

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

1. TRANSMITTAL NUMBER <u>24</u> — <u>0018</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 \$3,972,800  
b. FFY 2026 \$3,972,800

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-B Page 5c

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment 4.19-B Page 5c (TN# 23-0023)

9. SUBJECT OF AMENDMENT  
This SPA provides authority for updated therapy payment methodologies.

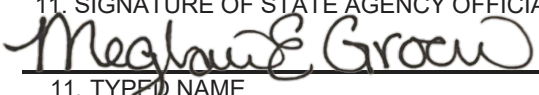
10. GOVERNOR'S REVIEW (Check One)

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 26, 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

**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  
Other than Inpatient Hospital and Long-Term-Care Facilities***

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12.1 Physical Therapy and Related Services

A. Physical therapists

~~Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of physical therapy services. The agency's fee schedule rate was set as of 10/1/2023 and is effective for services provided on or after that date. All rates are published on the agency's website at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).~~

Except as otherwise specified in the State Plan, payment rates are established utilizing the annual January RBRVS values multiplied by statewide conversion factors. State-developed payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the provider's usual and customary charge for these services, whichever amount is less, minus any third-party payment. The provider's usual and customary charge should be the fee most frequently charged to patients.

This reimbursement methodology applies to services rendered on or after 10/1/2024. All Medicaid fee schedule rates are published at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders)

B. Occupational therapists

~~Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of occupational therapy services. The agency's fee schedule rate was set as of 10/1/2023 and is effective for services provided on or after that date. All rates are published on the agency's website at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).~~

Except as otherwise specified in the State Plan, payment rates are established utilizing the annual January RBRVS values multiplied by statewide conversion factors. State-developed payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the provider's usual and customary charge for these services, whichever amount is less, minus any third-party payment. The provider's usual and customary charge should be the fee most frequently charged to patients.

This reimbursement methodology applies to services rendered on or after 10/1/2024. All Medicaid fee schedule rates are published at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders)

C. Speech-language pathologists

~~Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of speech therapy services. The agency's fee schedule rate was set as of 10/1/2023 and is effective for services provided on or after that date. All rates are published on the agency's website at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).~~

Except as otherwise specified in the State Plan, payment rates are established utilizing the annual January RBRVS values multiplied by statewide conversion factors. State-developed payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the provider's usual and customary charge for these services, whichever amount is less, minus any third-party payment. The provider's usual and customary charge should be the fee most frequently charged to patients.

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TN NO.: 24-0018

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

Effective Date: 10/01/2024

Supersedes TN No.: 23-0023

This reimbursement methodology applies to services rendered on or after 10/1/2024. All Medicaid fee schedule rates are published at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders)

D. Audiologists

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of audiology services. Payment rates are established utilizing the methodology described under physician services. If there is no applicable rate established by this methodology, the state utilizes the rate specified in a fee schedule. The agency's fee schedule rate was set as of 1/1/2020 and is effective for dates of service on or after that date. All rates are published on the agency's website at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders).

MI Response to Funding Questions for  
24-0018 Therapy Payment Methodology Updates  
Submitted September 26, 2024

**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.*

MI Response to Funding Questions for  
24-0018 Therapy Payment Methodology Updates  
Submitted September 26, 2024

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 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.*

## Public Notice

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

#### State Plan Amendment Request to Update Reimbursement Rates for Speech and Oral Function Therapy Services, Orthotic and Prosthetic Devices, and Non-Physician Behavioral Health Services

The Michigan Department of Health and Human Services (MDHHS) plans to submit State Plan Amendment (SPA) requests to the Centers for Medicare & Medicaid Services (CMS) to update the Medicaid State Plan pages related to reimbursement rates for speech and oral function therapy services, orthotic and prosthetic devices, and non-physician behavioral health services. The anticipated effective date for the SPAs is October 1, 2024.

The purpose of the SPAs is to increase reimbursement rates for speech and oral function therapy and related services, orthotic and prosthetic devices, and outpatient behavioral health services performed by master's and doctorate level psychologists, professional counselors, family and marriage therapists, and social workers in compliance with expenditure levels established by Public Act 121 of 2024. Effective for dates of service on and after October 1, 2024, Medicaid will provide an increased payment rate for the following services and items:

- Orthotics and prosthetics items will be increased to 74 percent of the Medicare reimbursement.
- Outpatient behavioral health services provided by non-physician behavioral health providers will be increased to 90 percent of the Medicaid practitioner rate.
- Speech and oral function therapy and related services will be increased by 23 percent.

The estimated gross cost to the State of Michigan for the SPA requests is \$49,455,500 per year.

There is no public meeting scheduled regarding this notice. Any interested party wishing to request a written copy of the SPAs 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 September 20, 2024. A copy of the proposed SPAs will also be available for review at: <https://www.michigan.gov/mdhhs/inside-mdhhs/budgetfinance/264/state-plan-amendments>.

**RELEASED:** August 21, 2024



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

August 22, 2024

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Reimbursement for Speech and Oral Function Therapy, Orthotic and Prosthetic Devices, and Non-Physician Behavioral Health Services

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 State Plan Amendment (SPA) requests to the Centers for Medicare & Medicaid Services (CMS).

The purpose of the SPAs is to update the Medicaid State Plan pages related to reimbursement rates for speech and oral function therapy and related services, orthotic and prosthetic devices, and outpatient behavioral health services performed by master's and doctorate level psychologists, professional counselors, family and marriage therapists, and social workers. Rates associated with eligible services and items will be increased in compliance with expenditure levels established by state law, Public Act 121 of 2024.

The anticipated effective date of these SPAs is October 1, 2024. MDHHS expects these changes will positively impact Native American beneficiaries by increasing access to program covered services.

There is no public hearing scheduled for these SPAs. Due to the requirements within Public Act 121 of 2024, for an effective date of October 1, 2024, it is not possible to adhere to the sixty (60) days notification. Therefore, the notification is being provided as soon as possible. Input regarding these SPAs 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 October 21, 2024.**

In addition, MDHHS is offering to set up group or individual consultation meetings to discuss the SPAs, according to the tribe's 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,

A handwritten signature in cursive script that reads "Meghan E. Groen".

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 24-47**  
**August 22, 2024**

Ms. Whitney Gravelle, President, Bay Mills Indian Community  
Ms. Lucy DeWildt, Health Director, Bay Mills (Ellen Marshall Memorial Center)  
Ms. Sandra Witherspoon, Chairperson, 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, 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  
Ms. Dorie Rios, Tribal Chairperson, 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 Chugunov, 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