

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

1. TRANSMITTAL NUMBER: 15 - 0016	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 November 1, 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

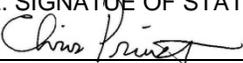
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447	7. FEDERAL BUDGET IMPACT: a. FFY 2015 \$0 b. FFY 2016 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 2.b.7	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Page 2.b.7

10. SUBJECT OF AMENDMENT:
Update to the outpatient hospital Medical Access to Care Initiative (MACI) allocation.

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Chris Priest, 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 - Federal Liaison Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933
13. TYPED NAME: Chris Priest	Attn: Erin Black
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: December 17, 2015	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED:
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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 (Other than Hospital and Long Term Care Facilities)

Full pool sizes will be renewed annually. For FY 2005 and beyond, pool sizes will be established based on the calculated difference between the federal Medicare upper payment limit and annual Medicaid payments.

Payment Share – Outpatient Paid Claims File

TO DETERMINE EACH HOSPITAL'S SHARE OF A POOL, THE DEPARTMENT WILL USE PAID CLAIMS FOR THE FISCAL YEAR ENDING TWO YEARS PRIOR TO THE CURRENT FISCAL YEAR. CLAIMS WILL BE RESTRICTED TO THOSE PAID BY JUNE 30TH OF THE FOLLOWING FISCAL YEAR (E.G. PAID CLAIMS FROM FY 2014 WILL BE USED TO CALCULATE PAYMENTS IN FY 2016 WITH CLAIMS LIMITED TO THOSE PAID BY JUNE 30, 2015). ~~Allocation of payments from the outpatient hospital pools will be made based on Medicaid FFS outpatient payments reported in hospitals' indigent Volume reports for the fiscal year ending two years prior to the current fiscal year.~~ THE PAID CLAIMS FILE WILL INCLUDE ALL MEDICAID FFS PAYMENTS MADE FOR BOTH MEDICAID AND CSHCS ELIGIBLE BENEFICIARIES THROUGH THE MEDICAID INVOICE PROCESSING SYSTEM. OUTPATIENT SERVICES WILL INCLUDE BOTH ACUTE AND REHABILITATION SERVICES. ~~outpatient services will include both acute and rehabilitation services for Medicaid and CSHCS eligible beneficiaries.~~ Payments made outside the Invoice Processing System, such as for capital, graduate medical education (GME), or disproportionate share hospital (DSH), will not be included in the payments used to distribute the MACI pools.

Allocation of Pool

MACI payments are made prospectively based on historical data. Eligible hospitals will share proportionately from each pool based upon a hospital's reported Medicaid payments, divided by the total Medicaid payments reported for all eligible hospitals, times the dollar amount of the individual pool. If a hospital closes, is determined ineligible to receive funds from a pool, or its MACI distribution causes the hospital's Medicaid payments to exceed costs, its MACI distribution in excess of costs will be redistributed to the remaining eligible hospitals based on the original distribution formula. All funds from the outpatient hospital pools will be distributed to eligible hospitals until the pools are empty. In the event that MACI distributions would result in aggregate Medicaid payments exceeding the UPL, the size of the pool(s) will be reduced to bring aggregate Medicaid payments within the UPL. All MACI payments are final.

TN NO.: 15-0016

Approval Date: _____ Effective Date: 11/01/2015

Supersedes

TN No.: 05-15



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

November 3, 2015

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Modification of Outpatient Hospital Medicaid Access to Care Initiative Payment Allocation Method

This letter, in compliance with Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Health and Human Services (MDHHS) to submit a State Plan Amendment.

Pending approval by the Centers for Medicare and Medicaid Services (CMS), MDHHS will modify the method it uses to allocate payments from the Medicaid Access to Care Initiative (MACI) pools effective November 1, 2015, for State fiscal year 2016. MDHHS proposes to allocate funds from the outpatient hospital MACI pools using fee-for-service outpatient hospital paid claims from the second previous state fiscal year. For example, paid claims from fiscal year 2014 will be used to allocate the fiscal year 2016 outpatient hospital MACI pool amounts. MDHHS has historically used fee-for-service outpatient hospital payments from hospital cost reports with fiscal years ending during the second previous state fiscal year.

These changes will be completed in a manner that is budget neutral to the State of Michigan. The State of Michigan expects these changes to have little or no impact on tribal members.

There is no public hearing scheduled for this State Plan Amendment. Input regarding this Amendment is highly encouraged, and comments regarding this Notice of Intent may be submitted to Lorna Elliott-Egan, MDHHS Liaison to the Michigan Tribes. Lorna can be reached at 517-373-4963 or via email at Elliott-EganL@michigan.gov. **Please provide all input by December 18, 2015.**

In addition, MDHHS is offering to set up group or individual meetings for the purposes of consultation in order to discuss this Amendment, according to the tribes' preference. This consultation meeting will allow tribes the opportunity to address any concerns and voice any suggestions, revisions, or objections to be relayed to the author of the proposal. If you would like additional information or wish to schedule a consultation meeting, please contact Lorna Elliott-Egan at the telephone number or email address provided above.

MDHHS appreciates the continued opportunity to work collaboratively with you to care for the residents of our state.

Sincerely,

A handwritten signature in black ink that reads "Chris Priest". The signature is written in a cursive style with a horizontal line underlining the name.

Chris Priest, 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
Lorna Elliott-Egan, MDHHS

**Distribution List for L 15-63
November 3, 2015**

Mr. Levi Carrick, Sr., Tribal Chairman, Bay Mills Indian Community
Ms. Audrey Breakie, Health Director, Bay Mills (Ellen Marshall Memorial Center)
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians
Ms. JoAnne Cook, Tribal Vice Chair, 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. Warren C. Swartz, Jr., 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. Sadie Valliere, Health & Human Services 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, Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians
Mr. Travis Parashonts, Chief Executive Officer, 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
Mr. Matt Clay, Health Director, Pokagon Potawatomi Health Services
Mr. Steve Pego, Tribal Chief, Saginaw Chippewa Indian Tribe
Mrs. Karmen Fox, Executive 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.
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDHHS



Order Confirmation

Ad Order Number 0007459966

Customer

MICHIGAN DEPARTMENT OF HEALTH
Account:1000734123
MICHIGAN DEPARTMENT OF HEALTH AND HUMA
235 S GRAND AVE, PO BOX 30037
LANSING MI 48909 USA
(855)275-6424

Payor Customer

MICHIGAN DEPARTMENT OF HEALTH
Account: 1000734123
MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
235 S GRAND AVE, PO BOX 30037
LANSING MI 48909 USA
(855)275-6424

PO Number

Sales Rep. Joseph Puplis

Order Taker Joseph Puplis

Order Source Phone

Special Pricing

FAX:

Tear Sheets	1	Net Amount	\$967.87
Proofs	0	Tax Amount	\$0.00
Affidavits	0	Total Amount	\$967.87
Blind Box		Payment Method	Invoice
Promo Type		Payment Amount	\$0.00
Materials		Amount Due	\$967.87
Invoice Text	OUTPATIENT HOSPITAL MEDICAID		

Ad Schedule

Product	Grand Rapids Press	Placement/Class	Announcements
# Inserts	1	POS/Sub-Class	Public Notices - Public Notices
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		10/25/2015	

Product	Flint Journal	Placement/Class	Announcements
# Inserts	1	POS/Sub-Class	Public Notices - Public Notices
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Ad Type	CLS Liner	Ad Size	1 X 72 li
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External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONMO	
		10/25/2015	

Product	Kalamazoo Gazette	Placement/Class	Announcements
# Inserts	1	POS/Sub-Class	Public Notices - Public Notices
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Ad Type	CLS Liner	Ad Size	1 X 72 li
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External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONMO	
		10/25/2015	

Product Saginaw News

Placement/Class Announcements

Inserts 1

POS/Sub-Class Public Notices - Public Notices

Cost \$120.96

AdNumber 0007459966-01

Ad Type CLS Liner

Ad Size 1 X 72 li

Pick Up # 0007430524

Ad Attributes

External Ad #

Color <NONE>

Production Method AdBooker

Production Notes

Run Dates *Sort Text* PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONMO
10/25/2015

Ad Content Proof

**PUBLIC NOTICE
Michigan Department
of Health and Human
Services Medical Services
Administration**

**Modification of Outpatient
Hospital Medicaid Access
to Care Initiative Pay-
ment Allocation Method**

The Michigan Department of Health and Human Services (MDHHS) will modify the method it uses to allocate payments from the Medicaid Access to Care Initiative (MACI) pools effective November 1, 2015, for State fiscal year 2016. MDHHS proposes to allocate funds from the outpatient hospital MACI pools using fee-for-service outpatient hospital paid claims from the second previous state fiscal year. For example, paid claims from fiscal year 2014 will be used to allocate the fiscal year 2016 outpatient hospital MACI pool amounts. This process will be completed in a manner that is budget neutral to the State of Michigan. MDHHS has historically used fee-for-service outpatient hospital payments from hospital cost reports with fiscal years ending during the second previous state fiscal year.

Comments

Any comments on, or requests for copies of the Notice of Proposed Policy may be submitted in writing to: Michigan Department of Health and Human Services, Actuarial Division, Bureau of Medicaid Operations and Actuarial Services, Attention Jason Jorkasky, 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 name or number. There is no public hearing scheduled for this proposed policy.