

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



*Original → N. Bishop
2-5-09*

JAN 30 2009

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 #08-012

AFC/HA Personal Care Services Reimbursement
-- Effective October 1, 2008

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,

A handwritten signature in black ink, appearing to read "Verlon Johnson". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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

Enclosure

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

1. TRANSMITTAL NUMBER:

08 - 12

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
October 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 447.200

7. FEDERAL BUDGET IMPACT:

a. FFY 09 _____ \$ -0- _____
b. FFY 10 _____ \$ -0- _____

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

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):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

10. SUBJECT OF AMENDMENT:
AFC/HA Personal Care Services reimbursement

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:



13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

11-25-08

18. DATE APPROVED:

JAN 30 2009

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2008

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

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 April 1, 2009. The agency's rates were set as of October 1, 2008 and are effective for services on or after that date. The rate is uniform for governmental and private providers unless otherwise indicated in the State Plan. The amount of the rate may be found at www.legislature.mi.gov.

Personal care in specialized foster care facilities is covered 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.

TN NO.: 08-12

Approval Date: JAN 30 2009

Effective Date: 10/01/2008

Supersedes

TN No.: 06-22