June 18, 2018

Mr. Andrew Schalk

Bureau of Medicaid Policy and Health System Innovation

Medical Services Administration

P.O. Box 30479

Lansing, MI 48909-7979

Email: [schalka@michigan.gov](mailto:schalka@michigan.gov)

**E: Project Number 1806 - Hospital**

Dear Mr. Schalk:

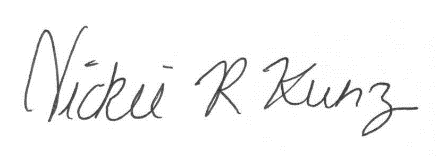
On behalf of its member hospitals, the Michigan Health & Hospital Association (MHA) appreciates the opportunity to provide comments to the Medical Services Administration (MSA) regarding the above referenced proposed policy which would establish a separate payment for long-acting reversible contraception (LARC) devices when they are provided postpartum in the inpatient hospital setting. This change will allow Medicaid beneficiaries who desire to receive these devices immediately postpartum to do so since hospitals will be reimbursed effective Oct. 1, 2018, in addition to the all patient refined diagnosis related group payment.

Currently, Medicaid provides payment for LARCs only when they are provided in an outpatient setting. As the result of advocacy efforts by the MHA and hospitals, the MSA proposes to provide a separate payment to hospitals when these services are provided in the inpatient setting. This will allow new mothers who desire to receive these devices to do so immediately following the delivery of a baby rather than waiting until the postpartum checkup or making a special trip to an outpatient clinic. **The MHA supports this change and believes that increased access to these services could reduce the number of unplanned pregnancies.** In addition, we believe that this change could reduce future Medicaid costs.

In order to receive payment for LARCs provided in the inpatient setting, hospitals would be required to submit a separate professional claim with place of service 21 – Inpatient Hospital. In addition to the diagnosis related group payment for the obstetrical and newborn services, the MSA would provide a separate payment to help cover the cost of the LARCs.The MSA would provide payment at the amount currently provided in the outpatient setting based on the Healthcare Common Procedure Coding System (HCPCS) Level II procedure code and National Drug Code for the specific procedure. Currently, payment rates range from $723 to $910 for these services. **The MHA urges the MSA to ensure that these payment rates are updated annually to help offset increases in the cost of providing these services.**

Again, the MHA appreciates this opportunity to provide comments to the MSA. We believe that our suggested changes will result in a positive outcome for both providers and the MSA and the Medicaid beneficiaries served. If you have any questions, please contact me by phone at (517) 703-8608 or via email at vkunz@mha.org.

Sincerely,



Vickie R. Kunz

Senior Director, Health Finance