

June 3, 2014

<Provider Name>
<Provider Address1>
<Provider Address2>
<Provider City> <state> <zipcode5-zip4>

Dear Medicaid Provider:

Pursuant to Section 1202 of the Affordable Care Act (ACA), state Medicaid programs are required to implement a temporary primary care rate increase for specific primary care services furnished by certain qualified primary care providers. Requirements related to the increased payments apply to services reimbursed by Medicaid Fee-For-Service (FFS) and Medicaid Health Plans (MHP).

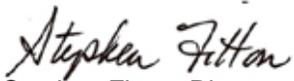
The Michigan Department of Community Health (MDCH) issued policy bulletin MSA 12-66 announcing that for dates of service on and after January 1, 2013, and through December 31, 2014, MDCH will apply an increased payment rate to enrolled practitioners for primary care services delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine. MSA 12-66 outlines the specific details regarding eligible providers and primary care services. In preparation for operationalizing this increased payment, primary care providers were directed in Bulletin MSA 12-39 to self-attest by designating their primary specialty in their Community Health Automated Medicaid Processing System (CHAMPS) enrollment file as one of the three eligible specialties and provide applicable Board certification information.

Because of their current reimbursement methodology, clinics that are eligible to receive supplemental payments, such as a Federally Qualified Health Center, Local Health Department, Rural Health Center, or Tribal Health Center, are not eligible for the enhanced primary care rates under section 1202 of the ACA. MDCH recently discovered that some encounter claim data for providers eligible to receive other supplemental payments was not submitted to the MHPs with place of service indicators reflecting eligibility for other supplemental payments. MDCH therefore erroneously included some of these claims in recent primary care incentive payments. We have identified all of the affected claims and have shared the information with all impacted MHPs. This issue only occurred in the initial payment cycle in November 2013. The MHPs have been instructed by the State to return these funds no later than July 2014.

Some MHPs have indicated to the State that the funds were not distributed to providers prior to the discovery of the issue by the State, but some of the funds were. It may become necessary for the MHPs to process a recoupment or claim off-set where the health plan had already distributed the revenue. The State of Michigan recognizes the difficulty this may cause providers and we regret the confusion. We ask for your cooperation and patience as we implement the primary care rate increase as mandated by the ACA.

Thank you for your continued participation in the Michigan Medicaid Program and your commitment to providing quality care to Michigan's citizens. Any questions regarding this letter can be directed to: Provider Support, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When submitting an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Provider Support may also be phoned toll-free at 800-292-2550.

Sincerely,

A handwritten signature in cursive script that reads "Stephen Fitton".

Stephen Fitton, Director
Medical Services Administration