

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

1. TRANSMITTAL NUMBER

23 — 0028

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, 2024

5. FEDERAL STATUTE/REGULATION CITATION
1902(a) of the Social Security Act and 42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2023 \$0
b. FFY 2024 \$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement to Attachment 3.1-A.1 Page 8
Supplement to Attachment 3.1-A.1 Page 12a
Supplement to Attachment 3.1-A.1 Page 22

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Supplement to Attachment 3.1-A.1 Page 8 (TN# 14-0016)
Supplement to Attachment 3.1-A.1 Page 12a (TN# 22-0017)
Supplement to Attachment 3.1-A.1 Page 22 (TN# 17-0001)

9. SUBJECT OF AMENDMENT

This SPA clarifies language regarding prior authority requirements and maximum benefits for skilled maintenance therapy.

10. GOVERNOR'S REVIEW (Check One)

☐

GOVERNOR'S OFFICE REPORTED NO COMMENT

☒

OTHER, AS SPECIFIED:

☐

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL



11. TYPED NAME

Meghan Groen

12. TITLE

Senior Deputy Director

13. DATE SUBMITTED

October 23, 2023

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

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

Amount, Duration and Scope of Medical and Remedial Care Services Provided to the Categorically and Medically Needy

2. OUTPATIENT HOSPITAL SERVICES

Professional fees for services provided in the outpatient department of a hospital will be paid only when such payment does not duplicate payment to the hospital.

Educational costs associated with the outpatient department will be reimbursed to hospitals with approved training programs (as described in 404.1 of the HIM-15 manual).

Payment will not be made for services of staff in residence, e.g., interns and residents or medical staff functioning in an administrative or supervisory capacity (including physician - owners) who are paid by the hospital or other sources.

Outpatient services relating to routine examinations only, i.e., unrelated to a specific illness, symptom, complaint, or injury, are not covered, except when provided to eligible children under age 21 as part of a program of early and periodic screening, diagnosis and treatment. (See Item 4b.)

Outpatient hospital services include prenatal and postnatal care; and services listed below when medically necessary for the diagnosis or treatment of an illness or injury when ordered by and under the direction of a physician (M.D. or D.O.), and services performed by the physician and/or physical therapist for physical therapy only:

- 1) radium treatment
- 2) therapeutic x-ray
- 3) diagnostic x-ray
- 4) emergency treatment
- 5) physical therapy, provided in accordance with 42 CFR 440.110, and as defined in 1.a of Supplement to Attachment 3.1-A. Prior approval is required if services are medically necessary and exceed the time or frequency limits as described in Medicaid policy for:
 - initial treatment (144 units in 12 months) or
 - maintenance/monitoring (four times, **UP TO 16 UNITS**, in the 90-day allowed period)
- 6) laboratory tests
- 7) electrocardiogram
- 8) electroencephalogram
- 9) basal metabolism
- 10) hemodialysis

NOTE: The patient who receives hemodialysis in his home is considered to be a hospital outpatient. Therefore, payment for the cost of hemodialysis supplies, such as plastic tubing, chemicals, disposable coils, etc., may be made under the Program.

Services are furnished in an institution that is licensed or formally approved as a hospital by an officially designated authority for state standard-setting and meets the requirements for participation in Medicare as a hospital.

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***AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE SERVICES
PROVIDED TO THE CATEGORICALLY AND MEDICALLY NEEDY***

Except For State Veterans Homes, the following services are excluded from the nursing facility per diem rate:

1. Physical therapy, as defined in 1.a. Prior Authorization is required for services, **OTHER THAN SPECIALIZED MAINTENANCE THERAPY**, rendered more than 60 days from the admission date to the facility.
2. Occupational therapy, as defined in 1.a. Prior Authorization is required for services, **OTHER THAN SPECIALIZED MAINTENANCE THERAPY**, rendered more than 60 days from the admission date to the facility.
3. Speech pathology, as defined in 1.a. Prior Authorization is required for services, **OTHER THAN SPECIALIZED MAINTENANCE THERAPY**, rendered more than 60 days from the admission date to the facility.

The following service may be covered when billed by county medical care facilities and/or hospital long term care units:

Oxygen

Medicare and Medicaid Coordination

For nursing facilities, county medical care facilities, hospital long term care units, ventilator dependent care units, hospital swing beds and nursing facilities for the mentally ill, Medicaid will reimburse consistent with the methodology for coordination of Title XIX with Title XVIII as specified in Supplement 1 to Attachment 4.19-B, page 1 of this plan. The services subject to co-insurance and deductible payments, and how to bill the co-insurance and deductible for these services, are listed in the Medicaid Nursing Facility Procedure Code Appendix.

A dually eligible beneficiary who resides in a Medicaid-only certified bed may be admitted to a hospital for acute care services and, at the time of the beneficiary's hospital discharge, may be eligible for Medicare-reimbursed Skilled Nursing Facility (SNF) benefits. However, the beneficiary may wish to return to the Medicaid NF bed from which he was originally transferred. In these situations, Medicaid will reimburse the Nursing Facility for any days (i.e. 100 days) that would have been covered by Medicare.

Medicaid will reimburse for all medically necessary nursing facility days and other medically necessary services for dually eligible beneficiaries who wish to return to their Medicaid NF bed and refuse their Medicare SNF benefit.

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***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

11. Physical Therapy and Related Services

A. Physical Therapy –

1. Rehabilitative Service – Outpatient Therapy Services: Rehabilitative services do not include and FFP is not available for habilitation services.
 - a) Services are provided in accordance with 42 CFR 440.110 and covered as defined in 1.a of Supplement to Attachment 3.1-A. Prior approval is required when services are medically necessary and exceed the time or frequency limits as described in Medicaid policy for:
 1. Initial treatment (144 units in 12 months); or,
 2. Maintenance/monitoring (four times, **UP TO 16 UNITS**, in the 90 day allowed period)
 - b) Services may be provided and billed by any of the following:
 1. Medicare-enrolled comprehensive outpatient rehabilitation facility as defined under 42 CFR 485.58;
 2. Medicare-enrolled outpatient rehabilitation agency as defined under 42 CFR 485.717;
 3. Commission on Accreditation of Rehabilitation Facilities (CARF) accredited outpatient medical rehabilitation program; or
 4. Independent physical therapist

B. Occupational Therapy –

1. Rehabilitative Service – Outpatient Therapy Services: Rehabilitative services do not include and FFP is not available for habilitation services.
 - a) Services are provided in accordance with 42 CFR 440.110 and covered as defined in 1.a of Supplement to Attachment 3.1-A. Prior approval is required when services are medically necessary and exceed the time or frequency limits as described in Medicaid policy for:
 1. Initial treatment (144 units in 12 months); or,
 2. Maintenance/monitoring (four times, **UP TO 16 UNITS**, in the 90 day allowed period)
 - b) Services may be provided and billed by any of the following.
 1. Medicare-enrolled comprehensive outpatient rehabilitation facility as defined under 42 CFR 485.58;



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

August 24, 2023

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Skilled Maintenance Therapy State Plan Amendment Request

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 Traditional State Plan Amendment (SPA) and Alternative Benefit Plan (ABP) SPA request to the Centers for Medicare & Medicaid Services (CMS).

The purpose of the SPAs is to update prior authorization requirements for skilled maintenance therapy performed in outpatient and nursing facility settings and clarify benefit maximums when services are reported under a time-based procedure code. Outpatient maintenance therapy may be provided up to four times per 90 day period without prior authorization, and nursing facility maintenance therapy may be provided up to four times per 60 day period without prior authorization. Services reported under a time-based procedure code should not exceed 16 units per period. The anticipated effective date of these SPAs is January 1, 2024. MDHHS expects these changes to have no impact on Native American beneficiaries, tribal health clinics, and urban Indian organizations.

There is no public hearing scheduled for these SPAs. 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. **Please provide all input by October 9, 2023.**

In addition, MDHHS is offering to set up group or individual consultation meetings to discuss these SPAs 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 >>
Policy, Letters & Forms.

Sincerely,

A handwritten signature in black ink that reads "Meghan E Groen". The signature is written in a cursive, flowing style.

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

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 23-48
August 24, 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. 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
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