

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

1. TRANSMITTAL NUMBER:
10 - 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
April 1, 2010

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 447.201

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):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):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Stephen Fitton, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:


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:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
May 14, 2010

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 18 DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

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)***

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 30th of each State fiscal year.

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 31st 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.

TN NO.: 10-04

Approval Date: _____

Effective Date: 04/01/2010

Supersedes
TN No.: 09-12