

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:
07 - 10

2. STATE:
Michigan

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

4. PROPOSED EFFECTIVE DATE
September 1, 2007

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

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 447

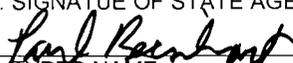
7. FEDERAL BUDGET IMPACT:
a. FFY 07 \$ -0-
b. FFY 08 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, page 28a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment 4.19-A, page 28a

10. SUBJECT OF AMENDMENT:
GME payment schedule

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Paul Reinhart, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:


13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
July 12, 2007

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:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

In FY, 2007 the Primary Care Pool size will be \$10,285,100. For FY 2008 and each subsequent year, the Primary Care Pool size will be \$7,548,400.

Definitions/Notes

Title V & Title XIX Days – includes fee-for-service days. Days will include those from distinct-part psychiatric and distinct-part rehabilitation units.

Title V & Title XIX Outpatient Charges – includes fee-for-service outpatient charges. Charges will include those from distinct-part psychiatric units.

Hospital's Case Mix – the sum of the relative weights for all Medicaid admissions divided by the number of Medicaid admissions during the period covered.

of Hospital Eligible Resident FTEs – for the GME Funds and Primary Care Pools FTE data will be drawn from hospital cost reports as indicated above.

GME Payment Schedule

Payments from the GME funds, the Primary Care and the Dental & Podiatry Pools are made once annually.

GME Innovations Pool

The GME Innovations Pool is established to support innovative GME programs that emphasize the importance of coordinated care, health promotions and psychiatric care in integrated systems. The purpose of this training is to develop the skills and experience necessary to provide psychiatric services utilized by Michigan Medicaid patient groups. This pool will be \$10,477,337 in fiscal year 2006 and \$10,947,878 for each subsequent fiscal year.

The single state agency will approve two (2) agreements statewide each fiscal year. One agreement will be with Detroit Receiving Hospital for \$8,929,800. The second agreement will be with St. Mary's Mercy Medical Center for \$1,547,537 in fiscal year 2006, and \$2,018,078 for each subsequent fiscal year. To be eligible for the pool, a hospital must meet the following criteria:

- The hospital must be a Medicaid enrolled provider.
- The hospital must have in place an approved agreement between itself, a university psychiatric residency training program and one or more community mental health services programs to provide accredited psychiatric residency training.
- The hospital must provide assurances that all training will take place in Michigan and prepare health care professionals to provide care to populations with the special characteristics of Michigan Medicaid patient groups.

Upper Payment Limit

In the event that GME distributions would result in aggregate Medicaid payments exceeding the upper payment limit (UPL), the size of the pool(s) and/or additional payments will be reduced to bring aggregate Medicaid payments within the UPL.

TN NO.: 07-10

Approval Date: _____

Effective Date: 09/01/2007

Supersedes
TN No.: 06-21