

**Bulletin Number:** MSA 11-16

**Distribution:** All Providers

**Issued:** May 1, 2011

**Subject:** Prohibition on Medicaid Payments to Financial Institutions or Entities Outside of the United States

**Effective:** June 1, 2011

**Programs Affected:** Medicaid, Adult Benefits Waiver (ABW), and Plan First!

Section 6505 of the Affordable Care Act prohibits states from providing payments for Medicaid items or services to any financial institution or entity located outside of the United States. The Centers for Medicare and Medicaid Services (CMS) issued State Medicaid Director Letter #10-026, dated December 30, 2010, to provide clarification and guidance on this regulation. Providers may view the letter on the CMS website at [www.cms.gov/SMDL/SMD](http://www.cms.gov/SMDL/SMD) >> 12/30/2010 >> SMD10026.

As directed by CMS, the Michigan Department of Community Health (MDCH) will implement changes necessary to comply with this mandate. Effective for claims submitted on or after June 1, 2011, MDCH will not issue Medicaid payment to any financial institution or entity whose address is outside of the United States.

### Medicaid Health Plans

Managed Care Organizations are not exempt from this mandate and will implement this change for claims submitted on or after June 1, 2011.

### Manual Maintenance

Retain this bulletin until applicable information has been incorporated into the Michigan Medicaid Provider Manual.

### Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

### Approved



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