

## **Table of Contents**

**State/Territory Name: Michigan**

**State Plan Amendment (SPA) #: MI 19-0002**

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**

April 18, 2019

Ms. Kathy Stiffler  
Acting Medicaid Director  
State of Michigan, Department of Community Health  
400 South Pine Street  
*Lansing, MI 48933*  
RE: Michigan State Plan Amendment (SP A) 19-0002

Dear Ms. Stiffler:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 19-0002 effective for services on or after January 1, 2019, this amendment adds the MIDocs Consortium to the State of Michigan's Graduate Medical Education (GME) Innovations Sponsoring Institution Program. The programs purpose prepares health care professionals to provide care to Michigan Medicaid patient groups in underserved areas of the state.

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 19-0002 is approved effective January 1, 2019. 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 solid black rectangular box redacting the signature of the Director.

Director

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: <b>19 - 0002</b>	2. STATE: <b>Michigan</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH FINANCING ADMINISTRATION DEPARTMENT OF HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>January 1, 2019</b>	

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: <b>42 CFR 447</b>	7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$760,000 b. FFY 2020 \$5,365,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-A Page 28c</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:  
**This SPA will add the MIDocs Consortium to the State of Michigan's Graduate Medical Education (GME) Innovations Sponsoring Institution Program.**

11. GOVERNOR'S REVIEW (Check One):

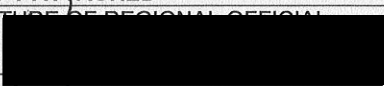
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Kathleen Stiffler, Acting Director  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Actuarial Division - Federal Liaison Capitol Commons Center - 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933
13. TYPED NAME: <b>Kathleen Stiffler</b>	Attn: Erin Black
14. TITLE: <b>Acting Director, Medical Services Administration</b>	
15. DATE SUBMITTED: <b>February 27, 2019</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:	18. DATE APPROVED: <b>APR 18 2019</b>
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JAN 01 2019</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPE NAME: <b>Kristin Fan</b>	22. TITLE: <b>Director, FMG</b>

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**

**GME INNOVATIONS MIDOCS PROGRAM**

THE GME MIDOCS PROGRAM SUPPORTS THE EXPANSION OF RESIDENCIES AND SUBSEQUENT RETENTION EFFORTS FOR APPROVED HIGH NEED SPECIALTIES IN UNDERSERVED AREAS OF THE STATE, WHERE CURRENT AND FUTURE PHYSICIAN SHORTAGES UNDERMINE THE HEALTH AND WELL-BEING OF MEDICAID BENEFICIARIES. THE MIDOCS PROGRAM OFFERS PHYSICIAN TRAINING IN INTEGRATED AND PATIENT-CENTERED CARE FOR UNDERSERVED POPULATIONS THAT WILL FURTHER THE STATE'S MEDICAID QUALITY GOALS. TO BE ELIGIBLE FOR MIDOCS GME FUNDING, THE MIDOCS PARTICIPATING MEDICAL SCHOOL MUST ENTER INTO AN AGREEMENT WITH THE STATE AGENCY SPECIFYING THE NUMBER OF MIDOCS RESIDENTS TO BE SUPPORTED, THE TOTAL ANNUAL COST OF SUCH RESIDENCIES, ANY POST-RESIDENCY EXPENDITURES TO RETAIN PHYSICIANS IN UNDERSERVED AREAS OF MICHIGAN AND THE AMOUNT OF OTHER SOURCES OF FUNDING AVAILABLE FOR THE PROGRAM, IF ANY. SPONSORING INSTITUTIONS MAY RECEIVE FUNDING FROM OTHER SOURCES BUT MEDICAID WILL ACT AS A PAYER OF LAST RESORT TO ONLY COVER COSTS NOT REIMBURSED THROUGH OTHER SOURCES. THE STATE AGENCY WILL PAY THE MIDOCS PARTICIPATING MEDICAL SCHOOL AN AMOUNT EQUAL TO THE AMOUNT OF OTHERWISE UNREIMBURSED COSTS.

THE SINGLE STATE AGENCY WILL APPROVE FOUR (4) AGREEMENTS WITH MIDOCS PARTICIPATING MEDICAL SCHOOLS STATEWIDE EACH STATE FISCAL YEAR (SFY), COVERING RESIDENCIES FOR THE ACADEMIC YEAR (JULY-JUNE (AY)) BEGINNING WITHIN THE SFY. THE AGREEMENTS WILL TOTAL \$1.52 MILLION IN FISCAL YEAR 2019, \$10.73 MILLION IN FISCAL YEAR 2020, \$19.98 MILLION IN FISCAL YEAR 2021, \$27.75 MILLION IN FISCAL YEAR 2022, AND \$28.5 MILLION IN FISCAL YEAR 2023.

IN ADDITION, THE FOLLOWING REQUIREMENTS MUST BE MET:

- THE MIDOCS PARTICIPATING MEDICAL SCHOOL MUST HAVE SUBMITTED TO THE STATE AGENCY ITS MIDOCS PROGRAM PROPOSAL FOR NEW OR EXPANDED RESIDENCY PROGRAM(S) TO PROMOTE ACCESS IN UNDERSERVED AREAS OF THE STATE
- THE NEW OR EXPANDED PROGRAM(S) MUST POSSESS APPROPRIATE ACCREDITATION CREDENTIALS
- THE NEW OR EXPANDED PROGRAM(S) MUST MEET THE MIDOCS CURRICULUM STANDARDS, INCLUDING THOSE RELATED TO DIDACTIC EDUCATION ON PATIENT CENTERED MEDICAL HOMES, INTERPROFESSIONAL EDUCATION, BEHAVIORAL AND PHYSICAL HEALTH INTEGRATION, AND CONTINUOUS QUALITY IMPROVEMENT
- THE MIDOCS PARTICIPATING MEDICAL SCHOOL MUST BE THE SPONSORING INSTITUTION OF THE RESIDENCY PROGRAM(S) OR HAVE AN APPROVED AGREEMENT WITH THE SPONSORING INSTITUTION
- THE MIDOCS PARTICIPATING MEDICAL SCHOOL OR THE SPONSORING INSTITUTION (IF NOT THE MEDICAL SCHOOL) MUST HAVE AGREEMENTS WITH ALL TRAINING SITES FOR THE MIDOCS RESIDENTS
- IF GME DISTRIBUTIONS EXCEED THE EXPENSES INCURRED BY THE MIDOCS PARTICIPATING MEDICAL SCHOOL, THEIR AFFILIATED SPONSORING INSTITUTION AND/OR THE CLINICAL TRAINING SITES RELATED TO THE MIDOCS RESIDENCIES, THE SIZE OF THE PAYMENT WILL BE REDUCED TO BRING THESE ELEMENTS INTO ALIGNMENT.

TN NO.: 19-0002

Approval Date: APR 18 2019

Effective Date: 01/01/2019

Supersedes  
TN No.: NEW