

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-13-15
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services (CMCS)

Mr. Stephen Fitton, Director
Medical Services Administration
Department of Community Health
400 South Pine
Lansing, MI 48933

DEC -6 2012

RE: Michigan State Plan Amendment (SPA) 12-12

Dear Mr. Fitton:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-12. Effective for services on or after July 1, 2012, this amendment increases the amount in the GME funds pool for fiscal years (FY) 2012 and 2013.

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 12-12 is approved effective July 1, 2012. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at (608) 441-5344.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Cindy Mann,
Director (CMCS)

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:
12 - 12

2. STATE:
Michigan

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

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2012

5. TYPE OF PLAN MATERIAL (Check One):
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447


7. FEDERAL BUDGET IMPACT:
a. FFY 2012 _____ \$0
b. FFY 2013 _____ \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Pages 28

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Attachment 4.19-A, Pages 28

10. SUBJECT OF AMENDMENT:
This amendment makes changes to the GME funds pool for FY2012 and FY2013.

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Stephen Fitton, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



16. RETURN TO:
Medical Services Administration
Actuarial Division
Capitol Commons Center - 7th Floor
400 South Pine Street
Lansing, Michigan 48933
Attn: Loni Hackney

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
September 13, 2012

FOR REGIONAL OFFICE USE ONLY
17. DATE RECEIVED: 18. DATE APPROVED: **DEC -6 2012**

PLAN APPROVED - ONE COPY ATTACHED
19. EFFECTIVE DATE OF APPROVED MATERIAL: **JUL -1 2012** 20. SIGNATURE OF STATE AGENCY OFFICIAL: 

21. TYPE NAME: **Penny Thompson**

22. TITLE: **Deputy Director, CMCS**

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

Only intern and resident FTEs in approved programs as specified in 42 CFR 413.75 will be eligible for inclusion in the data used to calculate the distribution of the GME Funds and Primary Care Pools.

To distribute funds from the GME Funds and the Primary Care Pools, data will be drawn from accepted hospital cost reports for the most recent fiscal year that data is available. For the GME Funds Pool, the un-weighted full-time-equivalent (FTE) count will be used (line 3.05 from E-3, Part IV). For the Primary Care Pool, the weighted FTE count for primary care physicians will be used (line 3.07 from E-3, Part IV). If the cost report is changed, equivalent data will be used.

Both the hospital and its residency programs must be operating during the funding period in order to receive GME funds. Hospitals must notify the department in writing at least 30 days prior to the termination date of any of its residency programs. Funds distributed to ineligible hospitals are subject to recovery.

GME payments to hospitals that merge during an academic year will be combined, provided that the surviving hospital continues to operate all residency programs that the pre-merger hospitals operated. The surviving hospital must notify the department within 30 calendar days after the merger is completed, of any reductions or terminations to its residency programs. The GME payments to the surviving hospital will be reduced proportionately to the reduction in its GME programs. Over payments to surviving hospitals based on reductions in GME programs are subject to recovery.

GME Pool

To calculate each eligible hospital's share of the GME FUNDS Pool the following formulas will be used:

$$FTEs \times Casemix \times (Hospital's Title V \& Title XIX Days / Hospital's Total Days) = Adjusted FTEs$$

$$GME Funds Pool Size \times (Adjusted FTEs / \sum Adjusted FTEs) = Hospital's Distribution$$

In FY 2007, the GME Funds Pool size will be \$83,669,700. For FY 08 through FY 2011, the GME Funds Pool size will be \$61,406,400. For FY 2012 and each subsequent year, the GME Funds Pool size will be ~~\$43,937,200~~ \$52,797,200. FOR FY 2013 AND EACH SUBSEQUENT YEAR, THE GME FUNDS POOL SIZE WILL BE \$52,565,600.

Primary Care Pool

To calculate each hospital's share of the Primary Care Pool, the following formula will be used:

$$FTEs \times (Hospital's Title V \& Title XIX Outpatient Charges / Hospital's Total Charges) = Adjusted FTEs$$

$$Primary Care Pool Size \times (Adjusted FTEs / \sum Adjusted FTEs) = Hospital's Distribution$$

TN NO.: 12-12

Approval Date: DEC -6 2012

Effective Date: 07/01/2012

Supersedes
TN No.: 11-16