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State/Territory Name: Michigan

State Plan Amendment (SPA) #: MI 15-0002

This file contains the following documents in the order listed:

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

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



Financial Management Group

SEP 01 2015

Ms. Kathy Stiffler, Acting Medicaid Director
Medical Services Administration
Department of Community Health
400 South Pine
Lansing, MI 48933

RE: Michigan State Plan Amendment (SPA) 15-0006

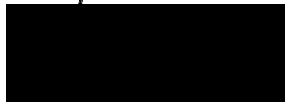
Dear Ms. Stiffler:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0006. Effective for services on or after April 1, 2015, 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 15-0006 is approved effective April 1, 2015. 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,



Timothy Hill
Director

A handwritten signature in black ink, appearing to be "T. Hill", is written over the printed name and title.

Enclosure

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

1. TRANSMITTAL NUMBER: 15 - 0006	2. STATE: Michigan
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE April 1, 2015	

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

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 447.201

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 \$52,432,000
b. FFY 2016 \$52,480,000


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 (If Applicable):
Attachment 4.19-A, Page 24c

10. SUBJECT OF AMENDMENT:
Outpatient Disproportionate Share Hospital (DSH) Pool Increase

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:


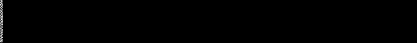

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
June 9, 2015

16. RETURN TO:
**Medical Services Administration
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933**

Attn: Erin Black

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: SEP 01 2015
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 4/1/15	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPE NAME: 	22. TITLE: Deputy Director, FMC
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~~ **\$140,000,000** IN FISCAL YEAR 2015 AND 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	FY 2015 AND 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	\$45,000,000 \$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	\$95,000,000 \$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	\$140,000,000 \$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.