

Michigan Department of Community Health  
**MIChild Hospital Payments**

## **MI Child Inpatient Hospital Payments**

For non-contracted hospitals, MHPs will reimburse hospitals for services provided in the inpatient setting in the following manner.

- For acute care services, the MHP will calculate a hospital's operating payment in a manner consistent with Medicaid hospital reimbursement policy. However, the Medicaid inpatient medical/surgical hospital-specific price will be multiplied by 1.35 to arrive at a MI Child inpatient medical/surgical price, and will be used in lieu of the Medicaid price. The formulas for high day outliers, low day outliers, cost outliers, transfers, readmissions and percent of charge reimbursement will not change.
- For rehabilitation service, the MHP will calculate a hospital's operating payment in a manner consistent with Medicaid hospital reimbursement policy. However, the Medicaid inpatient hospital-specific rehabilitation per diem will be multiplied by 1.35 to arrive at a MI Child inpatient hospital-specific rehabilitation per diem, and will be used in lieu of the Medicaid price.
- For capital, the MHP will use the published capital rate with no adjustment.

## **MI Child Outpatient Hospital Payments**

For non-contracted hospitals, MHPs will reimburse hospitals for services provided in the outpatient setting in the following manner.

- For all outpatient hospital services reimbursed under the outpatient prospective payment system (OPPS), MHPs will calculate a hospital's payment in a manner consistent with Medicaid OPPS reimbursement policy. However, the final result will be multiplied by 1.35 to arrive at the payment amount for the applicable services with the following exceptions.
  - For services that qualify for outlier reimbursement, the payment enhancement only applies to the non-outlier component of the service's total reimbursement. The outlier methodology will not change and the payment enhancement will not apply to this portion of the reimbursement for this service.
  - For services that are paid a percent of charges, the payment enhancement does not apply.

The information on this page serves as a reference only. It does not guarantee that services are covered. Providers are instructed to refer to the MIChild Manual, MSA Bulletins and other relevant policy for specific coverage and reimbursement policies. If there are discrepancies between the information on this page and the MIChild Manual, such as rate or coverage determinations, they will be resolved in favor of the MIChild Manual language.