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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 15-0013

This file contains the following documents in the order listed:

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

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



Financial Management Group

APR 1 8 2016

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

RE: Michigan State Plan Amendment (SPA) 15-0013

Dear Mr. Priest:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0013 Effective for services on or after September 30, 2015, updates the Michigan Department of Health and Human Services Disproportionate Share Hospital (DSH) Redistribution allotment methodology. The new pool will be independent of the other DSH pools. This pool will be allocated only after the final DSH audit has been completed.

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 15-0013 is approved effective September 30, 2015. 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,



Kristin Fan
Director

Enclosure

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

1. TRANSMITTAL NUMBER: 15 - 0013	2. STATE: Michigan
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE September 30, 2015	

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

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 2015 \$24,616,711 b. FFY 2016 \$24,639,247
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 24h	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Page 24h

10. SUBJECT OF AMENDMENT:
DSH Allotment Distribution

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Kathleen Stiffler, Acting Director
 NOT FULLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

13. TYPED NAME: Kathleen Stiffler	16. RETURN TO: Medical Services Administration Actuarial Division - Federal Liaison Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933
14. TITLE: Acting Director, Medical Services Administration	Attn: Erin Black
15. DATE SUBMITTED: September 30, 2015	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: APR 13 2016
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP 30 2015	20. SIGNATURE OF REGIONAL OFFICIAL: [Redacted]
21. TYPE NAME: KRISTIN FAN	22. TITLE: Director, FALC

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***

b. (Hospital Pool Factor) x (Pool Amount) = Pool Payment

Pool payments calculated for individual hospitals that are in excess of a hospital's audited DSH limit will be placed back into that pool. These payments will then be reallocated to the remaining hospitals in that component of the pool which have not exceeded their audited hospital-specific DSH limit capacity. The reallocation will be based on the funding formula specified above. Only hospitals with available audited DSH limit capacity will be included.

In addition, any UNSPENT increase in the State's Federal DSH allotment that is promulgated in the Federal Register after the State's fiscal year ends will be distributed using the formula outlined in Step 3: Final DSH Audit-Related DSH Redistribution THROUGH A NEW POOL. FUNDS FROM THIS POOL WILL FIRST BE ALLOCATED TO STATE GOVERNMENT-OWNED OR -OPERATED HOSPITALS UP TO APPLICABLE FEDERAL DSH LIMITS. ANY REMAINING UNSPENT DSH ALLOTMENT WILL BE ALLOCATED PROPORTIONALLY TO ALL OTHER HOSPITALS BASED ON REMAINING DSH LIMIT CAPACITY.