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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 24-0023

This file contains the following documents in the order listed:

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

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

December 13, 2024

Meghan Groen
Senior Deputy Director
State of Michigan, Department of Community Health
400 South Pine Street
Lansing, Michigan 48933

RE: TN 24-0023

Dear Director Groen:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Michigan state plan amendment (SPA) to Attachment 4.19- D MI 24-0023, which was submitted to CMS on November 14, 2024. This plan amendment will be discontinue the Rate Relief Program to simplify the Michigan Medicaid Long Term Care Reimbursement Methodology and make changes to make it less complicated, less labor intensive and more efficient.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2025. 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 Tom Caughey at 517-487-8598 or via email at tom.caughey@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe
Director
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
24 — 0023

2. STATE
MI

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

3. PROPOSED EFFECTIVE DATE
January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 \$0
b. FFY 2026 \$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D Section IV Page 17
Attachment 4.19-D Section IV Page 18
Attachment 4.19-D Section IV Page 19
Attachment 4.19-D Section IV Page 20

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-D Section IV Page 17 (TN : 11-15)
Attachment 4.19-D Section IV Page 18 (TN : 11-15)
Attachment 4.19-D Section IV Page 19 (TN : 19-0008)
Attachment 4.19-D Section IV Page 20 (TN : 14-015)

9. SUBJECT OF AMENDMENT
This SPA discontinues a nursing facility rate relief program.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL



11. TYPED NAME
Meghan Groen

12. TITLE
Senior Deputy Director

13. DATE SUBMITTED
November 14, 2024

15. RETURN TO

Behavioral and Physical Health and Aging Services
Administration
Office of Strategic Partnerships & Medicaid Administrative
Services – Federal Liaison
Capitol Commons Center – 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Erin Black

FOR CMS USE ONLY

16. DATE RECEIVED
November 14, 2024

17. DATE APPROVED
December 13, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

- c. The provider's variable rate base is determined as the lesser of the calculated variable rate base or the provider's class wide variable cost limit (VCL), where (continued)
 - 3) The variable cost limit for private institutions for the mentally ill and mentally retarded is computed by adding the VCL for Class I nursing facilities plus the cost of additional nursing hours per patient care day plus the cost of additional services as required by the Department, as outlined in the Supplement to Attachment 3.1-A.

TN NO.: 24-0023

Approval Date: December 13, 2024

Effective Date: 01/01/2025

Supersedes

TN No.: 11-15

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

RESERVED

TN NO.: 24-0023

Approval Date: December 13, 2024

Effective Date: 01-01-2025

Supersedes

TN No.: 14-015

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

RESERVED

TN NO.: 24-0023

Approval Date: December 13, 2024

Effective Date: 01-01-2025

Supersedes

TN No.: 19-0008

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

C. Variable Cost Component

4. RESERVED

5. Special Provisions: The variable cost component will be determined using special methods for providers that are "new facilities" or have changed class. Special methods are required because there is no (or an inadequate) cost basis upon which to determine rates. Providers with newly purchased facilities or with major additions, renovations or new construction are not granted any special methods because there are historical variable costs upon which to base rates.

- a. New Facility: A "new facility" which is defined as a long term care provider in a