

**Center for Medicaid and State Operations (CMSO)**

---

Mr. Paul Reinhart, Director  
Medical Services Administration  
Department of Community Health  
400 South Pine  
Lansing, MI 48933

JUN 24 2008

RE: Michigan State Plan Amendment (SPA) 08-04

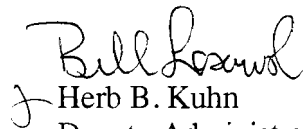
Dear Mr. Reinhart:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 08-04. Effective January 1, 2008, this amendment updates the name of a non-health care related tax currently claimed as an allowable nursing facility cost.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a), of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 08-03 is approved effective January 1, 2008. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at (608) 441-5344.

Sincerely,

  
Herb B. Kuhn  
Deputy Administrator  
Acting Director, CMSO

Enclosures

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

1. TRANSMITTAL NUMBER:  
08 - 04

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, 2008

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 Subpart C

7. FEDERAL BUDGET IMPACT:  
a. FFY 08 \$ -0-  
b. FFY 09 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-D, Section III, Page 1a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  
Attachment 4.19-D, Section III, Page 1a

10. SUBJECT OF AMENDMENT:  
Michigan Business Tax name change

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*

13. TYPED NAME:  
Paul Reinhart

14. TITLE:  
Director, Medical Services Administration

15. DATE SUBMITTED:  
March 27, 2008

16. RETURN TO:  
Medical Services Administration  
Program/Eligibility Policy Division - Federal Liaison Unit  
Capitol Commons Center - 7<sup>th</sup> Floor  
400 South Pine  
Lansing, Michigan 48933  
Attn: Nancy Bishop

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:  
6-24-08

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
JAN - 1 2008

20. SIGNATURE OF REGIONAL OFFICIAL:  
*Bill Lasowski F.H.I.C.*

21. TYPE NAME:  
William Lasowski

22. TITLE:  
Deputy Director, CMSO

23. REMARKS:

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

**Policy and Methods for Establishing Payment Rates – Long Term Care Facilities**

period. Owner administrator compensation limits will be applied based on the reduced bed count. Payment determinations for Class II facilities will be based on actual occupancy.

- D. Title XIX per patient day cost, for a designated cost component, is the total inpatient cost for that cost component, divided by total inpatient days, as determined from the provider's Medicaid cost report.
- E. The Michigan Business Tax is an allowable expense.

---

TN NO.: 08-04

Approval Date: JUN 24 2008

Effective Date: 01/01/2008

Supersedes  
TN No.: 05-11