

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



Refer to:

JUN 21 2005
Nancy Bishop
6-21-05

Paul Reinhart, Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48913

ATTN: Nancy Bishop

Dear Mr. Reinhart:

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

Transmittal #05-007 Long Term Care Facility and Hospice Reimbursement for
Hospital and Therapeutic Leave Days--Effective Date
January 1, 2005

If you have any additional questions, please have a member of your staff contact
Cynthia Garraway at (312) 353-8583.

Sincerely,

A handwritten signature in cursive script, which appears to read 'Cheryl A. Harris', is written above the printed name.

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:

05 - 07

2. STATE:

Michigan

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

4. PROPOSED EFFECTIVE DATE
January 1, 2005

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 447.40

7. FEDERAL BUDGET IMPACT:

a. FFY 05 \$ 2.3 million
b. FFY 06 \$ 2.3 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, pages 5 and 5a;
Attachment 4.19-C, pages 1 and 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Attachment 4.19-B, page 5;
Attachment 4.19-C, pages 1 and 2

10. SUBJECT OF AMENDMENT:

Long Term Care Facility and Hospice reimbursement for hospital and therapeutic leave days

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Paul Reinhart, Director
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

13. TYPED NAME:

Paul Reinhart

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

March 31, 2004

Attn: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

3/31/05

18 DATE APPROVED:

6/21/05

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2005

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
MAR 31 2005
DMCH - M/M/N/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*

10. Hospice Services

Medicaid will use the Medicaid rates established by the Centers for Medicare and Medicaid Services and apply the appropriate local wage index for the categories of care provided. The "appropriate local wage index" is the index indicated for the recipient's county of residence.

Direct patient care provided by the hospice medical director, hospice employed physician or consulting physician must be billed by the hospice, using the appropriate Common Procedure Coding System code(s) and will be reimbursed at the applicable Medicaid fee screen.

If the beneficiary is residing in a Medicaid enrolled nursing facility, Medicaid will pay the room and board amount using the percentage established by the Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239) to the hospice, and the hospice will reimburse the facility. This applies to Medicare/Medicaid recipients as well as Medicaid only recipients.

Medicaid will pay a Hospice agency serving a beneficiary in a nursing facility, to hold the beneficiary's bed for hospital and therapeutic leave when the requirements described under nursing facility reimbursement for hospital and therapeutic leave are met (Attachment 14.9-C, pages 1 and 2).

11 Maternal Support Services

Reimbursement for maternal support services will be on a fee-for-service basis within Medicaid established frequency limits, to agencies that have been certified by the Michigan Department of Community Health, Public Health Administration as qualified to provide these services. Payment will be the lesser of the charge or fee screens established by the department. Fee screens are established relative to similar services reimbursed by the department.

12. Ambulatory Uterine Activity Monitors

Reimbursement for the ambulatory uterine activity monitor is through a per diem rate. All equipment, perinatal nursing services, technical services and supplies necessary for the provision of the monitor are considered included in this rate. The per diem rate is the lesser of the single state agency's fee screen or the provider's usual and customary charge minus any third party payment. Providers' charges

TN NO. 05-07

Approval Date: JUN 21 2005 Effective Date: 01/01/2005

Supersedes
TN No.: 95-07

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*

and other states' Medicaid fee screens are utilized as guidelines or reference in determining the fee screen.

Medications and physician professional services that are appropriate for a recipient using a monitor are separately reimbursable. Payment for these medications and services will be in accordance with the methods described under "Drug Products" and "Individual Practitioner Services".

TN NO. 05-07

Approval Date: JUN 21 2005

Effective Date: 01/01/2005

Supersedes

TN No.: N/A new page

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

*Payment for Reserved Beds
During a Patient's Absence from an Inpatient Facility*

- I. Payment is not made for reserving a bed during a recipient's absence from an acute care general hospital.
- II. Payment for reserving a bed during a beneficiary's absence from a Long Term Care Facility:
 - A. Therapeutic Leave Days – payment is subject to the following conditions:
 1. The beneficiary is away for therapeutic and non-medical reasons (for example, home visits).
 2. Payment for reserving a bed for a beneficiary's therapeutic leave days may not exceed payments for 18 days over the most recent 12-month period.
 3. The bed is reserved for the beneficiary during his/her absence.
 4. The beneficiary returns to the facility.
 5. The beneficiary's written plan of care provides for "home visits" (defined as visits with friends and/or relatives, i.e., therapeutic leave days).
 6. With prior authorization, additional therapeutic leave days may be paid if all the following conditions are met:
 - a) the leave is requested for special family occasions (e.g., reunions, weddings, graduations, birthdays, religious rites),
 - b) if special care (e.g., personal care, home health, therapy, or medical) is not required during the absence, and
 - c) a physician order (written and signed) is present in the patient's record prior to the leave. (This order must include the duration of leave.)
 7. Reimbursement for therapeutic leave days will be made at the facility's current prospective rate. Therapeutic leave days must be included in the daily inpatient census.

TN #: 05-07

Approval Date: JUN 27 2005

Effective Date: 01/01/2005

Supersedes:
TN #: 01-01