

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

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>23</u> — <u>0012</u>	2. STATE <u>MI</u>
--	-----------------------

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  
Effective May 12, 2023 until September 30, 2024

5. FEDERAL STATUTE/REGULATION CITATION  
Sections 201 and 301 of the National Emergencies Act (50 U.S.C.1601 et seq.)  
Section 1135 of the Social Securing Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023	\$521,200
b. FFY 2024	\$675,100

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Section 7.4.B Temporary Extension to the Disaster Relief Policies for the COVID-19 National Emergency

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
New

9. SUBJECT OF AMENDMENT  
This SPA provides a temporary extension to specific COVID-19 disaster relief provisions for specific glove and incontinence supply competitive bid payments currently authorized in DR SPAs 20-0012 and 22-0010.

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  
*Farah Hanley*

11. TYPED NAME  
Farah Hanley

12. TITLE  
Senior Chief Deputy Director for Health

13. DATE SUBMITTED  
May 15, 2023

15. RETURN TO  
Behavioral and Physical Health and Aging Services Administration  
Office of Strategic Partnerships & Medicaid Administrative Services – Federal Liaison  
Capitol Commons Center – 7<sup>th</sup> Floor  
400 South Pine  
Lansing, Michigan 48933  
  
Attn: Erin Black

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

State/Territory: Michigan

## Section 7 – General Provisions

### 7.4. B. Temporary Extension to the Disaster Relief Policies for the COVID-19 National Emergency

Effective May 12, 2023 until September 30, 2024, the agency temporarily extends the following election(s) of section 7.4 (approved 12/14/2020 in SPA number MI-20-0012 and approved 10/26/2022 in SPA number MI-22-0010) of the state plan:

#### Payments:

X The agency makes the following adjustments to payment rates currently covered in the state plan:

#### **Glove Payment Rates**

Payment adjustment to the DME provider rate for the existing code for non-sterile gloves to reflect increased cost during the emergency period due to increased demand for personal protective equipment, including non-sterile gloves. Except as otherwise noted in the state plan, Michigan's Medicaid payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the usual and customary charge for these services, whichever amount is less. All rates are published at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders). ~~Payments will be made from October 1, 2020, through the end of the Public Health Emergency.~~

#### **Incontinence Supply Competitive Bid Rates**

Payment adjustment to incontinence supply competitive bid rates for contracted Healthcare Common Procedure Coding System (HCPCS) codes during the emergency period due to increased global market costs. Except as otherwise noted in the state plan, Michigan's Medicaid payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the usual and customary charge for these services, whichever amount is less. All rates are published at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders). ~~Payments will be made from May 1, 2022, through the end of the Public Health Emergency.~~

TN: 23-0012

Supersedes TN: NEW

Approval Date: \_\_\_\_\_

## Funding Questions

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)?

*State Response: Providers receive and retain the total Medicaid expenditures claimed.*

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share.

*State Response: The state share is funded with general fund as appropriated by the Legislature to the Medicaid State agency.*

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

*State Response: Not applicable.*

4. For clinic or outpatient hospital services please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and

MI Response to Funding Questions for SPA 23-0012  
Temporary Continuation Medicaid Disaster Relief – Glove Rate and Incontinence Supply Contract Rates  
Submitted May 15, 2023

privately owned or operated). Please provide a current (i.e., applicable to the current rate year) UPL demonstration.

State Response: *Not applicable.*

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

State Response: *No.*

**Michigan Department of Health and Human Services  
Behavioral and Physical Health and Aging Services Administration**

**State Plan Amendment Request for Temporary Extension to the Disaster Relief Policies for COVID-19 Public Health Emergency (PHE) for Rate Increases Specific to the Incontinence Volume Purchase Contract and Non-Sterile Gloves**

The Michigan Department of Health and Human Services (MDHHS) plans to submit a State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS) to temporarily extend disaster relief COVID-19 Public Health Emergency (PHE) policies for rate increases specific to the incontinence volume purchase contract and non-sterile gloves currently authorized in DR SPAs 22-0010 and 20-0012.

The purpose of the SPA request is to obtain the authority to utilize temporary flexibilities after the COVID-19 PHE ends to help address the health needs of Medicaid beneficiaries.

The SPA is effective the day after the PHE ends, May 12, 2023, until September 30, 2024. Provisions will revert to existing state plan authority upon the expiration of the temporary authority changes.

The requested temporary extension of current flexibilities after the COVID-19 PHE ends include:

- Allow the Incontinence Volume Purchase Contractor to secure incontinence products at an increased reimbursement rate to defray global marketplace costs and avoid potential access issues to incontinence products.
- Allow medical suppliers to secure non-sterile gloves at an increased reimbursement rate to defray global marketplace costs and avoid potential access issues to non-sterile glove products.

The estimated gross cost to the State of Michigan for the SPA is \$1,779,500 per year.

There is no public meeting scheduled regarding this notice. Any interested party wishing to request a written copy of the SPA or wishing to submit comments may do so by sending an e-mail to [MSADraftPolicy@michigan.gov](mailto:MSADraftPolicy@michigan.gov) or submitting a request in writing to: MDHHS/ Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing MI 48909-7979 by **April 12, 2023**. A copy of the proposed State Plan Amendment will also be available for review at : <https://www.michigan.gov/mdhhs/inside-mdhhs/budgetfinance/264/state-plan-amendments> .

**RELEASED:** March 13, 2023



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

March 13, 2023

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Michigan Department of Health and Human Services (MDHHS) Temporary Extension to the Disaster Relief Policies for COVID-19 Public Health Emergency (PHE) Specific to Rate Increases to Incontinence Volume Purchase Contract and Non-Sterile Gloves

This letter, in compliance with Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act, serves as notice to all Tribal Chairs and Health Directors of the intent by the Michigan Department of Health and Human Services (MDHHS) to submit a State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS) to temporarily extend disaster relief COVID-19 Public Health Emergency (PHE) policies specific to rate increases to the incontinence volume purchase contract and to non-sterile gloves currently authorized in DR SPAs 22-0010 and 20-0012.

The purpose of the SPA request is to obtain the authority to utilize temporary flexibilities after the COVID-19 PHE ends. Global marketplace costs to incontinence products and non-sterile gloves have continued to expand impacting the volume purchase contractor's and medical supply providers' ability to secure these products at pre-pandemic Medicaid reimbursement rates. Continuation of these rate increases will be sufficient to defray the impact of global marketplace costs yet avoid potential access issues to these products.

The approval by CMS for these temporary flexibilities will be effective the day after the end of the PHE (May 12, 2023) until September 30, 2024. MDHHS expects these changes to increase access to incontinence products and non-sterile gloves for Native American beneficiaries.

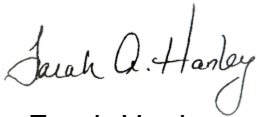
There is no public hearing scheduled for this SPA. Input regarding this SPA is highly encouraged, and comments regarding this notice of intent may be submitted to Lorna Elliott-Egan, MDHHS Liaison to the Michigan tribes. Lorna can be reached at 517-512-4146, or via email at [Elliott-EganL@michigan.gov](mailto:Elliott-EganL@michigan.gov). **Please provide all input by April 28, 2023.**

In addition, MDHHS is offering to set up group or individual consultation meetings to discuss the SPA, according to the tribes' preference. Consultation meetings allow tribes the opportunity to address any concerns and voice any suggestions, revisions, or objections to be relayed to the author of the proposal. If you would like additional information or wish to schedule a consultation meeting, please contact Lorna Elliott-Egan at the telephone number or email address provided above.

MDHHS appreciates the continued opportunity to work collaboratively with you to care for the residents of our state.

An electronic copy of this letter is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Policy, Letters & Forms.

Sincerely,



Farah Hanley  
Chief Deputy Director for Health

CC: Christine J. Davidson, CMS  
Nancy Grano, CMS  
Chasity Dial, CEO, American Indian Health and Family Services of Southeastern Michigan  
Daniel Frye, Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDHHS

**Distribution List for L 23-18  
March 13, 2023**

Ms. Whitney Gravelle, President, Bay Mills Indian Community  
Ms. Audrey Breakie, Health Director, Bay Mills (Ellen Marshall Memorial Center)  
Mr. David M. Arroyo, Chairman, Grand Traverse Band Ottawa & Chippewa Indians  
Ms. Doris Winslow, Health Director, Grand Traverse Band Ottawa/Chippewa  
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community  
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center  
Ms. Doreen G. Blaker, Tribal President, Keweenaw Bay Indian Community  
Ms. Deanna Foucault, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility  
Mr. James Williams, Jr., Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians  
Ms. Sadie Valliere, Health & Human Services Director, Lac Vieux Desert Band  
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians  
Mr. Daryl Wever, Health Director, Little River Band of Ottawa Indians  
Ms. Regina Gasco-Bentley, Tribal Chairman, Little Traverse Bay Band of Odawa Indians  
Ms. Jodi Werner, Health Director, Little Traverse Bay Band of Odawa  
Mr. Bob Peters, Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)  
Ms. Kelly Wesaw, Health Director, Match-E-Be-Nash-She-Wish Potawatomi  
Mr. Jamie Stuck, Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians  
Ms. Rosalind Johnston, Health Director, Huron Potawatomi Inc.- Tribal Health Department  
Ms. Rebecca Richards, Tribal Chairwoman, Pokagon Band of Potawatomi Indians  
Ms. Priscilla Gatties, Interim Health Director, Pokagon Potawatomi Health Services  
Ms. Theresa Peters-Jackson, Tribal Chief, Saginaw Chippewa Indian Tribe  
Mrs. Karmen Fox, Executive Health Director, Nimkee Memorial Wellness Center  
Mr. Austin Lowes, Tribal Chairperson, Sault Ste. Marie Tribe of Chippewa Indians  
Mr. Leonid Chugunov, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Christine J. Davidson, CMS  
Nancy Grano, CMS  
Chasity Dial, CEO, American Indian Health and Family Services of Southeastern Michigan  
Daniel Frye, Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDHHS