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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 13-014

This file contains the following documents in the order listed:

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

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



JUN 11 2014

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

RE: Michigan State Plan Amendment (SPA) 13-014

Dear Mr. Fitton:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-014. Effective for services on or after September 30, 2013, this amendment proposes updates the Outpatient Uncompensated Care DSH pool dollar amount available to hospitals who meet the minimum requirements for Medicaid DSH payment as specified in Section H.

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 13-014 is approved effective September 30, 2013. We are enclosing the HCFA-179 and the amended plan pages.

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

Sincerely,

A large black rectangular redaction box covering the signature of Cindy Mann.

Cindy Mann
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 13 - 14	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 September 30, 2013	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201	7. FEDERAL BUDGET IMPACT: a. FFY 2013 _____ \$ 12,614,100 _____ b. FFY 2014 _____ \$ 0 _____	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 24c	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A, Page 24c	
10. SUBJECT OF AMENDMENT: Modify Fiscal Year (FY) 2013 Outpatient Uncompensated Care DSH pool		

11. GOVERNOR'S REVIEW (*Check One*):

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Stephen Fitton, Director Medical Services Administration
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Actuarial Division - Federal Liaison Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933 Attn: Loni Hackney
13. TYPED NAME: Stephen Fitton	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: September 30, 2013	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: JUN 11 2014

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP 30 2013	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPE NAME: 	22. TITLE: Deputy Director, Policy & Financial Mgt. Ops
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***

Aggregate DSH expenditures will be made in accordance with Section 1923(g)(1)(A) of the Social Security Act. Prior to computing the amount of payment each individual hospital is eligible to receive from this pool, all other DSH and Medicaid payments that the hospital is scheduled to receive will be counted against the hospital's DSH limit.

g. **Outpatient Uncompensated Care DSH Pool**

A special pool will be created annually for the purpose of reimbursing hospitals for a portion of their uncompensated care. The pool amount will be \$38,300,000 in fiscal year 2007, \$63,200,000 in fiscal year 2008, \$60,000,000 in fiscal year 2009, \$87,000,000 in fiscal year 2010, \$69,640,500 in fiscal year 2011, \$50,359,500 in fiscal year 2012, **\$79,000,000 IN FISCAL YEAR 2013**, and \$60,000,000 each subsequent fiscal year. Payments from the pool will be made annually.

In order to qualify for a payment from the Outpatient Uncompensated Care DSH Pool, hospitals must meet the minimum requirements for Medicaid DSH payments as specified in Section H. Funds will be distributed from the Outpatient Uncompensated Care DSH Pool to qualifying Privately-Owned or Operated and Non-State Government-Owned or Operated DSH eligible hospitals in Michigan.

The Outpatient Uncompensated Care DSH Pool will be split into Small and Rural and Large-Urban components as follows:

Component	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal year 2012	Fiscal Year 2013	Subsequent Fiscal Years
Small and Rural components	\$18,900,000	\$31,100,000	\$30,000,000	\$43,500,000	\$34,820,250	\$25,179,750	\$39,500,000	\$30,000,000
Large-Urban components	\$19,400,000	\$32,100,000	\$30,000,000	\$43,500,000	\$34,820,250	\$25,179,750	\$39,500,000	\$30,000,000
TOTALS	\$38,300,000	\$63,200,000	\$60,000,000	\$87,000,000	\$69,640,500	\$50,359,500	\$79,000,000	\$60,000,000

For purposes of distributions from this pool, any qualifying DSH hospital located in Michigan with less than 100 acute care beds or any qualifying DSH hospital located in a Michigan rural or Micropolitan County will be eligible to receive a proportional share of the Small and Rural components of the pool.

Also for purposes of distributions from this pool, any qualifying DSH hospital with 100 or more acute care beds and located in an urban Michigan county will be eligible to receive a proportional share of the Large-Urban components of the pool.

The distribution of funding from the Outpatient Uncompensated Care DSH Pool will be based on each hospital's proportion of outpatient uncompensated care relative to other hospitals in the pool. The formula below will be used to calculate the distribution of payments from the Outpatient Uncompensated Care DSH Pool.