

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

17 - 0007

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2017

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:

1902(bb) of the Social Security Act / 42 USC 1396a(bb)

7. FEDERAL BUDGET IMPACT:

a. FFY 2017 \$0

b. FFY 2018 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 2d

Attachment 4.19-B, Page 2d.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, Page 2d

Attachment 4.19-B, Page 2d.1

10. SUBJECT OF AMENDMENT:

Carves out specific services from prospective payment system (PPS) for Rural Health Centers.

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

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Chris Priest, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Chris Priest

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

August 24, 2017

16. RETURN TO:

Medical Services Administration
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Erin Black

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

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

5. Rural Health Clinic Services

RHCs will be reimbursed under one of the methodologies as described below:

- (a) An RHC that is not reimbursed under (b) below will be reimbursed based on the new Medicaid prospective payment system (PPS) AS DESCRIBED IN SECTION 1902(BB) OF THE SOCIAL SECURITY ACT. ~~enacted into law under section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000.~~ Under the PPS, an RHC will be reimbursed on a per visit basis for Rural Health Clinic Services. The per visit payment will be based on the average of the RHCs reasonable costs of providing Medicaid services during FY 1999 and FY 2000. Reasonable costs are defined as the per visit amount approved and paid by Medicare.

Effective October 1, 2001, the PPS per visit amount will be adjusted each year using the Medicare Economic Index.

EFFECTIVE FOR DATES OF SERVICE ON OR AFTER JULY 1, 2017, RHCS PROVIDING SPECIFIC NON-RHC PROCEDURES IN THE RHC SETTING WILL BE REIMBURSED PURSUANT TO THE PAYMENT METHODOLOGY DESCRIBED UNDER INDIVIDUAL PRACTITIONER SERVICES, ATTACHMENT 4.19-B. THESE NON-RHC PROCEDURES WILL NOT BE SUBJECT TO THE PPS PER VISIT AMOUNT.

THE FOLLOWING ARE CONSIDERED NON-RHC PROCEDURES:

| |
|--|
| ENDOMETRIAL ABLATION (ALL METHODS) |
| PLACEMENT OF PERMANENT IMPLANTS TO OCCLUDE THE FALLOPIAN TUBES |

EFFECTIVE FOR DATES OF SERVICE ON OR AFTER JULY 1, 2017, RHCS ADMINISTERING SPECIFIC VACCINES AND DRUGS IN THE RHC SETTING WILL BE REIMBURSED PURSUANT TO THE PAYMENT METHODOLOGY DESCRIBED UNDER INDIVIDUAL PRACTITIONER SERVICES, ATTACHMENT 4.19-B. THE FOLLOWING VACCINE AND DRUGS THAT WILL NOT BE SUBJECT TO THE PPS PER VISIT AMOUNT INCLUDE:

| |
|---|
| RESPIRATORY SYNCYTIAL VIRUS (RSV) VACCINE |
| RHO(D) IMMUNE GLOBULIN (RHLG), FULL-DOSE |
| HUMAN PAPILOMA VIRUS (HPV) VACCINE |

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of **MICHIGAN**

Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)

| |
|---|
| <p>PHYSICIAN ADMINISTERED DRUGS, INCLUDING CHEMOTHERAPY DRUGS (COMMONLY REFERRED TO AS J-CODES)</p> |
|---|

The PPS per visit amount may also be adjusted to reflect changes in the scope of services provided to Medicaid beneficiaries by the RHC. An adjustment to the PPS per visit amount based upon a change in the scope of services will be prospective and will become effective when the change is approved by the State. The adjustment may result in either an increase or decrease in the per visit amount paid to the RHC.

TN NO.: 17-0007

Approval Date: _____

Effective Date: 7-1-2017

Supersedes

TN No.: 01-05

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of MICHIGAN

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

5. Rural Health Clinic Services (continued)

RHCs that provide services under a contract with a Medicaid managed care entity (MCE) will receive prospective, quarterly supplemental payments that are an estimate of the difference between the payments the RHC receives from the MCE and the payments the RHC would have received under the PPS. At the end of each RHCs fiscal year, the total amount of supplemental and MCE payments received by the RHC will be reviewed against the amount that the actual number of visits provided under the RHC's contract with one or more MCEs would have yielded under the PPS. The RHC will be paid the difference between the PPS amount calculated using the actual number of visits and the total amount of supplemental and MCE payments received by the RHC, if the PPS amount exceeds the total amount of supplemental and MCE payments. The RHC will refund the difference between the PPS amount calculated using the actual number of visits and the total amount of supplemental and MCE payments received by the RHC, if the PPS amount is less than the total amount of supplemental and MCE payments.

OR

(b) An alternative payment methodology that is agreed to by the State and the RHC that provides reimbursement at least equal to that which the RHC would receive under the PPS. If such an alternative payment methodology is agreed to, it will be submitted to CMS HCFA as a State Plan Amendment.

An entity that first qualifies as an RHC after fiscal year 2000, will be paid a per visit amount that is equal to 100% of the costs of furnishing such services during such fiscal year based on the rates established under the PPS for the fiscal year for other RHCs located in the same or adjacent area with a similar case load. If there is no other RHC similarly situated, the newly established RHC shall be paid a per visit amount based on an estimate of its reasonable costs of providing such services and cost settled at the end of its first fiscal year of operation. Reasonable costs are defined as the per visit amount approved and paid by Medicare as adjusted to reflect the cost of providing services to Medicaid beneficiaries that are not covered by Medicare – i.e., dental services, Maternal Infant Health Support services, on-site laboratory and x-ray, substance abuse, non-emergency transportation and outreach. In subsequent fiscal years, the newly established RHC shall be paid using one of the methodologies described above.

If a newly established RHC enters into contracts with one or more MCEs, it will be eligible for quarterly supplemental payments as described in (a) above.

TN NO.: 17-0007

Approval Date: _____

Effective Date: 7-1-2017

Supersedes

TN No.: 01-05



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

April 25, 2017

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Rural Health Clinic (RHC) Reimbursement Methodology

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 from the Centers for Medicare & Medicaid Services (CMS), the Michigan Medicaid State Plan will be modified to permit payment for RHCs providing specific non-RHC procedures in the RHC setting. MDHHS expects this change will have a positive impact for Native American beneficiaries that may seek care from an RHC provider. The anticipated effective date of this State Plan Amendment is April 1, 2017.

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 517-284-4034 or via email at Elliott-EganL@michigan.gov. **Please provide all input by June 8, 2017.**

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.

L 17-17
April 25, 2017
Page 2

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 large initial "C" and a long horizontal stroke at the end.

Chris Priest, Director
Medical Services Administration

cc: Keri Toback, 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.
Keith Longie, Acting Area Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDHHS

Distribution List for L 17-17
April 25, 2017

Mr. Levi Carrick, Sr., Tribal Chairman, Bay Mills Indian Community
Ms. Audrey Breakie, Health Director, Bay Mills (Ellen Marshall Memorial Center)
Mr. Thurlow Samuel McClellan, Chairman, Grand Traverse Band Ottawa & Chippewa Indians
Ms. JoAnne Cook, Tribal Vice Chair, Grand Traverse Band Ottawa & Chippewa Indians
Ms. Ruth Bussey, 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
Mr. Donald MacDonald, Health Director, Little River Band of Ottawa Indians
Ms. Regina Gasco-Bentley, Tribal Chairman, Little Traverse Bay Band of Odawa Indians
Ms. Jodi Werner, Health Director, Little Traverse Bay Band of Odawa
Ms. Leah Fodor, Chairperson, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi
Mr. Jamie Struck, 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
Mr. Matt Clay, Health Director, Pokagon Potawatomi Health Services
Mr. Frank Cloutier, 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: Keri Toback, Region V, CMS
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.
Keith Longie, Acting Area Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDHHS



Order Confirmation

Ad Order Number 0008221683

Customer

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
 Account: 1000560354
 MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVI
 PO BOX 30479
 LANSING MI 48909 USA
 (517)241-9444

FAX:
 smithp2@michigan.gov

Payor Customer

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
 Account: 1000560354
 MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
 PO BOX 30479
 LANSING MI 48909 USA
 (517)241-9444

PO Number

Sales Rep. Karen Jones

Order Taker Karen Jones

Order Source

Special Pricing

| | | | |
|--------------|---|----------------|----------|
| Tear Sheets | 1 | Net Amount | \$635.11 |
| Proofs | 0 | Tax Amount | \$0.00 |
| Affidavits | 0 | Total Amount | \$635.11 |
| Blind Box | | Payment Method | Invoice |
| Promo Type | | Payment Amount | \$0.00 |
| Materials | | Amount Due | \$635.11 |
| Invoice Text | RURAL HEALTH CLINIC PAYMENT METHODOLOGY | | |

Ad Schedule

| | | | |
|-------------------|--------------------|---|----------------|
| Product | Grand Rapids Press | Placement/Class | Announcements |
| # Inserts | 1 | POS/Sub-Class | Public Notices |
| Cost | \$248.85 | AdNumber | 0008221683-01 |
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| Pick Up # | | Ad Attributes | |
| External Ad # | | Color | <NONE> |
| Production Method | AdBooker | Production Notes | |
| Run Dates | Sort Text | PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONRU | |
| 06/15/2017 | | | |

| | | | |
|-------------------|-------------------|---|----------------|
| Product | Kalamazoo Gazette | Placement/Class | Announcements |
| # Inserts | 1 | POS/Sub-Class | Public Notices |
| Cost | \$92.61 | AdNumber | 0008221683-01 |
| Ad Type | MI CLS Liner | Ad Size | 1 X 60 li |
| Pick Up # | | Ad Attributes | |
| External Ad # | | Color | <NONE> |
| Production Method | AdBooker | Production Notes | |
| Run Dates | Sort Text | PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONRU | |
| 06/15/2017 | | | |

| | | | |
|-------------------|---------------|---|----------------|
| Product | Flint Journal | Placement/Class | Announcements |
| # Inserts | 1 | POS/Sub-Class | Public Notices |
| Cost | \$185.85 | AdNumber | 0008221683-01 |
| Ad Type | MI CLS Liner | Ad Size | 1 X 60 li |
| Pick Up # | | Ad Attributes | |
| External Ad # | | Color | <NONE> |
| Production Method | AdBooker | Production Notes | |
| Run Dates | Sort Text | PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONRU | |
| 06/15/2017 | | | |

Product Saginaw News

Inserts 1

Cost \$100.80

Ad Type MI CLS Liner

Pick Up #

External Ad #

Production Method AdBooker

Run Dates 06/15/2017
Sort Text PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONRU

Placement/Class Announcements

POS/Sub-Class Public Notices

AdNumber 0008221683-01

Ad Size 1 X 60 li

Ad Attributes

Color <NONE>

Production Notes

0008221683-01

Ad Content Proof

PUBLIC NOTICE

**Michigan Department of
Health and Human
Services
Medical Services Adminis-
tration**

**Rural Health Clinic
Payment Methodology
State Plan Amendment
Request**

Contingent upon approval from the Centers for Medicare & Medicaid Services, the Michigan Department of Health and Human Services (MDHHS), Medical Services Administration, intends to reimburse Rural Health Clinics (RHC) at the established Medicaid fee screens for specific non-RHC services. Since these services are currently being provided outside the RHC, the proposed payment methodology is expected to be budget neutral for the State of Michigan. The anticipated effective date of this State Plan Amendment is July 1, 2017.

There is no public meeting scheduled regarding this notice. Any interested party wishing to request a written copy of the SPA or wishing to submit comments may do so by submitting a request in writing to: MDHHS /Medical Services Administration, Program Policy Division, PO Box 30479, Lansing MI 48909-7979 or e-mail MSADraftPolicy@michigan.gov by June 30, 2017. A copy of the proposed State Plan Amendment will also be available for review at http://michigan.gov/mdhhs/0,5885,7-339-73970_5080-108153--,00.html.