

**Center for Medicaid and CHIP Services (CMCS)**

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Mr. Stephen Fitton, Director  
Medical Services Administration  
Department of Community Health  
400 South Pine  
Lansing, MI 48933

FEB - 8 2012

RE: Michigan State Plan Amendment (SPA) 11-12

Dear Mr. Fitton:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 11-12. Effective for services on or after January 1, 2012, this amendment revises the methodology for setting reimbursement rates for long term care services. Specifically, this amendment changes the name of the Michigan Business Tax to the Corporate Income Tax.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 11-12 is approved effective January 1, 2012. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at (608) 441-5344.

Sincerely,



Cindy Mann,  
Director (CMCS)

Enclosure

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

1. TRANSMITTAL NUMBER:  
11 - 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  
January 1, 2012

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 C

7. FEDERAL BUDGET IMPACT:  
a. FFY 2012 \$ 0  
b. FFY 2013 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-D, Section III, Page 1a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  
Attachment 4.19-D, Section III, Page 1a

10. SUBJECT OF AMENDMENT:  
This amendment is to change the name of the Michigan Business Tax to the Corporate Income Tax.

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:  
*Stephen Fitton*

16. RETURN TO:  
Medical Services Administration  
Actuarial Division  
Capitol Commons Center - 7th Floor  
400 South Pine Street  
Lansing, Michigan 48933  
  
Attn: Loni Hackney

13. TYPED NAME:  
Stephen Fitton

14. TITLE:  
Director, Medical Services Administration

15. DATE SUBMITTED:  
November 30, 2011

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:      18. DATE APPROVED: **FEB - 8 2012**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**JAN - 1 2012**

20. SIGNATURE OF REGIONAL OFFICIAL:  
*Thompson*

21. TYPE NAME:  
**Penny Thompson**

22. TITLE:  
**Deputy Director, CMCS**

23. REMARKS:

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

**Policy and Methods for Establishing Payment Rates – Long Term Care Facilities**

period. Owner administrator compensation limits will be applied based on the reduced bed count. Payment determinations for Class II facilities will be based on actual occupancy.

- D. Title XIX per patient day cost, for a designated cost component, is the total inpatient cost for that cost component, divided by total inpatient days, as determined from the provider's Medicaid cost report.
- E. The ~~Michigan Business~~ CORPORATE INCOME Tax is an allowable expense.

TN NO.: 11-12

Approval Date: FEB -8 2012

Effective Date: 01/01/2012

Supersedes  
TN No.: 08-04