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State/Territory Name: MI

State Plan Amendment (SPA) #: 14-0018

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
Chicago Regional Office
233 N. Michigan
Suite 600
Chicago, Illinois 60601



May 12, 2015

Stephen Fitton, Medicaid Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Erin Black

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal #: 14-0018 – PCP Rate Increase
- Effective: January 1, 2015

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

/s/

Ruth A. Hughes
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

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

1. TRANSMITTAL NUMBER:
1 4 - 0018

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
January 1, 2015

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 2015 \$ 19,000,000
b. FFY 2016 \$ 25,000,000

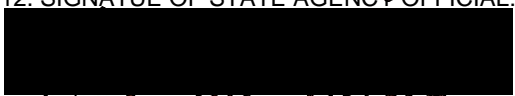
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, Pages 1.b.5

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):
N/A – New Page

10. SUBJECT OF AMENDMENT:
This SPA is being submitted in order to provide an enhanced reimbursement rate for physicians with a specialty designation of family medicine, general internal medicine or pediatric medicine who provide eligible primary care services.

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:
December 5, 2014

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 18. DATE APPROVED:
December 5, 2014 May 12, 2015

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPE NAME:
Ruth A. Hughes

22. TITLE:
Associate Regional Administrator

23. 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***

Primary Care Services Incentive Payment

Primary Care Physician Services

Physicians with primary specialty designations of family medicine, general internal medicine, and pediatric medicine may qualify as primary care providers for purposes of increased payment.

Eligible providers will be identified as if the methodology described in 42 CFR 447.400(a)(1) and (2) remains in effect. However, if otherwise eligible physicians have subspecialty practice designations, only those providers with subspecialty designations of adolescent medicine and geriatric medicine will be eligible for the rate increase.

Non-physician Practitioners, specifically Nurse Practitioners (NPs) and Physician Assistants (PAs), who provide primary care services under the personal supervision of an eligible primary care physician, will be eligible for the enhanced rate.

Method of Payment

For primary care providers identified as eligible for the primary care rate adjustment, payment will be made on the qualified procedure codes as published in a separate Medicaid Practitioner Fee Schedule. The Primary Care Fee Schedule will reflect rates that have been adjusted in compliance with expenditure levels established by state law.

Unless otherwise noted, Michigan's Medicaid payment rates are uniform for private and governmental providers.

Primary Care Services Affected by this Payment Methodology

Primary care physician services subject to the enhanced primary care rate are defined as Healthcare Common Procedure Coding System (HCPCS) codes:

- 99201 through 99215 for new and established patient office or outpatient evaluation and management (E/M) visits
- 99304 through 99318 for initial, subsequent, discharge and other nursing facility E/M services
- 99324 through 99337 for new and established patient domiciliary, rest home or custodial care E/M Services
- 99341 through 99350 for new and established patient home E/M visits
- 99381 through 99397 for new and established patient preventive medicine services

Effective Date of Payment

The agency's fee schedule rates were set as of January 1, 2015 and are effective for services provided on or after that date.

The Michigan Medicaid Fee Schedule for the qualified procedure codes are published on the MDCH website at www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information>>Physicians/Practitioners/Medical Clinics>>Physician Primary Care.

TN NO.: 14-0018

Approval Date: 5/12/15

Effective Date: 01/01/2015

Supersedes

TN No.: N/A – New Page