

State/Territory Name: Michigan

State Plan Amendment (SPA) MI-25-0019

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
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

February 26, 2026

Megan Groen
Chief Deputy Director
Health Services Administration
Capital Commons Center- 7th Floor
400 South Pine
Lansing , MI 48933

RE: TN MI-25-0019

Dear Chief Deputy Director Groen:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Michigan state plan amendment (SPA) to Attachment 4.19-B MI-25-0019, which was submitted to CMS on December 1, 2025. The purpose of this plan amendment is to increase Medicaid reimbursement rates for incontinence products.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of October 1, 2025. 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 Robert Bromwell at 410-786-5914 or via email at robert.bromwell@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

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|--|-----------------------|
| 1. TRANSMITTAL NUMBER <u>25</u> — <u>0019</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
October 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.70

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 \$953,200
b. FFY 2027 \$953,200

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Pages 2c.2 and 2c.3

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B, Page 2c.2 (TN# 24-0010)

9. SUBJECT OF AMENDMENT

The purpose of the SPA is to increase contractual reimbursement rates related to incontinence products covered under the Medicaid incontinence volume purchase contract.

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
Meghan Groen

11. TYPED NAME
Meghan Groen

12. TITLE
Chief Deputy Director

13. DATE SUBMITTED
December 1, 2025

15. RETURN TO
Health Services Administration— Federal Liaison
Capitol Commons Center – 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Erin Black

FOR CMS USE ONLY

16. DATE RECEIVED
12/1/2025

17. DATE APPROVED
February 26, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/1/2025

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)***

4. Home Health Services (continued)

Medical Supplies

Payment rates for medical supplies are established by the Michigan Department of Health and Human Services (MDHHS) as maximum fee screens. The MDHHS uses the Medicare prevailing fees, when available, as the principal resource for establishing medical supply fee screens. Providers are reimbursed the lesser of the Medicaid fee screen or the provider's usual and customary charge minus any third-party payment. The provider's usual and customary charge should be the fee most frequently charged to patients.

When Medicare does not have prevailing fees or cover a medical supply item, the MDHHS applies other relative value information (in order of precedence) to determine maximum fees. Other relative value information includes manufacturer invoices reflecting providers' acquisition costs and manufacturer suggested retail pricing (MSRP). When manufacturer invoice information is not available, the MDHHS references manufacturer suggested retail pricing (MSRP), when available, to establish the fee screen. When manufacturer invoices or MSRP data are not available, the MDHHS may use provider submitted charges to establish fees. The MDHHS does not combine or average multiple reference sources to establish fee screens.

MDHHS may review other state fee screens from states similar demographically or geographically as reference for fee reasonableness but not to establish Michigan's maximum fees.

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 incontinent supplies on a statewide basis under the authority of section 1915(a)(1)(B) of the social security act and 42 CFR 431.54(d). The state Medicaid incontinent supply rates were set October 1, 2025. Except as otherwise noted in the plan, state-developed fee schedule rates for home health medical supplies 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, 2025 and may be found at www.michigan.gov/medicaidproviders.

Non-Sterile Gloves

The state Medicaid non-sterile gloves rate was set October 1, 2024. 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. The Michigan Medicaid fee schedule, effective for services rendered on or after October 1, 2024, is available 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)***

Oxygen

The payment rate for oxygen is established by the MDHHS as a fee screen. The MDHHS uses the Medicare prevailing fees, the Resource Based Relative Value Scale (RBRVSW) and other relative value information, other State Medicaid fee screens and providers' charges as guidelines or reference in determining the maximum fee screens for individual items. Providers are reimbursed the lesser of the Medicaid fee screen or the provider's usual and customary charge minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients. The payment rate is uniform for private and governmental providers. The Michigan Medicaid fee schedule, effective for services rendered on or after July 1, 2009 is available at www.michigan.gov/medicaidproviders.

Ambulatory uterine activity monitors

Ambulatory uterine activity monitors are paid a per diem rate. All equipment, perinatal nursing services, technical services and supplies necessary for the provision of the monitor are considered included in this rate. Providers' charges and other states' Medicaid fee screens are utilized as guidelines or reference in determining the fee screen. The per diem rate is the lesser of the single state agency's fee screen or the provider's usual and customary charge minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients. The payment rate is uniform for private and governmental providers. The Michigan Medicaid fee schedule, effective for services rendered on or after July 1, 2009 is available at www.michigan.gov/medicaidproviders.