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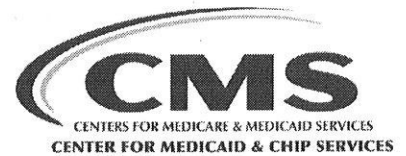
**State/Territory Name: Michigan**

**State Plan Amendment (SPA) #: MI 17-0002**

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



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**Financial Management Group**

MAY 23 2017

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

RE: Michigan State Plan Amendment (SPA) 17-0002

Dear Mr. Priest:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 17-0002 effective for services on or after January 1<sup>st</sup>, 2017, this modifies the Graduate Medical Education (GME) Innovations Grant to include Pine Rest Mental Health Services. This amendment increases the funding available to providers in the State of Michigan to provide accredited psychiatric residency training with the stated purpose of preparing health care professionals to provide care to Michigan Medicaid patient groups.

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 17-0002 is approved effective January 1<sup>st</sup>, 2017. 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,



Kristin Fan  
Director

Enclosure

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

1. TRANSMITTAL NUMBER:  
17 - 0002

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  
January 1, 2017

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

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

7. FEDERAL BUDGET IMPACT:  
a. FFY 2017 \$3,960,000  
b. FFY 2018 \$6,336,000

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  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

10. SUBJECT OF AMENDMENT:  
This SPA modifies the Graduate Medical Education (GME) Innovations Grant to include Pine Rest Mental Health Services.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Chris Priest, Director  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:  
  
Chris Priest

13. TYPED NAME:  
Chris Priest

14. TITLE:  
Director, Medical Services Administration

15. DATE SUBMITTED:  
February 22, 2017

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


Attn: Erin Black

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:      18. DATE APPROVED: MAY 23 2017

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2017

20. SIGNATURE OF REGIONAL OFFICIAL:  


21. TYPE NAME: Kristen Fan

22. TITLE: 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

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In FY, 2007 the Primary Care Pool size will be \$10,285,100. For FY 2008 through FY 2011, the Primary Care Pool size will be \$7,548,400. For FY 2012 and each subsequent year, the primary care pool size will be \$10,322,700.

#### Definitions/Notes

Title V & Title XIX Days – includes fee-for-service days. Days will include those from distinct-part psychiatric and distinct-part rehabilitation units.

Title V & Title XIX Outpatient Charges – includes fee-for-service outpatient charges. Charges will include those from distinct-part psychiatric units.

Hospital's Case Mix – the sum of the relative weights for all Medicaid admissions divided by the number of Medicaid admissions during the period covered.

# of Hospital Eligible Resident FTEs – for the GME Funds and Primary Care Pools FTE data will be drawn from hospital cost reports as indicated above.

#### GME Payment Schedule

Payments from the GME funds and the Primary Care Pools are made quarterly, in four equal payments. The dental and podiatry pool payment is made once annually during the final quarter of the state fiscal year.

#### GME Innovations Pool

The GME Innovations Pool is established to support innovative GME programs that emphasize the importance of coordinated care, health promotions and psychiatric care in integrated systems. The purpose of this training is to develop the skills and experience necessary to provide psychiatric services utilized by Michigan Medicaid patient groups. ~~This pool will be \$10,947,878.~~

The single state agency will approve ~~two (2)~~ THREE (3) agreements statewide each fiscal year. One agreement will be with Detroit Receiving Hospital for \$8,929,800. The second agreement will be with Edward W. Sparrow Hospital for \$2,018,078. THE THIRD AGREEMENT WILL BE WITH PINE REST CHRISTIAN MENTAL HEALTH SERVICES. IN FY 2017, THE AGREEMENT WILL AMOUNT TO \$3,960,000. IN FY 2018, THE AGREEMENT WILL AMOUNT TO \$6,336,000. IN FY 2019 AND FUTURE YEARS, THE AGREEMENT WILL AMOUNT TO \$7,603,200. To be eligible for the pool, a hospital must meet the following criteria:

- The hospital must be a Medicaid enrolled provider.
- The hospital must have in place an approved agreement between itself, a university psychiatric residency training program and one or more community mental health services programs to provide accredited psychiatric residency training.
- The hospital must provide assurances that all training will take place in Michigan and prepare health care professionals to provide care to populations with the special characteristics of Michigan Medicaid patient groups.

#### Upper Payment Limit

In the event that GME distributions would result in aggregate Medicaid payments exceeding the upper payment limit (UPL), the size of the pool(s) and/or additional payments will be reduced to bring aggregate Medicaid payments within the UPL.

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TN NO.: 17-0002

Approval Date: MAY 23 2017

Effective Date: 01/01/2017

Supersedes

TN No.: 11-16