

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

May 18, 2020

Kate Massey, State Medicaid Director  
Michigan Department of Health and Human Services  
400 South Pine Street, P.O. Box 30479  
Lansing, MI 48909-7979

RE: TN Michigan State Plan Amendment 20-0002

Dear Ms. Massey:

We have reviewed the proposed Michigan State Plan Amendment (SPA) to Attachment 4.19-B MI-20-0002, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 16, 2020. This plan amendment allows Tribal Health Centers (THCs) to become Tribal Federally Qualified Health Centers (Tribal FQHCs) and be reimbursed under an alternative Payment Methodology (APM).

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 312-886-0360 or [Deborah.Benson@cms.hhs.gov](mailto:Deborah.Benson@cms.hhs.gov).

Sincerely,

*Todd McMillion*

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

20 - 0002

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, 2020

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:

Section 1902(bb)(6) of the Social Security Act

Section 1905(l)(2)(B) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2020 \$70,500

b. FFY 2021 \$94,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Pages 10 and 11

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, Pages 10 and 11

10. SUBJECT OF AMENDMENT:

This SPA will allow Tribal Health Centers (THCs) to become Tribal Federally Qualified Health Centers (Tribal FQHCs) and be reimbursed under an Alternative Payment Methodology (APM).

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:

Kate Massey, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Kate Massey

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

March 16, 2020

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:

March 16, 2020

18. DATE APPROVED:

05/18/2020

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPE NAME:

Todd McMillion

22. TITLE:

Director, Division of Reimbursement Review

23. REMARKS:

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

State of MICHIGAN

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

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#### 18. Indian Health Centers (IHC) Services

If eligible, a Tribal 638 facility may choose to participate in the Medicaid Program and receive reimbursement for Medicaid covered services under one of four options.

##### Option 1: Fee-For-Service

If the Tribal 638 facility or the urban center chooses to bill as a fee-for-service provider, the provider may receive reimbursement as established in the State Plan's Attachment 4.19-B, Page 1, Item 1.

##### Option 2: Federally Qualified Health Center (FQHC) Payment Methodology

As a provider of Federally Qualified Health Center (FQHC) services, the IHC may receive reimbursement as established in State Plan Attachment 4.19-B, Item 14. Payments must comply with all requirements set forth within State Plan Attachment 4.19-B, Item 14.

##### Option 3: All-Inclusive Rate Payment Methodology

The Indian Health Service (IHS) per visit outpatient rate will be reimbursed in accordance with the rate published annually in the federal register. As a Tribal 638 facility, the IHC may, in accordance with the Federal Regulations, receive the IHS per visit outpatient rate for a face-to-face visit at the IHC for Medicaid beneficiaries.

A visit is a face-to-face contact within the IHC between a Medicaid beneficiary and the provider of health care services who exercises independent judgment in the provision of Medicaid covered services. All outpatient ancillary Medicaid services are bundled in the per visit rate and cannot be billed as a separate visit. The IHC provider may be credited with no more than one face-to-face medical visit, one face-to-face dental visit, and one face-to-face behavioral health visit with a given beneficiary per day, except when the beneficiary, after the first visit, suffers illness or injury requiring additional diagnosis or treatment.

##### Option 4: Tribal FQHC Alternative Payment Methodology

A Tribal 638 facility that operates as a Tribal FQHC will be reimbursed for outpatient face-to-face visits within the FQHC scope of services provided to Medicaid beneficiaries using an alternative payment methodology (APM). The agency allows reimbursement for the same outpatient services and the same number of encounters per day that Tribal 638 facilities provide under this State Plan. The APM is the IHS per visit outpatient rate published annually in the federal register as described in Option 3 above.

A visit is a face-to-face contact within the IHC between a Medicaid beneficiary and the provider of health care services who exercises independent judgment in the provision of Medicaid covered services. All outpatient ancillary Medicaid services are bundled in the per visit rate and cannot be billed as a separate visit. The IHC provider may be credited with no more than one face-to-face medical visit, one face-to-face dental visit, and one face-to-face behavioral health visit with a given

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TN NO.: 20-0002

Approval Date: 05/18/20

Effective Date: 01-01-20

Supersedes

TN No.: 15-0004

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

State of MICHIGAN

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

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beneficiary per day, except when the beneficiary, after the first visit, suffers illness or injury requiring additional diagnosis or treatment.

The APM results in payment of at least the FQHC PPS. The health centers receiving payment under the APM individually agree to receive it.

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TN NO.: 20-0002

Approval Date: 05/18/20

Effective Date: 01-01-20

Supersedes  
TN No.: 15-0004