

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

1. TRANSMITTAL NUMBER

24 — 0021

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
October 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act
1905(a)(29) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 \$18,000,000
b. FFY 2026 \$18,000,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B Page 23

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B Page 23 (TN# 21-0005)

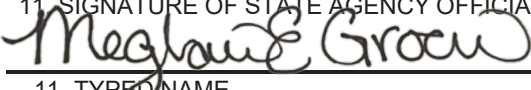
9. SUBJECT OF AMENDMENT
This SPA reflects a methadone service reimbursement rate increase.

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
November 12, 2024

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

***Policy and Methods for Establishing Payment Rates
Other than Inpatient Hospital and Long-Term-Care Facilities***

29. Medication-Assisted Treatment (MAT)

A. Unbundled Drug Reimbursement

1. The State will cover all forms of drugs and biologicals that the Food and Drug Administration has approved or licensed for MAT to treat opioid use disorder (OUD).
2. The reimbursement for unbundled prescribed drugs and biologicals used to treat opioid use disorder will be reimbursed using the same methodology as described for drug product reimbursement on Attachment 4.19-B (2), Pages 1c and 1d, for drugs that are dispensed or administered.
3. Payment for unbundled office-based opioid treatment services provided by practitioners not associated with a PIHP or MCO will be reimbursed per the methodology in Attachment 4.19-B, Page 1.

B. BUNDLED METHADONE ADMINISTRATION AND SERVICE RATE

**PAYMENT FOR BUNDLED METHADONE ADMINISTRATION AND SERVICE RATE
WILL BE MADE AT A SET PER UNIT AMOUNT AS DETERMINED BY A MINIMUM FEE
SCHEDULE. THE MICHIGAN MEDICAID FEE SCHEDULE IS EFFECTIVE FOR DATES
OF SERVICE ON OR AFTER OCTOBER 1, 2024, AND MAY BE FOUND AT
WWW.MICHIGAN.GOV/MEDICAIDPROVIDERS .**

C. Opioid Treatment Program (OTP)

- a. The State will cover all forms of drugs and biologicals that the FDA has approved or licensed for MAT to treat OUD.
- b. Payment for unbundled OTP Provider services are reimbursed on a direct service by service basis and billed in 15 minute units. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The Michigan Medicaid fee schedule is effective for dates of service on or after October 1, 2020 and may be found at www.michigan.gov/medicaidproviders.

MI Response to Funding Questions for
24-0021 Methadone Payment Rate Increase
Submitted November 12, 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
24-0021 Methadone Payment Rate Increase
Submitted November 12, 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

Methadone Service Reimbursement Rate Increase 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 increase reimbursement for methadone service reimbursement to not less than \$19.00 per unit. The anticipated effective date for the Methadone Service Reimbursement Rate SPA is October 1, 2024. The estimated gross cost to the State of Michigan for the SPA is \$28 million 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 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 30, 2024. A copy of the proposed SPA will also be available for review at: <https://www.michigan.gov/mdhhs/inside-mdhhs/budgetfinance/264/state-plan-amendments>.

RELEASED: September 17, 2024



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

October 24, 2024

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Implementation of the Legislatively Mandated Methadone Rate Increase

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).

The proposed SPA establishes a methadone service reimbursement rate of not less than \$19.00/unit within the Prepaid Inpatient Health Plan (PIHP) service array. The increase is a Michigan State Legislative mandate. The rate increase is intended to maintain and potentially increase access to methadone services. Additionally, it may address workforce shortages and allow substance use disorder treatment providers to attract and retain qualified staff to increase timely access to opioid treatment program services. This increase is expected to have a positive impact on Native American beneficiaries, Tribal Health Clinics and Urban Indian Organizations. The anticipated effective date of this SPA is October 1, 2024.

There is no public hearing scheduled for this SPA. 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 of notification. Therefore, the notification is being provided as soon as possible. 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. **Please provide all input by December 23, 2024.**

In addition, MDHHS is offering to set up group or individual consultation meetings to discuss this SPA, 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 >> 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 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 24-64
October 24, 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. Sonya Zotigh, 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
Mr. Matthew Wesaw, Tribal Chairman, 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. James Benko, 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