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MI Hearing Aid Device Rate Update

State Plan Amendment (SPA) #: 19-0014

This file contains the following documents in the order listed:

- 1) Technical Correction Letter
- 2) CMS 179 Form
- 3) Corrected SPA Page
- 4) Original Approval Package

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group/ Division of Reimbursement Review

February 18, 2020

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

RE: Technical Correction to Michigan State Plan Amendment (SPA) TN 19-0014

ATTN: Erin Black

Dear Ms. Massey:

This is a technical correction to Michigan SPA 19-0014 which was approved on February 5, 2020. The original SPA approval package contained an incorrect version of Attachment 4.19-B, Page 3. We are making this correction to remedy that error by exchanging the incorrect page for the page that CMS actually approved. We have enclosed the correct SPA page and the original approval package.

If you have any questions, please call Keri Toback name at (312) 353-1754 or by email at keri.toback@cms.hhs.gov.

Sincerely,

/s/

Todd McMillion
Acting Director

Enclosures

cc: Erin Black, MDHHS

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 19 - 0014	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, 2019	

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 C.F.R. Part 440	7. FEDERAL BUDGET IMPACT: a. FFY 2020 \$58,722 b. FFY 2021 \$64,280
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Page 3

10. SUBJECT OF AMENDMENT:
The purpose of this SPA is to increase the maximum allowable costs for hearing aid devices.

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

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Kate Massey, 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 Attn: Erin Black
13. TYPED NAME: Kate Massey	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: December 31, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 31, 2019	18. DATE APPROVED: February 5, 2020
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: November 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPE NAME: Todd McMillion	22. TITLE: Acting Director

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)***

6. Dentures, prosthetic devices and eyeglasses/optical house services

A. Dentures

The agency's fee schedule rate was set using the same methodology that applies to Item 19, Dental Services.

B. Prosthetic Devices

1.) Hearing Aids

The Michigan Medicaid payment rates established via a multi-state volume purchasing agreement with hearing aid manufacturers rates were set September 1, 2019. Michigan meets the certification requirements of section 1902(A)(23) of the Social Security Act to permit the selection of one or more providers, through a competitive bidding process, to deliver hearing aids on a statewide basis under the authority of section 1915(a)(1)(B) of the Social Security Act and 42 CFR 431.54(d). The Michigan Medicaid fee schedule is effective for dates of service on or after November 1, 2019, and may be found at www.michigan.gov/medicaidproviders.

For hearing aids not included in the agreement, that is those reimbursed on a fee for service basis, payment rates and reimbursement are prior authorized and are based on documentation of the manufacturer's invoice price minus any discounts and includes actual shipping costs. The provider's usual and customary charge should be the fee most frequently charged to patients.

Effective November 1, 2002 hearing aid providers were able to split out a dispensing fee from their total charge as a separate billing activity and the Michigan Medical Services Administration (MSA) paid a separate benefit for the service. Other states' Medicaid fee screens and providers' charges for hearing aid dispensing fees were used as guidelines or reference in determining the maximum payment amount. Providers are reimbursed the lesser of the Medicaid fee screen or the provider's usual and customary charge minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients. The payment rate is uniform for private and governmental providers.

2.) Cochlear implants

Payment rates for services related to cochlear implants are based on the rate for the HCPCS/CPT code in the National Physician Fee Schedule multiplied by the conversion factor for Michigan Medicaid, which is currently 21.53 and then minus any other reduction (i.e., 2009 budget reductions).

TN NO.: 19-0014

Approval Date: 2/5/2020

Effective Date: 11/01/2019

Supersedes

TN No.: 08-0003

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February 5, 2020

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Medical Services Administration
Michigan Department of Health and Human Services
400 South Pine Street, P.O. Box 30479
Lansing, Michigan 48909-7979

RE: TN 19-0014

ATTN: Erin Black

Dear Ms. Massey:

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 19-0014. The proposed amendment increases the maximum allowable costs for hearing aid devices.

Based upon the information provided by the State, we have approved the amendment for incorporation into the official Michigan State Plan with an effective date of November 1, 2019. A copy of the CMS-179 and the approved plan page are enclosed with this letter.

If you have any questions, please call Keri Toback name at (312) 353-1754 or by email at keri.toback@cms.hhs.gov.

Sincerely,

/s/

Todd McMillion
Acting Director

Enclosures

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