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State/Territory Name: Michigan

State Plan Amendment (SPA) #: 16-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Chicago Regional Office
233 N. Michigan
Suite 600
Chicago, Illinois 60601



January 12, 2017

Chris Priest, 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

ATTN: Erin Black

Dear Mr. Priest:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal #: 16-0013: Third Party Liability
- Effective Date: October 1, 2016
- Approval Date: January 9, 2017

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

Sincerely,

/s/

Ruth A. Hughes
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Erin Black, MDHHS

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

1. TRANSMITTAL NUMBER: 16 - 0013	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 October 1, 2016	

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

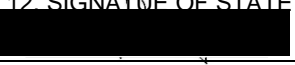
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 433 Subpart D	7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$0 b. FFY 2017 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.22-B, Page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.22-B, Page 1

10. SUBJECT OF AMENDMENT:
Updates third party liability state plan language related to payment of claims consistent with current policy.

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 Attn: Erin Black
13. TYPED NAME: Chris Priest	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: October 17, 2016	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: October 17, 2016	18. DATE APPROVED: January 9, 2017

PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2016	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPE NAME: Ruth A. Hughes	22. TITLE: Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

Requirements for Third Party Liability – Payment of Claims

1) Method Used to Determine Provider Compliance

The State requires the provider to utilize all other resources to their fullest extent before presenting the claim to Medicaid for payment.

2) Guidelines Used to Determine Cost Effectiveness and Time/Dollar Thresholds for Billing

Paternity Confinement Expenses - The State of Michigan IV-D program refers paternity cases to the local prosecuting attorney who petitions the court to order the absent parent to provide support for the minor child and repay Medicaid confinement expenses. The prosecutor and/or court requests from the Third Party Liability Division a statement of confinement expenses for inclusion in the court order. Confinement expense statements are provided by the Third Party Liability Division for every paternity case whether or not repayment is ordered and the terms of repayment is at the discretion of the court. Enforcement and collection is vested with an extension of each judicial circuit court in Michigan.

Health Insurance - Recoveries from Health Insurers are initiated within 30 days of adding Health Insurance information to the TPL Master File. Billing for reimbursement is retrospective.

Medicare- All current Medicare eligible recipients are monitored by the Invoice Processing system to assure payment of the lesser of the coinsurance and deductible amounts or the Medicaid screen amount minus any Medicare payment. Retroactive Medicare eligibility is pursued for covered provider types regardless of dollar amount since the process is automated. The part A and part B claims are claim adjusted to the Medicaid providers.

Casualty - The Michigan Department of ~~Community~~ Health AND HUMAN SERVICES pursues recovery of Casualty claims when claims exceed \$300 for automobile cases or \$1000 for general liability or medical malpractice cases. Requests from insurance companies and attorneys are processed regardless of the value of the paid claims. Claims for no-fault auto are accumulated for as much as 12 months. If the claims do not exceed the threshold as noted in the first sentence of this subsection, the case is closed. General Liability claims are accumulated to extend 6 months from the date of event or date of notification, whichever is longer. If the claims do not exceed the threshold, the case is closed. Once the case has been identified as exceeding the cost effective threshold, recovery is pursued.

TN NO.: 16-0013

Approval Date: 1/9/17

Effective Date: 10/01/2016

Supersedes
TN No.: 07-05