

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

AUG 30 2007

*original
to Nancy Bishop
9-9-07*

Paul Reinhart, Medicaid Director
Medical Services Administration
Michigan Department of Community Health
400 South Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

Dear Mr. Reinhart:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

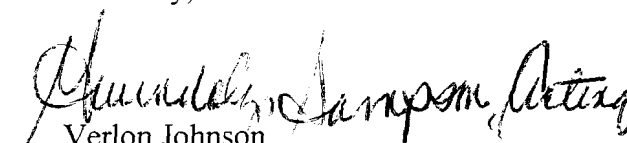
Transmittal #06-022

Authorization Thresholds – Personal Care Services –
Effective October 01, 2006

Under regulations at 42 CFR 430.12(c)(i), States are required to amend State plans whenever necessary to implement changes in Federal law, regulations, policy interpretations, or court decisions. On May 25, 2007, CMS placed a final rule, CMS-2258-FC (Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership) on display at the Federal Register and that can be found at 72 Fed. Reg. 29748 (May 29, 2007) that would modify Medicaid reimbursement. Because of this regulation, some or all of the payments under this plan amendment may no longer be allowable expenditures for federal Medicaid matching funds. Public Law 110-28, enacted on May 25, 2007 instructed CMS to take no action to implement this final regulation for one year. CMS will abide by the time frames specified by the statute. Approval of the subject State plan amendment does not relieve the State of its responsibility to comply with changes in federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements.

If you have any questions, please contact Cynthia Garraway by telephone at (312) 353-8583 or by e-mail at Cynthia.Garraway@cms.hhs.gov.

Sincerely,



Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children's Health

cc: Nancy Bishop, Michigan Department of Community Health

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

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

1. TRANSMITTAL NUMBER:
06 - 22

2. STATE:
Michigan

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

4. PROPOSED EFFECTIVE DATE
October 1, 2006

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 447.200

7. FEDERAL BUDGET IMPACT:
a. FFY 07 _____ \$ -0- _____
b. FFY 08 _____ \$ -0- _____

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B pages 3 and 3a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment 4.19-B page 3

10. SUBJECT OF AMENDMENT:
Authorization thresholds - personal care services

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:

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 12/28/06	18. DATE APPROVED: 8/30/07
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Verlon Johnson</i>
21. TYPE NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

RECEIVED
DEC 28 2006
DMCH - Lansing

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)***

6. Optical House Services

Payment for optical house services will be on the basis of contracted prices established in conformance with federal procurement policies. Optical houses will be reimbursed only for materials. Providers furnishing materials obtained from an optical house under contract with the State will be reimbursed only for the services involved in dispensing such materials. Payment rates for these services are based on "reasonable" charges, as defined above.

TN NO.: 06-22

Approval Date: **AUG 30 2007**

Effective Date: 10/01/2006

Supersedes
TN No.: 06-16

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)

7. Personal Care Services

Reimbursement is made according to variable rates, depending upon the setting of service delivery, payment levels determined by policy or the legislature, and beneficiary needs.

Basic rates for personal care services provided in a beneficiary's own home, or his/her place of employment, are as established by Medicaid policy. A Medicaid approved case manager performs an assessment of the beneficiary's needs and determines the amount of care required. Tasks are assigned minute values and the minutes are converted to hours and billed as a total (of hours) at the end of the month. The case manager is permitted to authorize services up to a specified level. The Medicaid agency allows designated local agencies to make exceptions to the maximum specified authorization level, with supervisory approval, if a beneficiary's needs are extensive or intensive enough to require more, or more costly services. For cases exceeding the designated local agency's maximum authorization level, decisions are referred to the single state agency to consider the documented need.

For beneficiaries in general, adult foster care facilities or homes for the aged, a flat monthly rate is established annually by the state legislature for those Medicaid eligibles who, according to a standardized assessment, have a documented need for personal care services. There is no specific rate methodology or inflation factor applied during the legislative rate establishment. Beneficiaries whose needs exceed the services available via the flat rate methodology are identified through the standardized assessment and the development of a care plan. This information becomes the basis for decisions on exceptions.

The reimbursement methodology for personal care services for beneficiaries in general adult foster care facilities or homes for the aged will end effective October 1, 2008.

Personal care in specialized foster care facilities is a coverage under Michigan's 1915(b) waiver for specialty supports and services for people with developmental disabilities, serious mental illness, serious emotional disturbance and substance use disorder. The service is carved out of the state plan benefit and managed by pre-paid inpatient health plans (PIHPs) that are governmental entities receiving a capitation payment for an array of services that includes personal care as well as other state plan and 1915(b)(3) services. PIHPs purchase personal care services from adult foster care providers whose facilities have been certified by the state to provide specialized services. Personal care in specialized residential settings must be medically necessary for the Medicaid beneficiaries who receive it. PIHPs establish a rate for personal care services based on an assessment of the severity of each individual's needs and the amount, scope and duration of the personal care activities and tasks identified during person-centered planning to meet the individual's needs. Medicaid beneficiaries who receive personal care in specialized residential settings have documented needs that are higher than beneficiaries who receive services in general foster care settings.

AUG 30 2007

TN NO.: 06-22

Approval Date: _____

Effective Date: 10/01/2006

Supersedes

TN No.: N/A new page