

**Bulletin Number:** MSA 20-39

**Distribution:** Hospitals, Medicaid Health Plans

**Issued:** June 4, 2020

**Subject:** Rural Access Pool Restoration and Critical Access Hospital Reimbursement

**Effective:** As Indicated

**Programs Affected:** Medicaid, Healthy Michigan Plan

Pursuant to Public Act (PA) 154 of 2019 which makes appropriations for the Michigan Department of Health and Human Services (MDHHS) for the fiscal year ending September 30, 2020, this policy rescinds Bulletin MSA 19-32 and restores the Rural Access Pool (RAP) as described in Bulletin MSA 13-50. This policy also modifies hospital eligibility criteria for the RAP to exclude Critical Access Hospitals (CAHs) from RAP distributions effective for State Fiscal Year 2021.

Additionally, MDHHS will establish an Outpatient Prospective Payment System (OPPS) reduction factor for CAHs. Currently, CAHs are subject to the existing MDHHS OPPS reimbursement policy in which payment is calculated utilizing current Medicare rates, with an MDHHS reduction factor applied. The newly established CAH OPPS reduction factor will decrease the reduction applied to current Medicare rates and ultimately increase CAH OPPS payments.

The CAH reduction factor is being established as an extension of the existing MDHHS OPPS reduction factor policy and will align with current reduction factor calculation methodology. Effective January 1, 2020 to March 31, 2020, the CAH OPPS reduction factor is 71.7 percent. Effective April 1, 2020, the CAH OPPS reduction factor is 75.2 percent. Adjustments will be made to the CAH OPPS reduction factor to reflect changes to Medicare rates and maintain budget neutrality. MDHHS may adjust its CAH OPPS reduction factor to maintain expenditures within appropriated levels if Medicare implements a general rate change. In addition, MDHHS reserves the right to adjust the reduction factor if budget concerns are evident and change significantly prior to the end of the State's fiscal year. MDHHS maintains a reduction factor history publication on the web at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Billing & Reimbursement >> Provider Specific Information >> Outpatient Hospitals, which includes the current OPPS/Ambulatory Surgical Center (ASC) reduction factor, as well as historical OPPS/ASC reduction factors.

## Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

## Questions

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

## Approved

A handwritten signature in black ink, appearing to read 'K. Massey', followed by a horizontal line extending to the right.

Kate Massey, Director  
Medical Services Administration