

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

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

1. TRANSMITTAL NUMBER <u>22</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, 2022

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2023 \$3,855,400  
b. FFY 2024 \$3,814,900

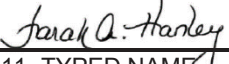
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Attachment 4.19-B, Page 1.b.5

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Attachment 4.19-B, Page 1.b.5 (TN# 17-0015)

9. SUBJECT OF AMENDMENT  
This SPA provides authority for updated Primary Care Services rates.

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  
Farah Hanley  
12. TITLE  
Chief Deputy for Health  
13. DATE SUBMITTED  
September 15, 2022

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

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**Primary Care Services Incentive Payment**

Primary Care Physician Services

Physicians with primary specialty designations of family medicine, general internal medicine, pediatric medicine, or general practice may qualify as primary care providers for purposes of increased payment.

Eligible providers will be identified as if the methodology described in 42 CFR 447.400(a)(1) and (2) remains in effect. However, if otherwise eligible physicians have subspecialty practice designations, only those providers with subspecialty designations of adolescent medicine and geriatric medicine will be eligible for the rate increase.

Non-physician Practitioners, specifically Nurse Practitioners (NPs) and Physician Assistants (PAs), who provide primary care services ~~under the personal supervision of~~ **IN COLLABORATION WITH** an eligible primary care physician, will be eligible for the enhanced rate.

Method of Payment

For primary care providers identified as eligible for the primary care rate adjustment, payment will be made on the qualified procedure codes as published in a separate Medicaid Practitioner Fee Schedule. The Primary Care Fee Schedule will reflect rates that have been adjusted in compliance with expenditure levels established by state law.

Unless otherwise noted in the state plan, Michigan's Medicaid payment rates are uniform for private and governmental providers.

Primary Care Services Affected by this Payment Methodology

Primary care physician services subject to the enhanced primary care rate are defined as Healthcare Common Procedure Coding System (HCPCS) codes:

- 99201 through 99215 for new and established patient office or outpatient evaluation and management (E/M) visits
- 99304 through 99318 for initial, subsequent, discharge and other nursing facility E/M services
- 99324 through 99337 for new and established patient domiciliary, rest home or custodial care E/M Services
- 99341 through 99350 for new and established patient home E/M visits
- 99381 through 99397 for new and established patient preventive medicine services
- **99421-99423 ONLINE DIGITAL E/M SERVICES**
- **99441-99443 NON-FACE-TO-FACE TELEPHONE E/M SERVICES**

Effective Date of Payment

This reimbursement methodology applies to services rendered by physicians with the primary specialty designation of family medicine, general internal medicine, and pediatric medicine, **AND GENERAL PRACTICE**, ~~on and after January 1, 2015 and for services provided by physicians with the primary specialty designation of general practice on and after January 1, 2018~~ **ON AND AFTER OCTOBER 1, 2022**. The Michigan Medicaid Fee Schedule for the qualified procedure codes is published at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) .

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TN NO.: 22-0012

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

Effective Date: 10/01/2022

Supersedes

TN No.: 17-0015

MI Response to Funding Questions for  
SPA 22-0012 Primary Care Services Rates  
Submitted September 15, 2022

## 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: *Providers that are enrolled in the public entity payment adjustment program, as defined on pages 1a and 1b of Attachment 4.19-B of Michigan's State Plan, receive supplemental payments for these services. In fiscal year 2022, approximately \$4.7 million in supplemental payments were made to practitioners for primary care services.*

MI Response to Funding Questions for  
SPA 22-0012 Primary Care Services Rates  
Submitted September 15, 2022

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.*



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

September 8, 2022

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Reimbursement for Primary Care 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 a State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS).

The purpose of the SPA is to update the Medicaid State Plan information that describes the methodology for establishing rates associated with primary care services. Rates associated with eligible Healthcare Common Procedure Coding System (HCPCS) codes are calculated in compliance with expenditure levels established by state law for qualified providers. The anticipated effective date of the SPA is October 1, 2022. MDHHS expects this change will positively impact Native American Beneficiaries by supporting access to primary care services.

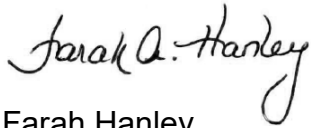
There is no public hearing scheduled for this SPA. Due to the requirements within state law, specifically Section 1801 of Public Act 166 of 2022, for an effective date of October 1, 2022, it is not possible to adhere to the sixty (60) days notification. Therefore, notification is being provided as soon 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](mailto:Elliott-EganL@michigan.gov). **Please provide all input by October 24, 2022.**

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.

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 "Farah A. Hanley".

Farah Hanley  
Chief Deputy for Health

CC: Keri Toback, 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 22-45  
September 8, 2022**

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. Kim Klopstein, President, Keweenaw Bay Indian Community  
Ms. Elizabeth Mayo, Interim 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. Kelly Wesaw, Health Director, 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. Aaron Payment, 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  
Daniel Frye, Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDHHS

***Public Notice***

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

**Update to Primary Care Incentive 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 specified primary care services. The anticipated effective date for this SPA is October 1, 2022.

In response to MDHHS Fiscal Year 2023 budget appropriations provided in Section 1801(2) of Public Act 166 of 2022, effective for dates of service on and after October 1, 2022, Medicaid will provide an increased payment rate to specified primary care services provided by qualified primary care providers using state appropriated funds.

The estimated gross cost to the State of Michigan for the State Plan Amendment is \$ 58,127,786 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 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 or e-mail [MSADraftPolicy@michigan.gov](mailto:MSADraftPolicy@michigan.gov) by September 30, 2022. A copy of the proposed State Plan Amendment will also be available for review at [http://michigan.gov/mdhhs/0,5885,7-339-73970\\_5080-108153--,00.html](http://michigan.gov/mdhhs/0,5885,7-339-73970_5080-108153--,00.html) .

**RELEASED:** August 30, 2022