

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: 1 4 - 011	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, 2014	

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 2014 _____ \$ 6,630,000 b. FFY 2015 _____ \$ 0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 24d and 24f	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Pages 24d and 24f
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10. SUBJECT OF AMENDMENT:  
This SPA establishes a new, one year, Disproportionate Share Hospital (DSH) pool to be distributed to Harper University Hospital for fiscal year 2014.

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  Attn: Loni Hackney
13. TYPED NAME: Stephen Fitton	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: June 19, 2014	

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

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

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Each hospital's data for the formula will be taken from hospital cost reports for cost periods ending during the second previous state fiscal year.

1.  $(\text{Hospital Title XIX Outpatient FFS Payments}) + (\text{Hospital Title XIX Outpatient FFS Charges}) = (\text{Hospital Title XIX Outpatient Payment to Charge Ratio})$
2.  $(\text{Hospital Uncompensated Outpatient Charges}) - (\text{Hospital Uncompensated Outpatient Payments}) = (\text{Net Hospital Uncompensated Outpatient Charges})$
3.  $(\text{Hospital Title XIX Outpatient Payment to Charge Ratio}) \cdot (\text{Net Hospital Uncompensated Outpatient Charges}) = (\text{Net Hospital Outpatient Uncompensated Title XIX Equivalent Payments})$
4.  $(\text{Net Hospital Outpatient Uncompensated Title XIX Equivalent Payments}) + (2\% \text{ of all Net Hospital Outpatient Uncompensated Title XIX Equivalent Payments}) = (\text{Outpatient Uncompensated DSH Hospital Pool Factor})$
5.  $(\text{Outpatient Uncompensated DSH Hospital Pool Factor}) \cdot (\text{Outpatient Uncompensated DSH Pool Component Amount}) = (\text{Outpatient Uncompensated DSH Hospital Pool Component Payment})$

Payments to individual hospitals will be limited to the room available under each hospital's specific DSH ceiling. If payments calculated for individual hospitals exceed that hospital's DSH ceiling, the amounts in excess of the ceiling will be placed back into the pool. These amounts will then be reallocated to the remaining hospitals in the pool which have not exceeded the room available under their individual hospital DSH ceiling based on the formula above. This process will be repeated as many times as necessary to expend all funds in the pool.

H. HARPER UNIVERSITY HOSPITAL DSH POOL

EFFECTIVE FOR FY 2014, A ONE YEAR DSH POOL WILL BE ESTABLISHED TOTALING \$9,994,952 TO BE DISTRIBUTED TO HARPER UNIVERSITY HOSPITAL. THIS POOL WILL BE USED TO REDUCE UNCOMPENSATED CARE THE HOSPITAL INCURS DELIVERING NEWBORNS AT THAT LOCATION. HARPER UNIVERSITY HOSPITAL IS THE LARGEST MEDICAID BIRTHING HOSPITAL IN THE STATE, PERFORMING OVER 3,800 MEDICAID NEWBORN DELIVERIES. THIS EQUATES TO 8% OF ALL MEDICAID DELIVERIES IN THE STATE.

3. Public Hospitals DSH Sunset Provision

Medicaid DSH payments to public hospitals are made up to the public hospital DSH ceiling as permitted by current federal regulations.

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TN NO.: 14-011

Approval Date: \_\_\_\_\_

Effective Date: 04/01/2014

Supersedes

TN No.: 07/15

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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These payments are authorized to continue through September 30, 2005. The state may submit state plan amendments effective after September 30, 2005 that re- implement the current payment structure or different payment methodologies.

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TN NO.: 14-011

Approval Date: \_\_\_\_\_

Effective Date: 04/01/2014

Supersedes

TN No.: 07/15

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

State of Michigan

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

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DSH payments will be applied against a hospital's DSH limit in the following order:

1. Institute for Mental Disease Pool
2. HARPER UNIVERSITY DSH POOL
- 2-3. \$45 Million Pool
- 3-4. Outpatient Uncompensated Care DSH Pool
- 4-5. University with Both a College of Allopathic Medicine and a College of Osteopathic Medicine Pool (University Pool)
- 5-6. Indigent Care Agreements Pool (ICA Pool)
- 6-7. Government Provider DSH Pool (GP Pool)

#### ***Step 2: Interim DSH Settlement Step***

DSH limits, DSH payments and Medicaid utilization rates are recalculated using new cost report data during the Interim DSH Settlement step. DSH funds will be reallocated in a manner that maintains the pool order outlined in the Initial DSH Calculation step.

The State will recalculate hospital-specific DSH limits, DSH payment allocations and Medicaid utilization rates during the year following the applicable DSH year. Inpatient and outpatient cost and payment data from cost reports with hospital FYs ending during the previous calendar year will be utilized for DSH limit, DSH payment, and Medicaid utilization rate recalculations. For example, during 2012, data from hospital cost reports with FYs ending between January 1, 2011 and December 30, 2011, will be used to complete the FY 2011 Interim DSH Settlement calculations. The State will maintain its current pool-specific payment allocation during this step.

Beginning with State FY 2011, hospitals will be able to decline DSH funds and also request a downward adjustment to their DSH limit during the Interim DSH Settlement. Upon receipt of this feedback from hospitals, each hospital's calculated DSH limit will be reduced to the requested amount.

If a hospital declines DSH funds, the State will recalculate DSH amounts with that hospital's limit at zero. To the extent that payment allocations are affected by a hospital's request to reduce its DSH limit or decline DSH payments altogether, payments from the applicable pool(s) will be allocated to other hospitals eligible for payments from the pool(s). If no hospital is eligible to accept the DSH payment during this step, the unpaid amount will be paid to eligible hospitals during the Step 3: Final DSH Audit-Related DSH Redistribution calculations.

No hospital will receive a DSH payment in excess of its Interim DSH Settlement limit.

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TN NO.: 14-011

Approval Date: \_\_\_\_\_

Effective Date: 04/01/2014

Supersedes

TN No.: 11-11

**Order Confirmation**  
Ad Order Number 0004807772



<b>Customer</b>	<b>Favor Customer</b>	
Account: 42716	Account: 42716	PO Number
MICHIGAN DEPT COMMUNITY HEALT	MICHIGAN DEPT COMMUNITY HEALTH ACTUAF	Ordered By PATRICIA SMITH
PO BOX 30479	PO BOX 30479	Sales Rep. kjones1
LANSING MI 48909-7979 USA	LANSING MI 48909-7979 USA	Order Taker kjones1
(517) 241-7192	(517) 241-7192	Order Source
		Special Pricing None
FAX (517) 241-5112 smithp2@michigan.gov		

**Ad Content Proof**

**PUBLIC NOTICE**  
Michigan Department of  
Community Health  
Medical Services  
Administration

**Establishment of New  
Disproportionate Share  
Hospital (DSH) Pool**

Effective April 1, 2014 the Michigan Department of Community Health (MDCH) will establish a new Disproportionate Share Hospital (DSH) pool for fiscal year 2014 to be distributed to Harper University Hospital. This one-year pool will total \$9,994,952.

**Comments**

Any comments on, or requests for copies of the Notice of Proposed Policy may be submitted in writing to: Michigan Department of Community Health, Actuarial Division, Bureau of Medicaid Policy and Health System Innovation, Attention Ben Ayres, P.O. Box 30479, Lansing, Michigan 48909-7979. Written comments may be reviewed by the public at Capitol Commons Center, 400 South Pine Street, Lansing, Michigan. Request for copies and comments must include the project number. There is no public hearing scheduled for this proposed policy.

Tear Sheets	1	Net Amount	\$620.89
Proofs	0	Tax Amount	\$0.00
Affidavits	0	Total Amount	\$620.89
Blind Box		Payment Method	
Promo Type		Payment Amount	\$0.00
Materials		Amount Due	\$620.89
Invoice Text	DISPROPORTIONATE SHARE HOSPITAL POOL		
Ad Number	0004807772-01	Ad Type	CLS Liner
Pick Up #		Ad Size	1.0 X 46 LI
External Ad #		Ad Attributes	
		Ad Released	No
		Color	<NONE>
		Production Method	AdBooker
		Production Notes	

Product	Flint Journal::	Placement/Class	Announcements - Announcemer
# Inserts	1	POS/Sub-Class	Public Notices-Public Notices
Cost	\$170.98		
Run Dates	3/30/2014		
Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESAD MINISTRATIONESTABLISHMENTOFNEWDISPROPORTIONATESHAREHOSPITALDSHPO		

Product	Grand Rapids Press::	Placement/Class	Announcements - Announcemer
# Inserts	1	POS/Sub-Class	Public Notices-Public Notices
Cost	\$294.63		
Run Dates	3/30/2014		
Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESAD MINISTRATIONESTABLISHMENTOFNEWDISPROPORTIONATESHAREHOSPITALDSHPO		

Product	Kalamazoo Gazette::	Placement/Class	Announcements - Announcemer
# Inserts	1	POS/Sub-Class	Public Notices-Public Notices
Cost	\$71.00		
Run Dates	3/30/2014		
Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESAD MINISTRATIONESTABLISHMENTOFNEWDISPROPORTIONATESHAREHOSPITALDSHPO		

Product	Saginaw News::	Placement/Class	Announcements - Announcemer
# Inserts	1	POS/Sub-Class	Public Notices-Public Notices
Cost	\$77.28		
Run Dates	3/30/2014		
Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFCOMMUNITYHEALTHMEDICALSERVICESAD MINISTRATIONESTABLISHMENTOFNEWDISPROPORTIONATESHAREHOSPITALDSHPO		

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STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

JAMES K. HAVEMAN  
DIRECTOR

April 3, 2014

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** FY 2014 Disproportionate Share Hospital Pool

This letter, in compliance with Section 6505 of the Affordable Care Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

The Michigan Department of Community Health (MDCH) is notifying you of its intent to submit a State Plan Amendment, effective April 1, 2014, that will establish a new Disproportionate Share Hospital (DSH) pool to be distributed to Harper University Hospital for fiscal year 2014. This one-year DSH pool will total \$9,994,952.

You may submit comments regarding this Notice of Intent to [msapolicy@michigan.gov](mailto:msapolicy@michigan.gov). If you would like to discuss the Notice of Intent, please contact Lorna Elliott-Egan, Medicaid Liaison to the Michigan Tribes. Lorna can be reached at (517) 373-4963 or via e-mail at [elliott-eganl@michigan.gov](mailto:elliott-eganl@michigan.gov).

There is no public hearing scheduled for this SPA.

Sincerely,

Stephen Fitton, Director  
Medical Services Administration

cc: Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office  
Mary Anne Tribble, MDCH

**Distribution List for L 14-13  
April 3, 2014**

Mr. Levi Carrick, Sr., Tribal Chairman, Bay Mills Indian Community  
Ms. Vicki Newland, Health Director, Bay Mills (Ellen Marshall Memorial Center)  
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians  
Ms. Loi Chambers, Health Director, Grand Traverse Band Ottawa/Chippewa  
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community  
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center  
Mr. W. Chris Swartz, President, Keweenaw Bay Indian Community  
Ms. Carole LaPointe, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility  
Mr. James Williams, Jr., Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians  
Ms. Terry Fox, Health Director, Lac Vieux Desert Band  
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians  
Ms. Jessica Burger, Acting Health Director, Little River Band of Ottawa Indians  
Mr. Fred Kiogima, Tribal Chairman, Little Traverse Bay Band of Odawa Indians  
Ms. Sharon Sierzputowski, Health Director, Little Traverse Bay Band of Odawa  
Mr. DK Sprague, Tribal Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)  
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi  
Mr. Homer Mandoka, Vice Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians  
Ms. Rosalind Johnston, Health Director, Huron Potawatomi Inc.- Tribal Health Department  
Mr. John Warren, Tribal Chairman, Pokagon Band of Potawatomi Indians  
Ms. Cindy Zwar, Acting Health Director, Pokagon Potawatomi Health Services  
Mr. Dennis V. Kequom Sr, Tribal Chief, Saginaw Chippewa Indian Tribe  
Ms. Gail George, Health Director, Nimkee Memorial Wellness Center  
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians  
Ms. Bonnie Culfa, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
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Lorna Elliott-Egan, MDCH