

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

FEB 01 2011

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

ATTN: Jacqueline Coleman


Dear Mr. Fitton:

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

- Transmittal #10-004 Children's Outpatient Adjustor Pool. This SPA proposes to increase the supplemental payment mad for outpatient hospital services.
- Effective April 1, 2010

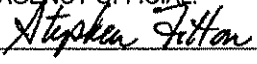
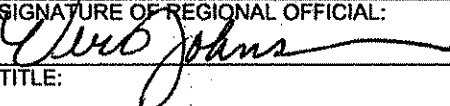
If you have any questions, please contact Leslie Campbell at (312) 353-1557 or [Leslie.Campbell@cms.hhs.gov](mailto:Leslie.Campbell@cms.hhs.gov).

Sincerely,



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

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: <b>10 - 04</b>	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, 2010	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201		7. FEDERAL BUDGET IMPACT:	
		a. FFY 10 _____ \$ 440,353.00 _____	
		b. FFY 11 _____ \$ 395,398.00 _____	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 2a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 2a	
10. SUBJECT OF AMENDMENT: Children's Outpatient Hospital Adjustor Pool			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Stephen Fitton, Director Medical Services Administration	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: Stephen Fitton		Medical Services Administration Program/Eligibility Policy Division - Federal Liaison Unit Capitol Commons Center - 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933	
14. TITLE: Director, Medical Services Administration		Attn: Nancy Bishop	
15. DATE SUBMITTED: May 14, 2010			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <i>May 14, 2010</i>		18. DATE APPROVED: <b>FEB 01 2011</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <i>April 1, 2010</i>		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)***

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A. Children's Outpatient Hospital Adjustor Pool

Qualifying children's hospitals will share in an annual outpatient adjustor pool of \$1,122,300 for services provided during the fiscal year in which the payment is calculated. The payment will be made by September 30<sup>th</sup> of each State fiscal year. Payment is applicable for services provided on or after April 1, 2010.

Eligibility for the pool is restricted to freestanding children's hospitals that have incurred outpatient Medicaid charges in excess of \$40 million for hospital fiscal years ending in the second previous state fiscal year. Payments will be made only to hospitals that have accepted cost reports on file with the Medical Services Administration by August 31<sup>st</sup> of the state fiscal year previous to the one in which the payment is made. These data have been subject to review and appeal and will not be changed.

The pool of \$1,122,300 will be distributed to eligible freestanding children's hospitals based on the ratio of the hospital's Title XIX outpatient charges to the sum of the Title XIX outpatient charges for all qualifying hospitals. Each eligible hospital will share in the pool proportionately using the ratio of the hospital's Title XIX outpatient charges to the sum of the Title XIX outpatient charges for all qualifying hospitals.

NOTE: Item B. and page 2b of this Attachment have been deleted. The next item is C. on page 2b.1.

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TN NO.: 10-04

Approval Date: FEB 01 2011

Effective Date: 04/01/2010

Supersedes  
TN No.: 09-12