

AUG 02 2007

Paul Reinhart, Medicaid Director
Medical Services Administration
Michigan Department of Community Health
400 South Pine Street
Lansing, MI 48909-7979

Dear Mr. Reinhart:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

Transmittal # 06-016 - Personal Care Services in the Workplace –
Effective July 1, 2006

Under regulations at 42 CFR 430.12(c)(i), States are required to amend State plans whenever necessary to implement changes in Federal law, regulations, policy interpretations, or court decisions. On May 25, 2007, CMS placed a final rule, CMS-2258-FC (Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership) on display at the Federal Register and that can be found at 72 Fed. Reg. 29748 (May 29, 2007) that would modify Medicaid reimbursement. Because of this regulation, some or all of the payments under this plan amendment may no longer be allowable expenditures for federal Medicaid matching funds. Public Law 110-28, enacted on May 25, 2007 instructed CMS to take no action to implement this final regulation for one year. CMS will abide by the time frames specified by the statute. Approval of the subject State plan amendment does not relieve the State of its responsibility to comply with changes in federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements.

If you have any questions, please contact Cynthia Garraway by telephone at (312) 353-8583 or by e-mail at Cynthia.Garraway@cms.hhs.gov.

Sincerely,



Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure

cc: Nancy Bishop
Michigan Department of Community Health

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

06 - 16

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2006

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 440.167

7. FEDERAL BUDGET IMPACT:

a. FFY 06 \$ -0-
b. FFY 07 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement to Attachment 3.1-A, pages 37 and 38, and
Attachment 4.19-B, page 3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Supplement to Attachment 3.1-A, pages 37 and 38, and
Attachment 4.19-B, page 3

10. SUBJECT OF AMENDMENT:

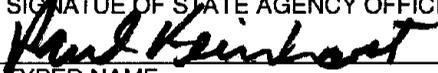
Personal Care Services in the Workplace

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:
Paul Reinhart, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:

September 28, 2006

16. RETURN TO:

Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

September 29, 2006

18. DATE APPROVED:

AUG 02 2007

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

RECEIVED

SEP 29 2006

DMCH - IL/IN/OH

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

24. Other Medical Care (continued)

d. Nursing Skilled Facility Services

Coverage of nursing facility services is the same for persons of all ages with the following exception:

Children under the age of 15 who need skilled nursing care must be referred to a facility specifically licensed by the Michigan Department of Community Health to care for children. However, the Director of the Department of Community Health may authorize individual exceptions upon written application by the child's parent or guardian.

e. Emergency Hospital Services

Emergency services include all medically necessary inpatient and outpatient services that are furnished by a provider that is qualified to furnish such services and the services are necessary to evaluate or stabilize an emergency medical condition.

25. Home and Community Care for Functionally Disabled Elderly Individuals – not provided.

TN NO.: 06-16

Approval Date: **AUG 02 2007**

Effective Date: 07/01/2006

Supersedes

TN No.: 04-08

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

26. Personal Care Services

Personal Care Services, under the Home Help Program in Michigan, address physical assistance needs and enable individuals to remain in their home by avoiding or delaying the need for long-term care services in an institutional setting. These services are furnished to individuals who are not currently residing in a hospital, nursing facility, intermediate care facility for persons with developmental disabilities or institution for mental illness and are provided in accordance with 42 CFR 440.167.

Personal care services are available to persons who require hands-on assistance in activities of daily living (ADLs): eating, toileting, bathing, grooming, dressing, ambulation, and transferring, as well as hands-on assistance in instrumental activities of daily living (IADL services include personal laundry, light housekeeping, shopping, meal preparation, and medication administration). Hour limits per calendar month are applied to the following IADL services as follows:

| | |
|--------------------|----------|
| SHOPPING | 5 HOURS |
| LIGHT HOUSEKEEPING | 6 HOURS |
| LAUNDRY | 7 HOURS |
| MEAL PREPARATION | 25 HOURS |

Personal Care Services are only available to beneficiaries who are identified as medically and/or physically disabled, or cognitively impaired by a Medicaid enrolled physician, occupational therapist, physical therapist and/or nurse practitioner, and provided in accordance with a plan of care, and rendered by a qualified person.

Personal care services are available to beneficiaries living in their own homes, the home of another, licensed residential facilities of 16 or fewer beds, and licensed homes for the aged. Services also may be provided outside the home, for the specific purpose of enabling a beneficiary to be employed.

An individual assessment assists in identification of service needs. Beneficiaries with more basic needs may be served by adults who are capable of communicating with the individual and being responsive to his/her needs. Beneficiaries with more complex needs or more specialized problems must be

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***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

served by individuals who can demonstrate their competence by experience or training.

When provided for minor children, personal care services must be shown to be a necessary supplement to usual parental care, justified by the high service needs of the family. High service needs are those which arise from a physical, medical, emotional, or mental impairment of the minor child, and which require significantly higher levels of intervention than those required by a child of the same age without similar impairments.

Providers shall be qualified individuals or individuals who contract with or are employed by an agency. Providers may not be legally responsible relatives (i.e., spouse, parents or guardians).

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TN No.: N/A new page

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

6. Optical House Services

Payment for optical house services will be on the basis of contracted prices established in conformance with federal procurement policies. Optical houses will be reimbursed only for materials. Providers furnishing materials obtained from an optical house under contract with the State will be reimbursed only for the services involved in dispensing such materials. Payment rates for these services are based on "reasonable" charges, as defined above.

7. Personal Care Services

Reimbursement is made according to variable rates, depending upon the setting of service delivery, payment levels determined by policy or the legislature, and beneficiary needs.

Basic rates for personal care services provided in beneficiaries' own homes, or his/her place of employment, are established within the nominal maximum of \$333 per month as established by Medicaid policy. A Medicaid approved case manager performs an assessment of the recipient's needs, determines the amount of care required, and negotiates the best rate possible, given the prevailing local wage structure. Tasks are assigned minute values and the minutes are converted to hours and billed as a total (of hours) at the end of the month. The Medicaid agency allows designated local agencies to make exceptions to the \$333 monthly threshold, up to \$999 per month, if a recipient's needs are extensive or intensive enough to require more, or more costly, services. For cases exceeding \$999 per month, decisions are made by the single state agency, considering documented need and potential alternative placements.

For recipients in general, adult foster care facilities or homes for the aged, a flat monthly rate is established annually by the state legislature for those Medicaid eligibles who, according to a standardized assessment, have a documented need for personal care services. There is no specific rate methodology or inflation factor applied during the legislative rate establishment. Recipients whose needs exceed the services available via the flat rate methodology are identified through the standardized assessment and the development of a care plan. This information becomes the basis for decisions on exceptions.

The reimbursement methodology for personal care services for beneficiaries in general adult foster care facilities or homes for the aged will end effective October 1, 2008.

Personal care in specialized foster care facilities is a coverage under Michigan's 1915(b) waiver for specialty supports and services for people with developmental disabilities, serious mental illness, serious emotional disturbance and substance use disorder. The service is carved out of the state plan benefit and managed by pre-paid inpatient health plans (PIHPs) that are governmental entities receiving a capitation payment for an array of services that includes personal care as well as other state plan and 1915(b)(3) services. PIHPs purchase personal care services from adult foster care providers whose facilities have been certified by the state to provide specialized services. Personal care in specialized residential settings must be medically necessary for the Medicaid beneficiaries who receive it. PIHPs establish a rate for personal care services based on an assessment of the severity of each individual's needs and the amount, scope and duration of the personal care activities and tasks identified during person-centered planning to meet the individual's needs. Medicaid beneficiaries who receive personal care in specialized residential settings have documented needs that are higher than beneficiaries who receive services in general foster care settings.

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Approval Date: **AUG 02 2007**

Effective Date: 07/01/2006

Supersedes
TN No.: 99-2