

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

17 - 0011

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

January 1, 2018

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 440.50

7. FEDERAL BUDGET IMPACT:

a. FFY 2017 \$2,047,900

b. FFY 2018 \$2,730,500

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 1.b.7

Attachment 4.19-B, Page 1.b.8

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

New

10. SUBJECT OF AMENDMENT:

This SPA will provide details describing the methodology for establishing rates associated with neonatal and obstetrical services per State appropriation boilerplate.

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:

November 6, 2017

16. RETURN TO:

Medical Services Administration  
Actuarial Division - Federal Liaison  
Capitol Commons Center - 7<sup>th</sup> 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***

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**PHYSICIAN SERVICES, NEONATAL CRITICAL CARE AND INTENSIVE CARE SERVICES**

NEONATAL SERVICES REIMBURSEMENT METHODOLOGY

REIMBURSEMENT FOR NEONATAL CRITICAL CARE AND INTENSIVE CARE SERVICES IS CALCULATED AT 64% OF MEDICARE RATES. EXCEPT AS OTHERWISE NOTED IN THE STATE PLAN, MICHIGAN'S MEDICAID PAYMENT RATES ARE UNIFORM FOR BOTH PRIVATE AND GOVERNMENTAL PROVIDERS. REIMBURSEMENT IS MADE IN ACCORDANCE WITH MEDICAID'S FEE SCREENS OR THE USUAL AND CUSTOMARY CHARGE FOR THESE SERVICES, WHICHEVER AMOUNT IS LESS.

EFFECTIVE DATE OF PAYMENT

THIS REIMBURSEMENT METHODOLOGY APPLIES TO SERVICES RENDERED ON AND AFTER JANUARY 1, 2018. ALL RATES ARE REVIEWED AND UPDATED ANNUALLY AND PUBLISHED AT [WWW.MICHIGAN.GOV/MEDICAIDPROVIDERS](http://WWW.MICHIGAN.GOV/MEDICAIDPROVIDERS).

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TN NO.: 17-0011

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

Effective Date: 01/01/2018

Supersedes

TN No.: New Page

**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***

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**PHYSICIAN SERVICES, OBSTETRICAL SERVICES**

OBSTETRICAL SERVICES REIMBURSEMENT METHODOLOGY

REIMBURSEMENT FOR OBSTETRICAL SERVICES IS CALCULATED AT 95% OF MEDICARE RATES. EXCEPT AS OTHERWISE NOTED IN THE STATE PLAN, MICHIGAN'S MEDICAID PAYMENT RATES ARE UNIFORM FOR BOTH PRIVATE AND GOVERNMENTAL PROVIDERS. REIMBURSEMENT IS MADE IN ACCORDANCE WITH MEDICAID'S FEE SCREENS OR THE USUAL AND CUSTOMARY CHARGE FOR THESE SERVICES, WHICHEVER AMOUNT IS LESS.

EFFECTIVE DATE OF PAYMENT

THIS REIMBURSEMENT METHODOLOGY APPLIES TO SERVICES RENDERED ON AND AFTER OCTOBER 1, 2014. ALL RATES ARE REVIEWED AND UPDATED ANNUALLY AND PUBLISHED AT [WWW.MICHIGAN.GOV/MEDICAIDPROVIDERS](http://WWW.MICHIGAN.GOV/MEDICAIDPROVIDERS).

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STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

August 23, 2017

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Reimbursement Methodology for Neonatal and Obstetrical Services

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.

The purpose of the amendment is to update the Medicaid State Plan to include information describing the methodology for establishing rates associated to obstetrical and neonatal services. Rates associated with the eligible Healthcare Common Procedure Coding System (HCPCS) codes are calculated in compliance with expenditure levels established by state law. The anticipated effective date of the State Plan Amendment is January 1, 2018. MDHHS expects this change will have little or no impact on Native American beneficiaries.

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](mailto:Elliott-EganL@michigan.gov). **Please provide all input by October 7, 2017.**

In addition, MDHHS is offering to set up group or individual meetings for the purpose 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 large initial "C" and a long, sweeping underline.

Chris Priest, Director  
Medical Services Administration

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

**Distribution List for L 17-39**  
**August 23, 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. 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  
Mr. Scott Sprague, Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)  
Ms. Kelly Wesaw, 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  
Mr. Joel Lumzden, 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

## Public Notice

### Michigan Department of Health and Human Services Medical Services Administration

#### Update to the Reimbursement for Neonatal and Obstetrical Services State Plan Amendment Request

The Michigan Department of Health and Human Services (MDHHS) has submitted a State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS) to update the language associated to the reimbursement for specified neonatal and obstetrical services. The anticipated effective date for the neonatal and obstetrical services SPA is January 1, 2018.

In response to the MDHHS Fiscal Year 2018 budget contained in Public Act 170 of 2017, Section 1791, effective for dates of service on and after January 1, 2018, Medicaid reimbursement rates for specified neonatal intensive and critical care services will be 64% of the Medicare rate.

In response to the MDHHS Fiscal Year 2018 budget contained in Public Act 170 of 2017, Section 1862, effective for dates of service on and after October 1, 2014, Medicaid reimbursement rates for specified obstetrical services are 95% of Medicare rates.

The estimated gross cost to the State of Michigan for the SPA is \$4.2 million per year and has been included in state budget appropriations.

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](mailto:MSADraftPolicy@michigan.gov) by November 27, 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](http://michigan.gov/mdhhs/0,5885,7-339-73970_5080-108153--,00.html).

**RELEASED:** October 23, 2017