

## **Table of Contents**

**State/Territory Name: Michigan**

**State Plan Amendment (SPA) #: MI 23-0029**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



---

**Financial Management Group**

January 17, 2024  
Meghan Groen  
Senior Deputy Director  
State of Michigan, Department of Community Health  
400 South Pine Street  
Lansing, Michigan 48933

RE: Michigan State Plan Amendment (SPA) 23-0029

Dear Senior Deputy Director Groen:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0029 effective for services on or after October 1, 2023. This SPA provides authority to establish hospital reimbursement, separate from the Diagnosis Related Group (DRG) payment, for Spinraza and drugs for which the State has entered CMS approved outcomes-based contract arrangements with drug manufacturers for drugs provided to Medicaid beneficiaries.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 23-0029 is approved effective October 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe  
Director

Enclosure

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

|  |                       |
|--|-----------------------|
| 1. TRANSMITTAL NUMBER<br><u>23</u> — <u>0029</u> | 2. STATE<br><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 \$0  
b. FFY 2025 \$0


7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Attachment 4.19--A Page 11a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Attachment 4.19--A Page 11a (TN# 21-0010)

9. SUBJECT OF AMENDMENT  
This SPA provides authority to establish hospital reimbursement, separate from the Diagnosis Related Group (DRG) payment, for Spinraza and drugs for which the State has entered CMS approved outcomes-based contract arrangements with drug manufacturers for drugs provided to Medicaid beneficiaries.

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  


12. TYPED NAME  
Meghan Groen

13. TITLE  
Senior Deputy Director

14. DATE SUBMITTED  
November 1, 2023

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

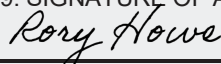
**FOR CMS USE ONLY**

16. DATE RECEIVED  
November 1, 2023

17. DATE APPROVED  
January 17, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
October 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL  


20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director , FMG

22. REMARKS

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Policy and Methods for Establishing Rates  
Inpatient Hospital***

---

I. Hospital Rapid Whole Genome Sequencing (rWGS) Testing Reimbursement

Rapid whole genome sequencing testing provided in the inpatient hospital setting is excluded from the DRG payment. An additional payment for medically necessary rWGS will be made to a hospital when established clinical criteria is met. Costs associated with rWGS are to be billed separately from the inpatient episode. Hospital reimbursement will be made according to the Medicaid laboratory fee schedule.

J. SPINRAZA

SPINRAZA PROVIDED IN THE INPATIENT HOSPITAL SETTING IS EXCLUDED FROM THE DRG PAYMENT. AN ADDITIONAL PAYMENT FOR MEDICALLY NECESSARY SPINRAZA WILL BE MADE TO A HOSPITAL WHEN ESTABLISHED CLINICAL CRITERIA IS MET. COSTS ASSOCIATED WITH SPINRAZA ARE TO BE BILLED SEPARATELY FROM THE INPATIENT EPISODE. HOSPITAL REIMBURSEMENT WILL BE MADE ACCORDING TO THE MEDICAID FEE SCHEDULE.

K. OUTCOMES-BASED CONTRACT ARRANGEMENTS

DRUGS PROVIDED UNDER OUTCOMES-BASED CONTRACT ARRANGEMENTS WITH DRUG MANUFACTURERS FOR DRUGS PROVIDED TO MEDICAID BENEFICIARIES IN THE INPATIENT HOSPITAL SETTING ARE EXCLUDED FROM THE DRG PAYMENT. AN ADDITIONAL PAYMENT FOR DRUGS UNDER AN OUTCOMES-BASE CONTRACT ARRANGEMENT WILL BE MADE TO A HOSPITAL WHEN ESTABLISHED CLINICAL CRITERIA IS MET. COSTS ASSOCIATED WITH THESE DRUGS ARE TO BE BILLED SEPARATELY FROM THE INPATIENT EPISODE. HOSPITAL REIMBURSEMENT WILL BE MADE ACCORDING TO THE MEDICAID FEE SCHEDULE.