are described under Designation and Authority)

Remove

Type of entity that conducts fair hearings:

- ( ) An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ( ) An Exchange appeals entity, including an entity established under section 1411(f) of the Affordable Care Act

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

The Medicaid agency delegates authority to the Michigan Administrative Hearings System (MAHS) to conduct all Medicaid hearings.

Add

Supervision of state plan administration by local political subdivisions (if described under Designation and Authority)

Is the supervision of the administration done through a state-wide agency which uses local political subdivisions?

(•) Yes ( ) No

Name of state-wide agency: Michigan Department of Human Services

Description of staff and functions of the state-wide agency and its local political subdivisions:

Through an inter-agency agreement, staff in the Michigan Department of Human Services (DHS) perform the eligibility determination functions for the Medical Assistance Program. Staff in DHS Central office provide coordination, administration, review and support of county-based operations. They prepare and distribute instructional materials to the county-based staff, conduct training as is necessary and perform other supportive services. They also monitor the activities of county-based staff to assure compliance with applicable policy and procedure. The county-based operations are responsible for the determination of client eligibility for Medicaid and performance of other supportive services to assure client access to and receipt of medically

	necessary care. Staff facilitate client appeals of negative actions and assure compliance with any decision affecting eligibility issued as a result.

State Plan Administration Assurances	A3

42 CFR 431.10
42 CFR 431.12
42 CFR 431.50

Assurances

☑ The state plan is in operation on a statewide basis, in accordance with all the requirements of 42 CFR 431.50.

☑ All requirements of 42 CFR 431.10 are met.

☑ There is a Medical Care Advisory Committee to the agency director on health and medical services established in accordance with meeting all the requirements of 42 CFR 431.12.

☑ The Medicaid agency does not delegate, to other than its own officials, the authority to supervise the plan or to develop or issue policies, rules, and regulations on program matters.

Assurance for states that have delegated authority to determine eligibility:

☑ There is a written agreement between the Medicaid agency and the Exchange or any other state or local agency that has been delegated authority to determine eligibility for Medicaid eligibility in compliance with 42 CFR 431.10(d).

Assurances for states that have delegated authority to conduct fair hearings:

■ There is a written agreement between the Medicaid agency and the Exchange or Exchange appeals entity that has been delegated authority to conduct Medicaid fair hearings in compliance with 42 CFR 431.10(d).

■ When authority is delegated to the Exchange or an Exchange appeals entity, individuals who have requested a fair hearing are given the option to have their fair hearing conducted instead by the Medicaid agency.

Assurance for states that have delegated authority to determine eligibility and/or to conduct fair hearings:

☑ The Medicaid agency does not delegate authority to make eligibility determinations or to conduct fair hearings to entities other than government agencies which maintain personnel standards on a merit basis.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.