

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

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

1. TRANSMITTAL NUMBER <u>24</u> — <u>0012</u>	2. STATE <u>MI</u>
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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  
October 1, 2024

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 I Page 1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Attachment 4 19-D Section I Page 1 (TN 19-0008)

9. SUBJECT OF AMENDMENT  
  
This SPA provides authority to assess a late-file penalty to nursing facilities who do not submit a complete and acceptable cost report within the timeframes established by MDHHS


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  
August 15, 2024

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
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**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 PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES  
(LONG TERM CARE FACILITIES)***

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1. Cost Finding, Cost Reporting and Records Maintenance

The specific methods of cost finding and cost reporting utilized by the single state agency are defined in the state agency's cost reporting forms and instructions. Providers shall be notified of the cost reporting form or format and acceptable cost finding methods and notified promptly of change

- A. Beginning with cost reporting periods ending after September 1, 1973, all participating skilled nursing and intermediate care providers are required to submit to the state agency an annual cost report within 5 months of the close of the providers cost reporting period. The provider will be notified of the delinquency and if the cost report is not submitted within the timeframes established by MDHHS, the provider's interim payments will be reduced by 100 percent. Restitution of withheld interim payments will be made by the state agency after receipt of an acceptable cost report. (Exception: A provider's cost report is due 5 months after a sale of a facility or termination of the provider agreement.) **Beginning October 1, 2024, if an annual cost report is not received within the timeframes established by MDHHS, a late-file penalty will be assessed beginning on the 15<sup>th</sup> day of the following month and will continue until a complete and acceptable cost report is received. This includes providers with low or no Medicaid utilization that are required to provide a less than complete cost report or census data. This penalty does not apply to Class VII facilities.**
- B. All cost reports must be submitted on the state agency's uniform reporting form or an approved replica thereof, covering a 12 month cost reporting period. An exception is made for Class VII facilities; they are to submit the Medicare skilled nursing facility cost report in place of the state agency's reporting form. Any changes in reporting periods or exceptions to the number of months covered must be approved by the state agency.
- C. Each provider's cost report must include an itemized list of all expenses as recorded in the formal and permanent accounting records of the provider.
- D. The accrual method of accounting is mandated for providers and generally accepted accounting principles must be followed by providers of care under the plan.

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TN NO.: 24-0012

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

Effective Date: 10-01-2024

Supersedes

TN No.: 19-0008

## Public Notice

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

#### Penalty Policy State Plan Amendment Request

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 assess a late-file penalty to nursing facilities who do not submit a complete and acceptable cost report within the timeframes established by MDHHS.

The anticipated effective date for the SPA is October 1, 2024.

Effective October 1, 2024 if a complete and acceptable nursing facility cost report or the appropriate census data is not received by the original due date, or by an approved extension due date if applicable, the provider's interim payments will be reduced by 100 percent and the provider may be assessed a late-file penalty of 10 percent of any claims for dates of service beginning on the 15<sup>th</sup> of the month after the cost report was due until a complete and acceptable cost report is received. For providers with licensed-only beds and Medicare-only facilities, a penalty of \$20 per bed, per day will be assessed beginning on the 15<sup>th</sup> of the month after the census data is due until the data is received. This penalty may be assessed even if MDHHS has provided a written notice of termination to a facility.

There is no estimated gross cost to the State of Michigan for the SPA and it is considered budget neutral.

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 August 7, 2024. 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:** July 9, 2024



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

May 22, 2024

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Cost Report Late File Penalty

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).

Effective October 1, 2024, if a complete and acceptable nursing facility cost report or appropriate census data is not received by the original due date or by an approved extension due date if applicable, a late-file penalty will be assessed daily until a complete and acceptable cost report or the appropriate census data is received. These changes should have minimal impact on 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 July 8, 2024.**

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.

L 24-30  
May 22, 2024  
Page 2

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

Sincerely,



Meghan E. Groen, Director  
Behavioral and Physical Health and Aging Services Administration

CC: Keri Toback, CMS  
Nancy Grano, CMS  
Chasity Dial, CEO, American Indian Health and Family Services of Southeastern  
Michigan  
Asha Petoskey, Acting Area Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDHHS

**Distribution List for L 24-30**  
**May 22, 2024**

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. Phyllis Davis, Tribal Council Member, Match-E-Be-Nash-She-Wish Potawatomi  
Ms. Mariah Austin, Tribal Council Member, 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  
Mr. Tim Davis, 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 Chuginov, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Keri Toback, CMS  
Nancy Grano, CMS  
Chasity Dial, CEO, American Indian Health and Family Services of Southeastern Michigan  
Asha Petoskey, Acting Area Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDHHS