

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

CMS

CENTERS for MEDICARE & MEDICAID SERVICES

Refer to: IIO2

FEB 14 2005

2-18-05
original
Nancy Bishop

Paul Reinhart, Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine St.
P. O. Box 30479
Lansing, Michigan 48909

ATTN: Nancy Bishop

Dear Mr. Reinhart:

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

Transmittal #04-017 Vaccine Replacement Program--Effective January , 2005

If you have any additional questions, please have a member of your staff contact Ms. Hye Sun Lee at (312) 353-1565.

Sincerely,



Cheryl A. Harris
Associate Regional Administrator
Division of Medicaid & Children's Health

Enclosure

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

1. TRANSMITTAL NUMBER:
04 - 17

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 1, 2005

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 430.12

7. FEDERAL BUDGET IMPACT:
a. FFY 05 _____ \$ 209,600.00 _____
b. FFY 06 _____ \$ 209,600.00 _____

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B pages 1b, 2c and 8

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment 4.16-A, pages A-20 thru A-23
Attachment 4.19-B, pages 1b, 2c and 8

10. SUBJECT OF AMENDMENT:
Vaccine Replacement Program

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:
Paul Reinhart

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

13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
November 17, 2004

FOR REGIONAL OFFICE USE ONLY
17. DATE RECEIVED: 11/18/04 18. DATE APPROVED: *2/14/05*

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:
Cheryl A. Harris

21. TYPE NAME:
Cheryl A. Harris

22. TITLE:
Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:
RECEIVED
NOV 18 2004
DMCH - MI/MN/WI

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)***

The payment adjustment will be the lesser of:

- The difference between the practitioner fee-for-service (FFS) Medicaid fee screens and the allowed amount established by Medicare.

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.

The entire benefit from this payment adjustment will be retained by the practitioner/practitioner group receiving the payment adjustment as an offset to incurred public expenditures.

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 MSA will provide the federal share and 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.

TN NO.: 04-17

Approval Date: FEB 14 2005

Effective Date: 01/01/2005

Supersedes

TN No.: 04-01

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)***

3. Outpatient Hospital Services (continued)

Outpatient hospital psoriasis treatment centers are reimbursed a rate based on estimated and historical costs of psoriasis treatment centers certified by the Medicaid single state agency. Reimbursement will be the lesser of the hospital's charges or the established Medicaid rate for the treatment episode. The rate includes all services that may be provided to the recipient, except physician services. Physician services are reimbursed separately as clinic visits. Outpatient hospital psoriasis services rendered to recipients who do not meet the specified admission criteria for the psoriasis treatment centers are reimbursed under the current fee for service program.

4. Home Health Agency Services

Reimbursement to home health agencies is made on a per visit basis in accordance with Medicaid's maximum fee screens or the home health agency's usual and customary charge (acquisition cost for medical supply items), whichever amount is less.

TN NO.: 04-17

Approval Date: FEB 3 2005 Effective Date: 01/01/2005

Supersedes
TN No.: 02-03

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)

17. An EPSDT visit is paid a flat rate for the visit, and if the following are performed reimbursement is made over and above of the visit rate:

- urine test
- hematocrit or hemoglobin
- TB test
- hearing test using a pure tone audiometer
- developmental test
immunizations

EPSDT is paid on a weekly cycle through the invoice processing system using established HCPCS codes and the normal Medicaid methods.

Whenever an EPSDT component that has an HCPCS code is provided outside of an EPSDT package, it is billed under regular Medicaid. An example would be if the only service provided to a child is a developmental test, it is billed separately to Medicaid because there is no method for tracking the child to assure that the rest of the components are performed.

EPSDT visit rates are set under individual practitioner services for given HCPCS codes. (See Attachment 4.19-B, Page 1, 1)

In consultation with providers of in-home blood lead investigations, we obtained costs and established an average to be used as the rate for the initial and follow-up epidemiological investigations. The in-home educational visit rate is the same as for a home health nurse visit.

The following services are covered when prior authorized by the single state agency:

private duty nursing – reimbursement will be made on a fee for service basis
religious non-medical health care nursing services (formerly Christian Science nursing services) – reimbursement will be on a fee for service basis

Screening and preventive services' reimbursement is governed by the applicable category of the specific service.

Reimbursement for EPSDT support services is on a fee for service basis, within Medicaid established frequency limits, to providers that have been certified by the single state agency as qualified to provide these services.

TN NO.: 04-17

Approval Date:

Effective Date: 01/01/2005

Supersedes
TN No.: 02-03