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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 13-004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



JUN 11 2014

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

RE: Michigan State Plan Amendment (SPA) 13-004

Dear Mr. Fitton:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-004. Effective for services on or after January 1, 2013, this amendment proposes updates to the DSH pool dollar amount available to hospitals with an approved agreement between themselves and a university with both a college of allopathic medicine and a college of osteopathic medicine.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 13-004 is approved with an effective date of January 1, 2013. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann". The signature is written in a cursive, flowing style.

Cindy Mann
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 13 - 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 January 1, 2013	

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	7. FEDERAL BUDGET IMPACT: a. FFY 2013 \$488,000 b. FFY 2014 \$488,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 23	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Page 23

10. SUBJECT OF AMENDMENT:
Updates the DSH pool dollar amount available to hospitals with an approved agreement between themselves and a university with both a college of allopathic medicine and a college of osteopathic medicine.

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 Actuarial Division Capitol Commons Center - 7th Floor 400 South Pine Street Lansing, Michigan 48933
13. TYPED NAME: Stephen Fitton	Attn: Loni Hackney
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: March 4, 2013	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: JUN 11 2014
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 13 2013	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Penny Thompson	22. TITLE: Deputy Director, Policy & Financial Mgt. CMS
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Methods and Standards for Establishing Payment Rates
Inpatient Hospital Care***

c. Distinct Part Rehab Units

Title XIX Charges x Operating Ratio x (IV - 0,2)

2. Special Pools

In addition to the regular DSH pools of \$45,000,000, the single state agency (SSA) is establishing the following special pools:

- a. Effective June 1, 2006, a separate DSH pool will be created annually for areas covered by an Indigent Care Agreement (ICA) approved by the Director of the SSA. The areas covered by an ICA must be within reasonable geographic proximity to the hospital receiving the ICA DSH payment. The ICA must be between the hospital and a partner health care related entity in the area. The ICA must stipulate that direct or indirect healthcare services be provided to low-income patients with special needs who are not covered under other public or private health care programs. This pool will be \$172,343,362 in fiscal year 2006, \$147,687,951 in fiscal year 2007, \$122,707,686 in fiscal year 2008, \$110,937,485 in fiscal year 2009, \$125,001,655 in fiscal year 2010, \$107,926,496 in fiscal year 2011, \$124,803,035 in fiscal year 2012 and each subsequent fiscal year. All payments made under (a) in fiscal year 2006 will occur on or after June 1, 2006. No payment will be made under (a) to any hospital with a contractual obligation to forward that payment to a partner health care related entity in the area.

To be eligible for DSH payments made under (a.), hospitals must meet minimum federal requirements for Medicaid DSH payments and have an approved ICA in place. A table showing the eligible hospitals and their annual allocations from this pool is included in Appendix B.

- b. The single state agency (SSA) is creating a special DSH payment pool of \$2,772,003 million in fiscal year 2005, and \$2,764,340 for each subsequent fiscal years **2006 – 2012, AND \$3,500,000 FOR EACH SUBSEQUENT FISCAL YEAR.**

The purpose of this pool is to:

- Assure continued access to medical care for indigents, and
- Increase the efficiency and effectiveness of medical practitioners providing services to Medicaid beneficiaries under managed care.

The SSA will approve one (1) agreement statewide each state fiscal year. To be eligible for the pool, a hospital must meet the following criteria:

- Meet the minimum federal requirements for DSH eligibility listed in Section III.H.
- Have in place an approved agreement between itself and a university with both a college of allopathic medicine and a college of osteopathic medicine that specifies all services and activities to be conducted.

THIS AGREEMENT SHALL NOT REQUIRE THE HOSPITAL TO DONATE MONEY OR SERVICES TO THE OTHER PARTY IN THE AGREEMENT.

TN NO.: 13-04

Approval Date: JUN 11 2014

Effective Date: 01/01/2013

Supersedes
TN No.: 12-17