

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



September 27, 2012

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

ATTN: Loni Hackney

Dear Mr. Fitton:

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

- Transmittal #10-016B: Revised reimbursement for Public Clinic Services
- Effective Date: July 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,

A handwritten signature in black ink that reads "Verlon Johnson". The signature is written in a cursive, flowing style.

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 - 16 B</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 July 1, 2010	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

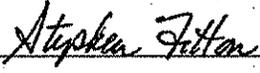
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201	7. FEDERAL BUDGET IMPACT: a. FFY 10 _____ \$ -0- _____ b. FFY 11 _____ \$ -0- _____
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 6d	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 6d

10. SUBJECT OF AMENDMENT:  
Public Clinic Services - reimbursement

11. GOVERNOR'S REVIEW (Check One):

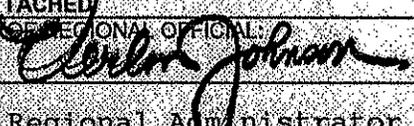
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Stephen Fitton, Director  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Program/Eligibility Policy Division - Federal Liaison Unit Capitol Commons Center - 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933  Attn: Nancy Bishop
13. TYPED NAME: Stephen Fitton	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: September 17, 2010	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: September 17, 2010	18. DATE APPROVED: <b>SEP 27 2012</b>
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2010	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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15. Public Clinic Services

Reimbursement for Public Clinic Services, other than dental services, is at reasonable and allowable full costs as described below.

Effective for services provided on or after January 1, 2011, the methodology for achieving actual incurred cost reimbursement is fee for service and Medicaid managed care billings which are subsequently cost settled. To participate in this methodology, qualified providers must supply the Program with a CMS approved Michigan Medicaid cost report - Local Health Department, which lists medical costs, revenue, and encounters for services covered by this section. The cost reports must be in compliance with 2 CFR 225: Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87).

Annual cost settlements are performed to ensure that the initial payments were made at reasonable and allowable actual incurred cost. As necessitated by the cost settlement process, any financial adjustments are made with the provider. The settlements are performed for each public clinic and for each fiscal year. The CMS approved Medicaid cost report is due from the Local Health Department five months after their fiscal year end. The initial settlement will be processed within six months of receiving an approved filed cost report. The final settlement will be processed within twenty-four months of receiving the approved filed cost report.

If Medicaid reimbursement exceeds cost then an overpayment has been made. The Michigan Department of Community Health (MDCH) will begin collections of interim payments that exceed the final rate immediately upon final determination.

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TN NO.: 10-16B

Approval Date: SEP 27 2012

Effective Date: 10/01/2011

Supersedes  
TN No.: 11-04