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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 18-0005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

Ms. Kathy Stiffler
Acting Medicaid Director
State of Michigan, Department of Community Health
400 South Pine Street
Lansing, Michigan 48933

October 2, 2018

RE: Michigan State Plan Amendment (SPA) 18-0005

Dear Ms. Stiffler:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 18-0005 effective for services on or after October 1st, 2018, this SPA provides reimbursement, separate from the maternity Diagnosis Related Group (DRG) payment, for immediate postpartum LARC device insertion in the inpatient hospital setting. Payment will follow the Medicaid Fee Schedule for both the LARC device and its insertion.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 18-0005 is approved effective October 1st, 2018. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A black rectangular redaction box covering the signature of Kristin Fan.

Kristin Fan
Director

Enclosure

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

1. TRANSMITTAL NUMBER:

18 - 0005

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
October 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 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2018 \$0

b. FFY 2019 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A Page 11

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A Page 11

10. SUBJECT OF AMENDMENT:

This SPA provides reimbursement, separate from the maternity Diagnosis Related Group (DRG) payment, for immediate postpartum LARC device insertion in the inpatient hospital setting.

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:

Kathleen Stiffler, Acting Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Kathleen Stiffler

14. TITLE:
Acting Director, Medical Services Administration

15. DATE SUBMITTED:
July 19, 2018

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:

OCT 02 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
OCT 01 2018

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:
Kristin Fan

22. TITLE:
Director, FMG

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Rates
Inpatient Hospital*****E. Transplant Services**

Transplant services are paid using the following formula:

Hospital Charges x Hospital operating cost-to-charge ratio = Hospital Payment

Transplant services are defined as claims which fall under the following DRGs:

DRG	Description
001x	Liver Transplant &/or Intestinal Transplant
002x	Heart &/or Lung Transplant
006x	Pancreas Transplant
440x	Kidney Transplant

Organ acquisition within these DRGs is billed at acquisition cost, and is reimbursed at 100% of acquisition cost.

F. Hospitals Outside Michigan

Medical/surgical hospitals not located in Michigan are reimbursed under the DRG system. The DRG price is the statewide rate multiplied by an area wage index of 1.0. All other reimbursement policies apply.

Hospitals that have charges that exceed \$250,000 during a single fiscal year (using the State of Michigan fiscal year – October 1st through September 30th) may be reimbursed the hospital's inpatient operating cost to charge ratio for those Michigan Medicaid DRGs reimbursed by percentage of charge. The hospitals' chief financial officer must submit and the MSA must accept documentation stating the hospital's Medicaid cost to charge ratio in the state that the hospital is located. Once accepted, the hospital's actual cost to charge ratio is applied prospectively to those DRGs and claims subject to percentage of charge reimbursement using the Michigan DRG payment system.

G. New Hospitals

A new medical/surgical hospital is one for which no Michigan Medicaid program cost or paid claims data exists during the period used to establish hospital rates or one which was not enrolled in the Medicaid program when hospital rates were last established. Hospitals that experience a change of ownership or that are created as the result of a merger are not considered new hospitals.

The DRG rate for new general hospitals is the statewide rate multiplied by the applicable area wage index.

H. LONG ACTING REVERSIBLE CONTRACEPTIVES (LARCS)

LONG ACTING REVERSIBLE CONTRACEPTIVES (LARCS) PROVIDED IN THE INPATIENT HOSPITAL SETTING IMMEDIATELY POSTPARTUM ARE EXCLUDED FROM THE DRG PAYMENT. AN ADDITIONAL PAYMENT FOR THE LARC DEVICE WILL BE MADE TO A HOSPITAL WHEN A LARC IS PROVIDED IMMEDIATELY POSTPARTUM. PRACTITIONERS WILL RECEIVE PAYMENT FOR THEIR PROFESSIONAL SERVICES RELATED TO THE IMMEDIATE POSTPARTUM LARC INSERTION PROCEDURE WHEN BILLED SEPARATELY FROM THE PROFESSIONAL GLOBAL OBSTETRIC PROCEDURE CODES AND THE HOSPITAL FACILITY. COSTS ASSOCIATED WITH LARC DEVICE ARE TO BE BILLED SEPARATELY FROM THE INPATIENT VISIT USING THE MEDICAID FEE SCHEDULE (INSERTION AND DEVICE).