

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



JUN 28 2010

Stephen Fitton, Director  
Medical Services Administration  
Federal Liaison Unit  
Michigan Department of Community Health  
400 South Pine  
Lansing, Michigan 48933

ATTN: Nancy Bishop

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #10-002 Physician Adjustor Program  
Effective January 17, 2010

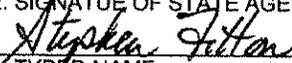
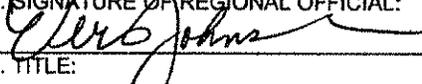
If you have any questions, please contact Leslie Campbell by telephone at (312) 353-1557 or by e-mail at [Leslie.Campbell@cms.hhs.gov](mailto:Leslie.Campbell@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Verlon Johnson". The signature is written in a cursive style with a long horizontal flourish at the end.

Verlon Johnson  
Associate Regional Administrator  
Division of Medicaid & children's Health Operations

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 10 - 02	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 January 17, 2010	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447 Subpart B	7. FEDERAL BUDGET IMPACT: a. FFY 2010 _____ \$ (5.6 million) _____ b. FFY 2011 _____ \$ (9.2 million) _____	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 1b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 1b	
10. SUBJECT OF AMENDMENT: Physician Adjuster Program		
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Stephen Fitton, Director <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Medical Services Administration		
12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Program/Eligibility Policy Division - Federal Liaison Unit Capitol Commons Center - 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933 Attn: Nancy Bishop	
13. TYPED NAME: Stephen Fitton		
14. TITLE: Director, Medical Services Administration		
15. DATE SUBMITTED: March 25, 2010		
<b>FOR REGIONAL OFFICE USE ONLY</b>		
17. DATE RECEIVED: MARCH 30, 2010	18. DATE APPROVED: JUN 28 2010	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>		
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 17, 2010	20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPE NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator	
23. REMARKS:		

**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)***

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The payment adjustment will be the lesser of:

- The difference between 95.7% of the average commercial rate for services provided on or after January 17, 2010.
- The difference between the practitioner FFS Medicaid fee screens and the practitioner's customary charge.

Services to beneficiaries enrolled in Medicaid Managed Care Organizations (MMCOs) are not included in the payment adjustments. No provider will receive payments that in aggregate exceed their customary charges.

Practitioners will receive a base payment equal to the FFS payment to other practitioners when they bill for services. For each fiscal quarter, the public entity will provide a listing of the identification numbers for their practitioners/ practitioner groups that are affected by this payment adjustment to the MSA. The MSA will generate a report, which includes the identification numbers and utilization data for the affected practitioners/ practitioner groups. This report will be provided to the public entity. The public entity must review the report and acknowledge the completeness and accuracy of the report. After receipt of this confirmation, the MSA will approve the payment adjustments. The payment adjustments will be made for each fiscal quarter. The process includes a reconciliation that takes into account all valid claim replacements affecting claims that were previously processed.

After the MSA confirms the accuracy of the payment adjustments, the adjustments will be sent to the practitioners/ practitioner groups through the identification number used to bill Medicaid under the FFS program.

Service providers may bill Medicaid for vaccines/toxoids which they have purchased. Medicaid reimburses the provider up to Medicare reimbursement rates.

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TN NO.: 10 – 02

Approval Date: JUN 28 2010

Effective Date: 01/17/2010

Supersedes

TN No.: 06-08