

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

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

1. TRANSMITTAL NUMBER <u>23</u> — <u>0030</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

3. PROPOSED EFFECTIVE DATE  
February 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 440.225 and 42 CFR 440.170(a)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2024 \$262,500  
b. FFY 2025 \$393,800

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Attachment 4.19-B, Pages 25 through 26

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment 4.19-B, Pages 25 through 26 (TN# 23-0010)

9. SUBJECT OF AMENDMENT  
This SPA provides authority to increase the rate for CTS 1915(i) Targeted Case Management.


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  
December 29, 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	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

## Methods and Standards for Establishing Payment Rates

**1. Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

<input type="checkbox"/>	HCBS Case Management	
<input type="checkbox"/>	HCBS Homemaker	
<input type="checkbox"/>	HCBS Home Health Aide	
<input checked="" type="checkbox"/>	HCBS Personal Care	Effective 10/1/2018, the state uses the same reimbursement rates for HCBS Personal Care as is used for the State Plan Personal Care Option on Item #7 Person Care Services option of Attachment 4.19-B. This service is prior authorized based upon a review of the person-centered service plan and the individual’s assessed needs. Michigan uses HCPCS code T1019, Personal care services per 15 minutes for this service. The reimbursement rate depends on whether the provider is an individual or an agency and the participant’s county of residence. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of HCBS Personal Care services.
<input type="checkbox"/>	HCBS Adult Day Health	
<input type="checkbox"/>	HCBS Habilitation	
<input type="checkbox"/>	HCBS Respite Care	
For Individuals with Chronic Mental Illness, the following services:		
<input type="checkbox"/>	HCBS Day Treatment or Other Partial Hospitalization Services	
<input type="checkbox"/>	HCBS Psychosocial Rehabilitation	
<input type="checkbox"/>	HCBS Clinic Services (whether or not furnished in a facility for CMI)	
<input checked="" type="checkbox"/>	Other Services (specify below)	

✓	<p><b>Transition Navigator Case Management Services</b></p> <p>Michigan has been providing nursing facility transition services officially since January 1, 2005. Historically, these services have been State funded, or a service available through a HCBS waiver. MDHHS developed rates based upon the historical use and payment for these services, while considering factors such as overhead, non-labor costs, and inflation.</p> <p>Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Community Transition services. The Agency’s fee schedule rate was set as of <del>10/1/2018</del> <b>2/1/2024</b> and is effective for services provided on or after that date. All rates are published on the Agency’s website at <a href="http://www.michigan.gov/medicaidproviders">http://www.michigan.gov/medicaidproviders</a></p>
✓	<p><b>Community Transition services</b></p> <p>Michigan has been providing Community Transition services officially since January 1, 2005. Historically, these services have been State funded, or a service available through a HCBS waiver. MDHHS developed rates based upon the historical use and payment for these services, while considering factors such as overhead, non-labor costs, and inflation.</p> <p>Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of NFT services. The Agency’s fee schedule rate was set as of 10/1/2018, and list revised on 10/1/22, and is effective for services provided on or after that date. All rates are published on the Agency’s website at <a href="http://www.michigan.gov/medicaidproviders">http://www.michigan.gov/medicaidproviders</a></p>
✓	<p><b>Non-Medical (Non-Emergency ) Transportation (NENMT)</b></p> <p>Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of NENMT services. The Agency’s fee schedule rate was set as of 10/1/2018, is revised to correspond with the agency’s NEMT fee schedule and is effective for services provided on or after the effective date of any changes. All rates are published on the Agency’s website at <a href="http://www.michigan.gov/medicaidproviders">http://www.michigan.gov/medicaidproviders</a></p>
✓	<p><b>Home Modifications</b></p> <p>Michigan has not established a reimbursement structure for this service as the cost of this service is subject to wide variation based upon the type of modification needed. MDHHS requires prior authorization of all home modifications and approves reimbursement on a case-by-case basis. For this service to be approved, the transition navigator must submit at least one bid from a qualified provider that describes the modification, how that modification meets the service definition, the cost of building and other materials needed, and the expected labor costs. Smaller items (such as environmental controls) are reimbursed at cost for the item purchased plus the cost of installation. The transition navigator must provide proof of the cost of the item and labor/installation costs prior to approval.</p>

MI Response to Funding Questions for  
SPA 23-0030 Community Transition Services 1915(i) Rate Update  
Submitted December 29, 2023

**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  
SPA 23-0030 Community Transition Services 1915(i) Rate Update  
Submitted December 29, 2023

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

#### Update to Community Transition Service (CTS) 1915(i) Targeted Case Management Rate 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 update the Medicaid State Plan to increase the CTS 1915(i) targeted case management rate by \$5.00.

The anticipated effective date for the SPA is November 1, 2023.

The estimated gross cost to the State of Michigan for the SPA is \$4.3 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](mailto: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 October 31, 2023. A copy of the proposed State Plan Amendment will also be available for review at: <https://www.michigan.gov/mdhhs/inside-mdhhs/budgetfinance/264/state-plan-amendments> .

**RELEASED:** October 24, 2023



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

October 30, 2023

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Notice of Intent to Submit a State Plan Amendment (SPA) Request to Increase Community Transition Services (CTS) 1915(i) Targeted Case Management Rate

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 State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS).

The purpose of the request is to update the Medicaid State Plan to increase the rate for CTS 1915(i) Targeted Case Management to \$25 per 15-minute unit, effective November 1, 2023. MDHHS expects this new rate to expand transition navigator services that will increase access to services for Native American beneficiaries.

There is no public hearing scheduled for this SPA. 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 December 14, 2023.**

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.

L 23-67  
October 30, 2023  
Page 2

An electronic copy of this letter is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >>  
Policy, Letters & Forms.

Sincerely,



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  
Daniel Frye, Director, Indian Health Service - Bemidji Area Office  
Lorna Elliott-Egan, MDHHS



**Distribution List for L 23-67  
October 30, 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 Chuginov, 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