

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Methods and Standards for Establishing Payment Rates  
Inpatient Hospital Care***

---

Each hospital's data for the formula will be taken from hospital cost reports for cost periods ending during the second previous state fiscal year.

1.  $(\text{Hospital Title XIX Outpatient FFS Payments}) \div (\text{Hospital Title XIX Outpatient FFS Charges}) = (\text{Hospital Title XIX Outpatient Payment to Charge Ratio})$
2.  $(\text{Hospital Uncompensated Outpatient Charges}) - (\text{Hospital Uncompensated Outpatient Payments}) = (\text{Net Hospital Uncompensated Outpatient Charges})$
3.  $(\text{Hospital Title XIX Outpatient Payment to Charge Ratio}) \times (\text{Net Hospital Uncompensated Outpatient Charges}) = (\text{Net Hospital Outpatient Uncompensated Title XIX Equivalent Payments})$
4.  $(\text{Net Hospital Outpatient Uncompensated Title XIX Equivalent Payments}) \div (\sum \text{of all Net Hospital Outpatient Uncompensated Title XIX Equivalent Payments}) = (\text{Outpatient Uncompensated DSH Hospital Pool Factor})$
5.  $(\text{Outpatient Uncompensated DSH Hospital Pool Factor}) \times (\text{Outpatient Uncompensated DSH Pool Component Amount}) = (\text{Outpatient Uncompensated DSH Hospital Pool Component Payment})$

BEGINNING IN FY 2015, \$5,000,000 OF THE LARGE-URBAN COMPONENT OF THE POOL WILL BE DISTRIBUTED TO REWARD AND INCENTIVIZE HOSPITALS PROVIDING LOW COST AND HIGH QUALITY MEDICAID SERVICES. THE MEDICARE VALUE BASED PURCHASING (VBP) ADJUSTMENT FACTOR WILL BE OBTAINED ANNUALLY FROM THE FEDERAL REGISTER. EACH HOSPITAL'S RESPECTIVE PAYMENT FROM THE \$5,000,000 POOL COMPONENT WILL BE CALCULATED AS FOLLOWS:

- $(\text{HOSPITAL'S OUTPATIENT UNCOMPENSATED DSH HOSPITAL POOL FACTOR}) \times (\text{HOSPITAL'S VBP ADJUSTMENT FACTOR}) = (\text{HOSPITAL'S OUTPATIENT UNCOMPENSATED DSH VALUE ADJUSTMENT FACTOR})$
- $(\text{HOSPITAL OUTPATIENT UNCOMPENSATED DSH VALUE ADJUSTMENT FACTOR}) / (\sum \text{ALL HOSPITAL OUTPATIENT UNCOMPENSATED DSH VALUE ADJUSTMENT FACTORS}) \times (\text{TOTAL POOL AMOUNT}) = (\text{OUTPATIENT UNCOMPENSATED DSH VALUE PAYMENT})$

Payments to individual hospitals will be limited to the room available under each hospital's specific DSH ceiling. If payments calculated for individual hospitals exceed that hospital's DSH ceiling, the amounts in excess of the ceiling will be placed back into the pool. These amounts will then be reallocated to the remaining hospitals in the pool which have not exceeded the room available under their individual hospital DSH ceiling based on the formula above. This process will be repeated as many times as necessary to expend all funds in the pool.

h. Harper University Hospital DSH Pool

---

TN NO.: 15-0007

Approval Date: \_\_\_\_\_

Effective Date: 04/01/2015

Supersedes

TN No.: 14-011

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Methods and Standards for Establishing Payment Rates  
Inpatient Hospital Care***

---

Effective for FY 2014, a one year DSH pool will be established totaling \$9,994,952 to be distributed to Harper University Hospital. This pool will be used to reduce uncompensated care the hospital incurs delivering newborns at that location. Harper University Hospital is the largest Medicaid birthing hospital in the state, performing over 3,800 Medicaid newborn deliveries. This equates to 8% of all Medicaid deliveries in the State.

3. Public Hospitals DSH Sunset Provision

Medicaid DSH payments to public hospitals are made up to the public hospital DSH ceiling as permitted by current federal regulations.

These payments are authorized to continue through September 30, 2005. The state may submit state plan amendments effective after September 30, 2005 that re- implement the current payment structure or different payment methodologies.

---

TN NO.: 15-0007

Approval Date: \_\_\_\_\_

Effective Date: 04/01/2015

Supersedes

TN No.: 14-011



# Order Confirmation

Ad Order Number 0007254014

**Customer**

Account: 1000813740  
MICHIGAN DEPARTMENT OF COMMUNITY HEALTH  
PO BOX 30479  
LANSING MI 48909 USA  
(517)241-9444

**Payor Customer**

Account: 1000813740  
MICHIGAN DEPARTMENT OF COMMUNITY HEALTH  
PO BOX 30479  
LANSING MI 48909 USA  
(517)241-9444

PO Number

Sales Rep. kjones3

Order Taker kjones3

Order Source

Special Pricing

FAX:

smithp2@michigan.gov

Tear Sheets	1	Net Amount	\$801.56
Proofs	0	Tax Amount	\$0.00
Affidavits	0	Total Amount	\$801.56
Blind Box		Payment Method	Invoice
Promo Type		Payment Amount	\$0.00
Materials		Amount Due	\$801.56
Invoice Text	OUTPATIENT UNCOMPENSATED CARE DIS		

## Ad Schedule

<b>Product</b> Flint Journal	<b>Placement/Class</b> Announcements
<b># Inserts</b> 1	<b>POS/Sub-Class</b> Public Notices - Public Notices
<b>Cost</b> \$213.73	<b>AdNumber</b> 0007254014-01
<b>Ad Type</b> CLS Liner	<b>Ad Size</b> 1 X 68 li
<b>Pick Up #</b>	<b>Ad Attributes</b>
<b>External Ad #</b>	<b>Color</b> <NONE>
<b>Production Method</b> AdBooker	<b>Production Notes</b>
<b>Run Dates</b> 03/26/2015	<b>Sort Text</b> PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONOUTPATIENT

  

<b>Product</b> MMG_Other Premium	<b>Placement/Class</b> Announcements
<b># Inserts</b> 1	<b>POS/Sub-Class</b> Public Notices - Public Notices
<b>Cost</b> \$72.23	<b>AdNumber</b> 0007254014-01
<b>Ad Type</b> CLS Liner	<b>Ad Size</b> 1 X 68 li
<b>Pick Up #</b>	<b>Ad Attributes</b>
<b>External Ad #</b>	<b>Color</b> <NONE>
<b>Production Method</b> AdBooker	<b>Production Notes</b>
<b>Run Dates</b> 03/26/2015	<b>Sort Text</b> PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONOUTPATIENT

  

<b>Product</b> Grand Rapids Press	<b>Placement/Class</b> Announcements
<b># Inserts</b> 1	<b>POS/Sub-Class</b> Public Notices - Public Notices
<b>Cost</b> \$286.18	<b>AdNumber</b> 0007254014-01
<b>Ad Type</b> CLS Liner	<b>Ad Size</b> 1 X 68 li
<b>Pick Up #</b>	<b>Ad Attributes</b>
<b>External Ad #</b>	<b>Color</b> <NONE>
<b>Production Method</b> AdBooker	<b>Production Notes</b>
<b>Run Dates</b> 03/26/2015	<b>Sort Text</b> PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONOUTPATIENT

Confidentiality Notice: This facsimile is intended only for its addressee and may contain information that is privileged, confidential or otherwise protected from disclosure. Dissemination, distribution or copying of this facsimile or the information by anyone other than the intended recipient is prohibited. If you have received this facsimile in error, please notify us immediately and return the facsimile by mail.

<i>Product</i>	Kalamazoo Gazette	<i>Placement/Class</i>	Announcements
<i># Inserts</i>	1	<i>POS/Sub-Class</i>	Public Notices - Public Notices
<i>Cost</i>	\$108.50	<i>AdNumber</i>	0007254014-01
<i>Ad Type</i>	CLS Liner	<i>Ad Size</i>	1 X 68 II
<i>Pick Up #</i>		<i>Ad Attributes</i>	
<i>External Ad #</i>		<i>Color</i>	<NONE>
<i>Production Method</i>	AdBooker	<i>Production Notes</i>	
<i>Run Dates</i>	<i>Sort Text</i>	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONOUTPATIENT	
03/28/2015			

<i>Product</i>	Saginaw News	<i>Placement/Class</i>	Announcements
<i># Inserts</i>	1	<i>POS/Sub-Class</i>	Public Notices - Public Notices
<i>Cost</i>	\$115.92	<i>AdNumber</i>	0007254014-01
<i>Ad Type</i>	CLS Liner	<i>Ad Size</i>	1 X 68 II
<i>Pick Up #</i>		<i>Ad Attributes</i>	
<i>External Ad #</i>		<i>Color</i>	<NONE>
<i>Production Method</i>	AdBooker	<i>Production Notes</i>	
<i>Run Dates</i>	<i>Sort Text</i>	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESADMINISTRATIONOUTPATIENT	
03/28/2015			

Ad Content Proof

**PUBLIC NOTICE  
Michigan Department  
of Community Health  
Medical Services  
Administration**

**Outpatient Uncompensated  
Care Disproportionate Share  
Hospital (DSH)  
Pool Size Change**

Beginning April 1, 2015, the Michigan Department of Community Health (MDCH) will increase the FY 2015 Outpatient Uncompensated Care DSH pool from \$60 million to \$145 million. The \$85 million increase is split, with \$65 million to be distributed to large/urban hospitals, and \$15 million to be distributed to small/rural hospitals. The pool will remain at this amount for subsequent fiscal years. Distributions to hospitals from the pool will be consistent with current distribution methodology. The remaining \$5 million of the increase will be allocated to large/urban hospitals using existing MDCH policy, but adjusted for Medicare's Value Based Purchasing factor to recognize high quality. These changes will be completed in a manner that is budget neutral to the State of Michigan.

**Comments**

Any comments on, or requests for copies of the Notice of Proposed Policy may be submitted in writing to: Michigan Department of Community Health, Actuarial Division, Bureau of Medicaid Policy and Health System Innovation, Attention Ben Ayres, P.O. Box 30479, Lansing, Michigan 48909-7979. Written comments may be reviewed by the public at Capitol Commons Center, 400 South Pine Street, Lansing, Michigan. Request for copies and comments must include the project number. There is no public hearing scheduled for this proposed policy.



STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

March 6, 2015

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE: Fiscal Year 2015 Outpatient Disproportionate Share Hospital Pool**

This letter, in compliance with Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

Pending approval by the Centers for Medicare and Medicaid Services (CMS), the Michigan Medicaid State Plan will be modified to reflect a funding increase for the Outpatient Disproportionate Share Hospital (DSH) Pool. Beginning April 1, 2015 the Pool will increase from \$60,000,000 to \$145,000,000. Of the total \$85,000,000 increase, \$65,000,000 will be distributed to large/urban hospitals, and \$15,000,000 will be distributed to small/rural hospitals. The distribution methodology will be consistent with standing MDCH policy.

The remaining \$5,000,000 of the increase will be allocated to large/urban hospitals using existing MDCH policy, but adjusted for Medicare's Value Based Purchasing factor to recognize high quality. These changes will be implemented in a manner that is budget neutral to the State of Michigan. The State of Michigan expects these changes will have no impact on tribal members.

There is no public hearing scheduled for this State Plan Amendment. Input regarding this Amendment is highly encouraged and comments regarding this Notice of Intent may be submitted to Lorna Elliott-Egan, MDCH Liaison to the Michigan Tribes. Lorna can be reached at 517-373-4963 or via e-mail at [Elliott-EganL@michigan.gov](mailto:Elliott-EganL@michigan.gov). **Please provide all input by April 7, 2015.**

In addition, MDCH is offering to set up group or individual meetings for the purposes of consultation in order to discuss this Amendment, according to the tribes' preference. This consultation meeting will allow tribes the opportunity to address any concerns and voice any suggestions, revisions, or objections to be relayed to the author of the proposal. If you would like additional information or wish to schedule a consultation meeting, please contact Lorna Elliott-Egan at the telephone number or email address provided above.

L 15-18  
March 6, 2015  
Page 2

MDCH appreciates the continued opportunity to work collaboratively with you to care for the residents of our state.

Sincerely,



Stephen Fitton, Director  
Medical Services Administration

cc: Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of  
Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDCH

**Distribution List for L 15-18  
March 6, 2015**

Mr. Levi Carrick, Sr., Tribal Chairman, Bay Mills Indian Community  
Ms. Audrey Breakie, Health Director, Bay Mills (Ellen Marshall Memorial Center)  
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians  
Ms. Loi Chambers, Health Director, Grand Traverse Band Ottawa/Chippewa  
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community  
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center  
Mr. Donald Shalfoe Sr., President, Keweenaw Bay Indian Community  
Ms. Carole LaPointe, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility  
Mr. James Williams, Jr., Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians  
Ms. Sadie Valliere, Health & Human Services Director, Lac Vieux Desert Band  
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians  
Ms. Jessica Burger, Acting Health Director, Little River Band of Ottawa Indians  
Mr. Fred Kiogima, Tribal Chairman, Little Traverse Bay Band of Odawa Indians  
Ms. Sharon Sierzputowski, Health Director, Little Traverse Bay Band of Odawa  
Mr. DK Sprague, Tribal Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)  
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi  
Mr. Homer Mandoka, Vice Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians  
Ms. Rosalind Johnston, Health Director, Huron Potawatomi Inc.- Tribal Health Department  
Mr. John Warren, Tribal Chairman, Pokagon Band of Potawatomi Indians  
Mr. Matt Clay, Health Director, Pokagon Potawatomi Health Services  
Mr. Steve Pego, Tribal Chief, Saginaw Chippewa Indian Tribe  
Mrs. Karmen Fox, Executive Health Director, Nimkee Memorial Wellness Center  
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians  
Ms. Bonnie Culfa, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDCH