

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Carly Todd

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Initial

Public Comment

Final

Brief description of policy:

This policy establishes reimbursement methodology for rural emergency hospitals (REH).

Reason for policy (problem being addressed):

The Centers for Medicare & Medicaid Services (CMS) finalized a rule to allow critical access hospitals and small rural hospitals to convert to an REH.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No.

Does policy have operational implications on other parts of MDHHS?

Yes, Certificate of Need

Does policy have operational implications on other departments?

Yes, the Department of Licensing and Regulatory Affairs (LARA).

Summary of input:

controversial (Explain)

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Notice Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please provide status:	If yes,
<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Denied	Submission Date: 1/5/2023
Date: Approval	Date:

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2311-Hospital	Date: April 5, 2023

Comments Due: May 10, 2023

Proposed Effective Date: As Indicated

Direct Comments To: Carly Todd

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<p>Policy Subject: Rural Emergency Hospital Reimbursement</p> <p>Affected Programs: Medicaid, Healthy Michigan Plan</p> <p>Distribution: Hospitals, Medicaid Health Plans</p> <p>Summary: The Michigan Department of Health and Human Services (MDHHS) will reimburse rural emergency hospitals (REH) using existing Outpatient Prospective Payment System (OPPS) methodology. To maintain budget neutrality, critical access hospitals that convert to REHs will retain the enhanced OPPS reduction factor for reimbursement. Additionally, non-critical access hospitals that convert to REHs will continue to receive reimbursement using existing OPPS reduction factor methodology.</p> <p>Purpose: This policy establishes reimbursement methodology for REHs.</p> <p>Cost Implications: Budget neutral</p> <p>Potential Hearings & Appeal Issues: Limited</p>

State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted: 3/30/2023	Public Notice Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Submitted date: 1/05/2023
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Tribal Notification: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - Date: 1/26/2023
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THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Behavioral & Physical Health and Aging Services Administration

Distribution: Hospitals, Medicaid Health Plans

Issued: June 1, 2023 (Proposed)

Subject: Rural Emergency Hospital Reimbursement

Effective: As Indicated (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan

NOTE: Implementation of this policy is contingent upon State Plan Amendment approval from the Centers for Medicare & Medicaid Services (CMS).

The purpose of this policy is to establish reimbursement for Medicare-enrolled rural emergency hospitals (REH). Effective January 1, 2023, the REH designation can be granted by the CMS to eligible small rural hospitals and critical access hospitals. This designation is expected to help maintain outpatient hospital services in rural communities. Hospitals that convert to REHs must update their enrollment and subspecialty with the Michigan Department of Health and Human Services (MDHHS). Additionally, hospitals that convert to REHs must end date their inpatient specialty. Maintenance of provider information is done through the Community Health Automated Medicaid Processing System (CHAMPS) provider enrollment system. Providers must notify MDHHS via the online system within 35 days of any change to their enrollment information.

MDHHS will reimburse REHs using existing Outpatient Prospective Payment System (OPPS) methodology. To maintain budget neutrality, critical access hospitals that convert to REHs will retain the enhanced OPPS reduction factor for reimbursement. Non-critical access hospitals that convert to REHs will continue to receive reimbursement using existing OPPS reduction factor methodology. MDHHS maintains a reduction factor history publication on the web at www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information >> Outpatient Hospitals. Conversion to REH status may also impact eligibility for some supplemental payment programs. Hospitals are encouraged to review existing supplemental payment program policy to determine potential impact.