

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



MAR 15 2010

Stephen Fitton, Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Nancy Bishop

Dear Mr. Fitton:

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

- Transmittal #09-09 Reimbursement for services provided in Special Health Care Needs Facilities
- Effective April 1, 2009

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Verlon Johnson". The signature is written in a cursive style and is positioned above the printed name and title.

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: 9 - 09	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 April 1, 2009	

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 B	7. FEDERAL BUDGET IMPACT: a. FFY 09 \$ 0 138,292.00 <i>The</i> b. FFY 10 \$ 0 8165,751.00
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement to Attachment 3.1 A, page 40 and Attachment 4.19 B, page 18 and ATTACHMENT 4.19 B page 1.b.1 ATTACHMENT 3.1-A, page 15 and 4.19 B, page 1.b.1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): N/A - new pages
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10. SUBJECT OF AMENDMENT:
Services/reimbursement - special health care needs facilities

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: <i>Stephen Fitton</i>	16. RETURN TO: Medical Services Administration Program/Eligibility Policy Division - Federal Liaison Unit Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933 Attn: Nancy Bishop
13. TYPED NAME: Stephen Fitton	
14. TITLE: Acting Director, Medical Services Administration	
15. DATE SUBMITTED: June 26, 2009	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: June 26, 2009	18. DATE APPROVED: MAY XXXXXX March 15, 2010
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 04-01-2009	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Verlon Johnson</i>
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

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

Services Provided Individuals with Special Health Care Needs

Therapeutic, rehabilitative or palliative services are covered when rendered in a free standing specialty facility serving a disproportionate percentage of Medicaid eligible children with specific medical conditions. The provision of these services is critical to the safety net service system for children with special health care needs. physicians must be designated by the Director of Michigan's Title V program and concurred with by the Medical Services Administration.

TN NO.: 09-09

Approval Date: **MAR 15 2010**

Effective Date: 04/01/2009

Supersedes

TN No.: N/A new page

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)***

Payment Adjustments for Children with Special Health Care Needs Approved Specialty Physicians.

Effective April 1, 2009, the payment adjustment method determined by the Medical Services Administration is the lesser of:

- The difference between the fee-for-service (FFS) Medicaid fee screens and the average commercial rate.
- The difference between the FFS Medicaid fee screens and the physician's customary charge.

The Average Commercial Rate is derived by calculating a weighted average by procedure code, of the non-governmental payers constituting greater than 50% of a practice or practice groups' Commercial Business. In order to derive the average commercial rate for procedures, any practice or practice group wishing to receive adjustments under this section must submit Commercial Fee Schedules that clearly demonstrate pricing information by procedure code by Commercial Payer, and indicate the percent of business each Commercial Payer constitutes of their total commercial business revenue. For purposes of this section, "business revenue" is defined as revenue received for professional medical services rendered.

A physician's customary charge refers to the Amount which is charged in the majority of cases for a specific medical procedure exclusive of token charges for charity patients and substandard charges for welfare and other low income patients.

Children with special health care needs approved specialty physician receive a base payment equal to the FFS payment paid to other physicians. Each fiscal quarter, the Medical Services Administration (MSA) generates a report for the affected providers. When the participating physicians and the MSA confirm the accuracy of the report, the payment adjustments are determined. The payment adjustments are made for each fiscal quarter. The process includes a reconciliation that takes into account all valid claim replacements affecting claims that were previously processed.

TN NO.: 09-09

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Supersedes
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