

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Kristi Walker

**Phone Number:**

Initial ☐

Public Comment ☒

Final ☐

### Brief description of policy:

After June 1, 2025, nursing facilities in a court appointed receivership may have the option to petition MDHHS for a rate adjustment to reflect reasonable costs.

### Reason for policy (problem being addressed):

Nursing facilities could apply for rate relief under the previous rate relief policy. This policy was discontinued effective January 1, 2025 with the goal of making nursing facility rate methodology less complicated, less labor intensive, and more efficient. This policy would reestablish an opportunity for nursing facilities to apply for rate relief in limited circumstances.

### 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?

No.

### Does policy have operational implications on other departments?

No

### Summary of input:

- ☐ controversial (Explain)  
☒ acceptable to most/all groups  
☐ limited public interest/comment

### Supporting Documentation:

State Plan Amendment Required: ☒ Yes ☐ No

If Yes, please provide status:

☐ Approved ☐ Pending ☐ Denied

Date: Approval Date:

Public Notice Required: ☒ Yes ☐ No

If yes,  
Submission Date:

**DRAFT FOR PUBLIC  
COMMENT**

**Michigan Department of  
Health and Human Services**

**Project Number:** 2523-NF

**Date:** June 16, 2025

**Comments Due:** July 21, 2025

**Proposed Effective Date:** As Indicated

**Direct Comments To:** Kristi Walker

**Address:**

**E-Mail Address:** [WalkerK32@michigan.gov](mailto:WalkerK32@michigan.gov)

**Phone:**

**Fax:**

**Policy Subject:** Nursing Facility Receivership

**Affected Programs:** Medicaid

**Distribution:** Nursing Facilities

**Summary:** After June 1, 2025, nursing facilities in a court appointed receivership may have the option to petition MDHHS for a rate adjustment to reflect reasonable costs.

**Purpose:** Nursing facilities could apply for rate relief under the previous rate relief policy. This policy was discontinued effective January 1, 2025, with the goal of making nursing facility rate methodology less complicated, less labor intensive, and more efficient. This policy would reestablish an opportunity for nursing facilities to apply for rate relief in limited circumstances.

**Cost Implications:** Budget Neutral

**Potential Hearings & Appeal Issues:** None

**State Plan Amendment Required:** Yes ☒ No ☐

**If yes, date submitted:**

**Public Notice Required:** Yes ☒ No ☐

**Submitted date:** May 28, 2025

**Tribal Notification:** Yes ☒ No ☐ - **Date:** April 15, 2025

**THIS SECTION COMPLETED BY RECEIVER**

☐ **Approved**

☐ **No Comments**

☐ **See Comments Below**

☐ **Disapproved**

☐ **See Comments in Text**

**Signature:**

**Phone Number**

<b>Signature Printed:</b>	
<b>Bureau/Administration</b> <i>(please print)</i>	<b>Date</b>

# Proposed Policy Draft

Michigan Department of Health and Human Services  
Health Services

**Distribution:** Nursing Facilities

**Issued:** August 1, 2025 (proposed)

**Subject:** Nursing Facility Receivership

**Effective:** As Indicated (proposed)

**Programs Affected:** Medicaid

**NOTE: Implementation of this policy is contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare & Medicaid Services.**

The purpose of this policy is to notify nursing facility providers that the Sales and Resales section of the Michigan Medicaid State Plan, Section 4.19-D is being updated to include the following language effective June 1, 2025.

In the case of receivership, MDHHS may adjust a nursing facility's standard rates if a receiver has been appointed under MCL 600.2926 or MCR 2.622(A) solely to reflect the reasonable costs, as determined by MDHHS, associated with the court-approved closure or sale of the nursing facility or other appropriate situation. This rate adjustment will only apply to the current fiscal rate period of the request and the following fiscal rate period. After this adjustment time period, the facility will return to the standard reimbursement methodology.

If, upon audit, the agency finds a discrepancy between certified information and actual costs, all excess funds paid by the State to the facility as a result of that certification will be recovered with a penalty factor (equal to the then-current Medicare rate on net invested equity) applied to the discrepancy.

Requests for consideration must be made in writing to the Reimbursement and Rate Setting Section (RARRS) at least 90 days in advance of the sale.