

Table of Contents

State Territory Name: MICHIGAN

State Plan Amendment (SPA) #: 23-0023

This file contains the following documents in the order

listed:1) Approval Letter

2) CMS 179 Form/Summary Form (with 179-like data)

3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

November 17, 2023

Farah Hanley
Medicaid Director
Medical Services Administrations
400 South Pine Street 7th Floor
Lansing, Michigan 48933-2250

RE: TN 23-0023

Dear Director Hanley:

We have reviewed the proposed Michigan State Plan Amendment (SPA) to Attachment 4.19-B MI-23-0023, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on October 9, 2023. This plan amendment updates rates for Physician Services and Physical Therapy Services. In addition, the plan adds Cochlear Implant Services.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 1-(312)-886-0360 or Deborah.Benson@cms.hhs.gov.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER <u>23</u> — <u>0023</u>	2. STATE <u>MI</u>
--	-----------------------

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$42,799,900
b. FFY 2025 \$42,799,900

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B Page 1
Attachment 4.19-B Page 1.b.9
Attachment 4.19-B Page 3
Attachment 4.19-B Page 5c

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B Page 1 (TN# 18-0011)
Attachment 4.19-B Page 1.b.9 (TN# 21-0004)
Attachment 4.19-B Page 3 (TN# 23-0001)
Attachment 4.19-B Page 5c (TN# 19-0015)

9. SUBJECT OF AMENDMENT
This SPA updates authority to reflect increased payment rate for individual professional services.

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
Meghan Groen

12. TYPED NAME
Meghan Groen

13. TITLE
Senior Deputy Director

14. DATE SUBMITTED
October 9, 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 OCTOBER 9, 2023

17. DATE APPROVED
November 17, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
OCTOBER 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL
Todd McMillion

20. TYPED NAME OF APPROVING OFFICIAL
TODD MCMILLION

21. TITLE OF APPROVING OFFICIAL
DIRECTOR, DIVISION OF REIMBURSEMENT REVIEW

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)

1. Physician Services

Payment rates are established by the Medical Services Administration and are designed to enlist the participation of an adequate number of providers. The Medicare prevailing fees, the Resource Based Relative Value Scale (RBRVS) and other relative value information, other state Medicaid fee screens, and providers' charges may be utilized as guidelines or reference in determining the maximum payment rates for individual services.

Providers are reimbursed the lesser of the Medicaid payment rate or the provider's usual and customary charge minus any third-party payment. The provider's usual and customary charge is the fee most frequently charged to patients. The payment rate is uniform for private and governmental providers.

Except as otherwise specified in the State Plan, payment rates are established utilizing the following methodology:

- Annual January RBRVS values multiplied by the statewide conversion factor of \$21.30.
- Annual January Anesthesia Base Units (ABUs) plus time units multiplied by the statewide anesthesia conversion factor of \$10.60.

This payment rate methodology is effective for dates of service on or after 10/01/2023.

The rates calculated using the above methodology are published in the practitioner fee schedule on the State's website at www.michigan.gov/medicaidproviders.

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***

Physician Services, Pediatric Psychiatric Services

Pediatric Psychiatric Diagnostic Evaluation Services Reimbursement Methodology

Reimbursement for psychiatric diagnostic evaluation services for beneficiaries under 21 years of age is 100% of the annual Medicare rates published January of each year. Except as otherwise noted in the state plan, Michigan's Medicaid payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the usual and customary charge for these services, whichever amount is less.

Effective Date of Diagnostic Evaluation Services Payment

This reimbursement methodology applies to services rendered on and after February 1, 2020. All rates are published at www.michigan.gov/medicaidproviders.

Pediatric Psychiatric Services and Procedures Reimbursement Methodology

Reimbursement for psychiatric services or procedures is 67.73% of the annual Medicare rates published January of each year. Except as otherwise noted in the state plan, Michigan's Medicaid payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the usual and customary charge for these services, whichever amount is less.

Effective Date of Psychiatric Services Payment

This reimbursement methodology applies to services rendered on and after October 1, 2023. All rates are published at www.michigan.gov/medicaidproviders.

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)***

6. Dentures, prosthetic devices and eyeglasses/optical house services

A. Dentures

The agency's fee schedule rate was set using the same methodology that applies to Item 19, Dental Services.

B. Prosthetic Devices

1.) Hearing Aids

Hearing Aid Device Reimbursement Methodology

Reimbursement rates for hearing aid devices covered via a multi-state Medicaid volume purchasing agreement are established directly with hearing aid manufacturers. Michigan meets the certification requirements of section 1902(A)(23) of the Social Security Act to permit the selection of one or more providers, through a competitive bidding process, to deliver hearing aids on a statewide basis under the authority of section 1915(a)(1)(B) of the Social Security Act and 42 CFR 431.54(d). Providers are reimbursed and not allowed to discount or bill more than the contract established prices. Rates were set September 1, 2019.

For hearing aids not included in the agreement, that is those reimbursed on a fee for service basis, payment rates and reimbursement are prior authorized and are based on documentation of the manufacturer's invoice price minus any discounts and includes actual shipping costs.

Except as otherwise noted in the plan, Michigan's Medicaid payment rates are uniform for both private and governmental providers. Reimbursement is made in accordance with Medicaid's fee screens or the 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.

Effective Date of Payment

The agency's fee schedule rates were set as of November 1, 2019 and are effective for hearing aid devices dispensed on and after that date. All rates are published on the Agency's website at www.michigan.gov/medicaidproviders.

Hearing Aid Service Reimbursement Methodology

Reimbursement for hearing aid related services including dispensing fees is made in accordance with Medicaid fee screens. Other State Medicaid fee screens and providers' charges were used as guidelines or reference in determining the maximum fee screen for individual services.

Except as otherwise noted in the plan, 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.

Effective Date of Payment

The agency's fee schedule was set as of February 1, 2023 and is effective for hearing aid services rendered on and after that date. All rates are published on the Agency's website at www.michigan.gov/medicaidproviders.

2.) Cochlear Implant Services

Payment rates for services related to cochlear implants are established utilizing the methodology described under physician services on Attachment 4.19-B Page 1. 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.

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***

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.

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.

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.

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.