

## **Table of Contents**

**State/Territory Name: Michigan**

**State Plan Amendment (SPA)#: 24-0016**

This file contains the following documents in the order listed

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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September 26, 2024

Meghan E. Groen  
Senior Deputy Director  
Behavioral and Physical Health and Aging Services Administration  
Michigan Department of Health and Human Services  
400 S Pine St 7th Fl  
Lansing, MI 48933-2250

Re: Michigan State Plan Amendment (SPA) 24-0016

Dear Director Groen:

The Centers for Medicare & Medicaid Services (CMS) reviewed your State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0016. This SPA removes language related to the Paternity Confinement Expenses to align with elimination.

We conducted our review of your submittal according to the statutory requirements at 42 CFR 433.139(f)(2). We hereby inform you that Medicaid State plan amendment 24-0016 is approved effective October 1, 2024. We are enclosing the CMS-179 and the amended plan pages.

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

Sincerely,

James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Erin Black

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

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

1. TRANSMITTAL NUMBER <u>24</u> — <u>0016</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 433.139 (f)(2)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2025 \$8,922,800  
b. FFY 2026 \$8,922,800

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Attachment 4.22-B Pages 1 and 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Attachment 4.22-B Pages 1 and 2 (TN 21-0017)

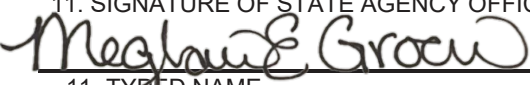
9. SUBJECT OF AMENDMENT

This SPA removes language related to the Paternity Confinement Expenses to align with elimination.

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  
September 3, 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  
09/03/2024

17. DATE APPROVED  
**09/25/2024**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
10/01/2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
James G. Scott

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Program Operations

22. REMARKS

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

State of Michigan

***Requirements for Third Party Liability – Payment of Claims***

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Guidelines Used to Determine When to Seek Reimbursement from a Liable Third Party

The following criteria are used in selecting claims which will be billed to third party insurers, or will be investigated for further collection action:

433.139 (d)(3); 433.139 (f): Health Insurance

Through analysis of schedules of benefits, payment statistics, and the denial notices sent to us by insurance carriers, certain items and services are excluded from cost avoidance and have been eliminated from post payment billing.

When it is discovered that commercial insurance benefits have been paid to the provider or the insured in duplication of the medical assistance payment to the provider, recovery of amounts that are greater than \$20 is sought from the provider within 12 months of the claim from date of service. Amounts of less than \$20 are pursued directly from the payer within three years of the claim from date of service if staff time permits recovery.

433.139 (f)(2): Thresholds for Seeking Reimbursement

MDHHS uses no accumulation threshold for health insurance reimbursement.

Health insurance recovery action on claim types likely to be covered by insurance occurs when payments made by the MDHHS are greater than \$20.00 for medical services and \$15.00 or greater for pharmacy services.

Personal injury investigative action occurs when hospital bills with trauma diagnoses having billed amounts equal to or greater than \$300 are investigated. Investigative resources which would be required to pursue smaller bills can be used more productively to carry out tasks that yield much higher rates of return.

Casualty cases are pursued when they meet a \$300 threshold for automobile and workers' compensation cases and \$1,000 for general liability and medical malpractice. Cases under the threshold may be pursued if time permits.

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TN NO.: 24-0016

Approval Date: 09/25/2024

Effective Date: 10/01/2024

Supersedes

TN No.: 21-0017

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

State of Michigan

***Requirements for Third Party Liability – Payment of Claims***

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Third Party Billing Conditions:

1. Monitoring Provider Compliance:  
433.139 (b)(1); 433.139 (b)(3): Cost Avoidance

Claims are processed in an automated environment, according to configurable table rules. These rules describe avoidance criteria in terms of claim content and provider supplied insurance explanation codes on claims. When the claim conditions match the configured table rules, the cost avoidance edits prevent payment, and tell providers that other insurance is available to bill prior to Michigan Medicaid.

433.139 (c): The State requires the provider to utilize all other resources to their fullest extent before presenting the claim to Medicaid for payment. Providers must secure other insurance adjudication response(s) which must include claim adjustment reason codes (CARCS) prior to billing Medicaid.

433.139 (b)(3): If the insurance provided by a non-custodial parent has restrictions for services received outside a service area, the dependents are treated as uninsured. This kind of insurance information is either not added to the dependent's eligibility record on MMIS or it is removed when the situation is identified. This assures that access to medical care is not precluded or diminished by provider concerns about payment when a non-custodial parent is uncooperative in claiming insurance benefits.

Michigan complies with the following requirements.

- SSA section 1902 (a)(25)(e): the requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.
- SSA section 1902 (a)(25)(e): the requirement for states to make payments without regard to potential third party liability for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for up to 90 days.