

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER:	2. STATE:
	1 4 - 010	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 April 1, 2014
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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 433.206, 42 CFR 435.119	7. FEDERAL BUDGET IMPACT: a. FFY 2014 _____ \$ 0 b. FFY 2015 _____ \$ 0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement to Attachment 2.6A, Pages 2 through 6	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Supplement to Attachment 2.6A, Pages 2 - 6
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10. SUBJECT OF AMENDMENT:

This SPA implements the use of a resource proxy methodology to account for individuals who would have met the income standard for eligibility in 2009, but would not have been eligible for Medicaid because of the application of the resource requirements.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Stephen Fitton, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Actuarial Division Capitol Commons Center - 7th Floor 400 South Pine Street Lansing, Michigan 48933 Attn: Loni Hackney
13. TYPED NAME: Stephen Fitton	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: June 19, 2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED:
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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: Michigan

METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

Table 1: Adult Group Eligibility Standards and FMAP Methodology Features

Population Group	Covered Populations Within New Adult Group	Applicable Population Adjustment			
		Resource Proxy	Enrollment Cap	Special Circumstances	Other Adjustments
A	B	C	D	E	F
Relevant Population Group Income Standard For each population group, indicate the lower of: <ul style="list-style-type: none"> The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or 133% FPL. If a population group was not covered as of 12/1/09, enter "Not covered".	Enter "Y" (Yes), "N" (No), or "NA" in the appropriate column to indicate if the population adjustment will apply to each population group. Provide additional information in corresponding attachments.				
Parents/Caretaker Relatives	Attachment A, Column C, Line 1 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan	No Yes	No	No	No
Disabled Persons, non-institutionalized	Attachment A, Column C, Line 2 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No Yes	No	No	No
Disabled Persons, institutionalized	Attachment A, Column C, Line 3 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No Yes	No	No	No

TN NO.: 14-010 Approval Date: _____ Effective Date: 04/01/2014

Supersedes
TN No.: 14-03

State Plan Under Title XIX of the Social Security Act

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METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

Children Age 19 or 20	Attachment A, Column C, Line 4 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No Yes	No	No	No
Childless Adults	Not covered				

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METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

Part 2 – Population-based Adjustments to the Newly Eligible Population Based on Resource Test, Enrollment Cap or Special Circumstances

A. Optional Resource Criteria Proxy Adjustment (42 CFR 433.206(d))

1. **Michigan applies a resource proxy adjustment to a population group(s) that was subject to a resource test that was applicable on December 1, 2009.**
- Michigan does NOT apply a resource proxy adjustment (Skip items 2 through 3 and go to Section B)

Table 1 indicates the group or groups for which Michigan applies a resource proxy adjustment to the expenditures applicable for individuals eligible and enrolled under 42 CFR 435.119. A resource proxy adjustment is only permitted for a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

The effective date(s) for application of the resource proxy adjustment is specified and described in Attachment B.

2. Data source used for resource proxy adjustments:

Michigan:

- Applies existing state data from periods before January 1, 2014.**
- Applies data obtained through a post-eligibility statistically valid sample of individuals.

Data used in resource proxy adjustments is described in Attachment B.

3. Resource Proxy Methodology: Attachment B describes the sampling approach or other methodology used for calculating the adjustment.

B. Enrollment Cap Adjustment (42 CFR 433.206(e))

1. An enrollment cap adjustment is applied (complete items 2 through 4).
- An enrollment cap adjustment is not applied (skip items 2 through 4 and go to Section C).
2. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009, - that are applicable to populations that Michigan covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).
3. Michigan applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:
- Yes. The combined enrollment cap adjustment is described in Attachment C
- No.

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METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

4. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.
- C. **Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology**
1. Michigan applies special circumstances adjustment(s).
 Michigan does not apply a special circumstances adjustment.
2. Michigan applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).
 Michigan does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3).
3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.

Part 3 – One-Time Transitions of Previously Covered Populations into the New Adult Group

A. **Transitioning Previous Section 1115 and State Plan Populations to the New Adult Group**

- Individuals previously eligible for Medicaid coverage through a section 1115 demonstration program or a mandatory or optional state plan eligibility category will be transitioned to the new adult group described in 42 CFR 435.119 in accordance with a CMS-approved transition plan and/or a section 1902(e)(14)(A) waiver. For purposes of claiming federal funding at the appropriate FMAP for the populations transitioned to new adult group, the adult group FMAP methodology is applied pursuant to and as described in Attachment E, and where applicable, is subject to any special circumstances or other adjustments described in Attachment D.
- Michigan does not apply any relevant populations requiring such transitions.

Part 4 - Applicability of Special FMAP Rates

A. **Expansion State Designation**

Michigan:

- Does NOT meet the definition of expansion state in 42 CFR 433.204(b). (Skip section B and go to Part 4)
- Michigan meets the definition of expansion state as defined in 42 CFR 433.204(b), determined in accordance with the CMS letter confirming expansion state status, dated INSERT DATE

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METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

B. Qualification for Temporary 2.2 Percentage Point Increase in FMAP.

Michigan:

- Does NOT qualify for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7).
- Qualifies for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7), determined in accordance with the CMS letter confirming eligibility for the temporary FMAP increase, dated **INSERT DATE**. The Michigan will not claim any federal funding for individuals determined eligible under 42 CFR 435.119 at the FMAP rate described in 42 CFR 433.10(c)(6).

Part 5 - State Attestations

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

ATTACHMENTS

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- Attachment A – Most Recent Updated Summary Information for Part 2 of the Modified Adjusted Gross Income (MAGI) Conversion Plan
- Attachment B – Resource Criteria Proxy Methodology**
- Attachment C – Enrollment Cap Methodology
- Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- Attachment E – Transition Methodologies

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The state is currently evaluating whether it can access the necessary data in order to apply a resource proxy. The state intends to apply this proxy back to April 1st, 2014. The state will be looking at data from the period of 01/01/2013 through 12/31/2013, following the criteria listed in FMAP SPA Claiming Instructions (10/18/2013) page 4:

Information on data included in Attachment B should include and address:

- Eligibility Groups for which the data apply
- Sampling design
- Periods which the data represent
- Statistical validity
- Calculation of denial rates related specifically to excess resources

Information on the resource methodology and adjustment included in Attachment B should include and address and specify:

- How the adjustment is applied by eligibility group (for example, whether the groups are combined or separated)
- How the data is applied to determine the adjustment

Attachment B will be updated once the data has been pulled and the state has established the methodology and sample size it intends to use.



STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

JAMES K. HAVEMAN
DIRECTOR

February 14, 2014

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: The Submission of a Federal Medical Assistance Percentage (FMAP) Claiming State Plan Amendment (SPA)

This letter, in compliance with Section 6505 of the Affordable Care Act (ACA), 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 an FMAP claiming SPA in accordance with the ACA.

Through this SPA, MDCH will determine the appropriate FMAP expenditure rate for individuals enrolled in the adult group described in 42 CFR 435.119. This will allow the state to receive the appropriate FMAP rate for the newly eligible adult group to be covered under the Healthy Michigan Plan.

You may submit comments regarding this Notice of Intent to msapolicy@michigan.gov. If you would like to discuss the Notice of Intent, please contact Lorna Elliot-Egan, Medicaid Liaison to the Michigan Tribes. Lorna can be reached at (517) 373-4963 or via e-mail at Elliott-EganL@michigan.gov.

There is no public hearing scheduled for this SPA.

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
Mary Anne Tribble, MDCH

**Distribution List for L 14-08
February 14, 2014**

Mr. Kurt Perron, Tribal Chairman, Bay Mills Indian Community
Ms. Vicki Newland, 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. W. Chris Swartz, 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. Terry Fox, Health 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. Bob Moody, Tribal Vice Chairman, Pokagon Band of Potawatomi Indians
Ms. Cindy Zwar, Acting Health Director, Pokagon Potawatomi Health Services
Mr. Dennis V. Kequom Sr, Tribal Chief, Saginaw Chippewa Indian Tribe
Ms. Gail George, 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
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Lorna Elliott-Egan, MDCH