

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of July 1, 2010, there were **1,196,687 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), a **decrease of 561** since June 1, 2010. The number of Medicaid beneficiaries eligible for managed care enrollment in July was 1,264,420, a decrease of 1,455 since June, and the number eligible but not yet enrolled in a contracted health plan, not counting exemptions, was 55,263.

As the [enrollment reports](#) for July reflect, every county in the state is served by at least one Medicaid Health Plan. Fee-for-service care is an option in six counties. Four of the six counties - Barry, Charlevoix, Cheboygan and Leelanau - have been designated as "Preferred Option" counties. Beneficiaries in these counties who do not specifically choose the fee-for-service option are auto-assigned to the contracted health plan but may return to fee-for-service at any time. (As reported in the May edition of *The Michigan Update*, Priority Health Government Programs has also been approved to serve Leelanau County but has not yet completed network development.) Beneficiaries in Missaukee County have the option of voluntarily enrolling in one of the two health plans serving the county or receiving care on a fee-for-service basis. Beneficiaries in Emmet County, where there is also only one available health plan, may voluntarily enroll in the plan or choose to receive care on a fee-for-service basis. Lastly, beneficiaries in all 15 counties in the Upper Peninsula are auto-assigned through federal "Rural Exception" authority to the one health plan serving the counties.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

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MIChild

According to MAXIMUS, the Michigan Department of Community Health (DCH) contractor for MIChild enrollment, there were **29,306 children enrolled** in the MIChild program as of July 1, 2010. This is a **decrease of 86** since June 2010 and a decrease of almost 4,000 since July 2009. Many of the children formerly enrolled in the MIChild program have transitioned to Medicaid coverage as their family income has dropped due to the state's economic situation.

As the [enrollment report](#) for July shows, enrollment is dispersed between seven plans, with almost 88 percent of the children enrolled with Blue Cross Blue Shield of Michigan (BCBSM). MIChild is the largest component of the Children's Health Insurance Program (CHIP) in Michigan.

MIChild-enrolled children receive their dental care through contracted dental plans. Of the three available plans, more than 99 percent of the children are enrolled with either BCBSM (47.76 percent) or Delta Dental Plan (51.35 percent).

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Adult Benefits Waiver (ABW)

As of the middle of July 2010, DCH reports there were **44,113 ABW beneficiaries enrolled** in the program, a **decrease of 2,038** since the middle of June. The decrease in enrollment is in part the result of reviews by Department of Human Services (DHS) staff of the current eligibility status of individuals enrolled during the last open enrollment period, which ended in May 2009.

Eligibility redetermination reviews must be conducted annually. For the current fiscal year to date (October 2009 through July 2010) average monthly ABW enrollment is in excess of 63,000 individuals.

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of July 1, 2010, the combined ABW **enrollment in the 28 CHPs was 40,221**, a **decrease of 559** since June. Most of the decline in ABW enrollment in July occurred in counties not served by a CHP.

For more information, contact [Eileen Ellis](#), Managing Principal, at (517) 482-9236.

DCH Budget

There has been little action on the DCH budget for Fiscal Year (FY) 2010-2011 during the last month.

Both the Michigan Senate and the House of Representatives have appointed members to serve on the Conference Committee that will attempt to resolve differences between the budget packages passed by the two chambers. However, as reported in more detail in the June edition of *The Michigan Update*, resolution of the DCH budget as well as most other Michigan general fund budgets for FY 2010-2011 awaits a decision by Congress regarding extension of the enhanced federal matching funds approved under the economic stimulus legislation. If an extension is not approved, Michigan will lose as much as \$600 million in federal funding during the next fiscal year. Such a loss would require significant adjustments in the state's general fund budgets for next year. Republicans in the Senate have recently indicated they will develop a proposal to address the anticipated loss in federal funds; it is expected that the proposal will not include means to increase revenue but instead be focused on reductions to general fund budgets. Governor Jennifer Granholm has indicated that she will propose revenue increases if the enhanced federal Medicaid funding is not extended.

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Michigan High Risk Pool Program

In the June 2010 edition of *The Michigan Update* we reported that the State had recently released a Request for Proposals for administration of a temporary High Risk Pool Program. Insurance Commissioner Ken Ross has announced that the Office of Financial and Insurance Regulation (OFIR) will award contracts to Physicians Health Plan of Mid-Michigan and Priority Health to serve as the contractor(s) for the High Risk Pool Program. Bids to serve as contractors were submitted on a county-by-county basis. At press time it was unclear how the counties will be divided between the two plans.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

2010 Kids Count Data Book

The Annie E. Casey Foundation released the *2010 Kids Count Data Book* on July 27, 2010. The data book for 2010 ranks all 50 states based on ten key indicators of child well being using data from 2007 and 2008. Michigan ranks 30th nationwide in meeting children's needs, a drop of three spots since 2009.

The indicators measure the percentage of low birth weight babies, infant mortality, child deaths, teen deaths and teen births. They also measure the percentage of teens dropping out of high school and the percentage of teens that drop out of school but are not working. There are also poverty indicators that measure the percentage of children living in families where no parent has full-time employment and those living in single-parent households.

The Michigan data indicates a mix of improvements and declines. Indicators related to teen deaths and teens in school or working showed continuing improvement. Michigan's infant mortality rate decreased between 2000 and 2007 but the percentage of babies with low birth weight increased. The percentage of pregnant women with less than adequate prenatal care rose from 21.9 percent in 2006 to 22.5 percent in 2007. The percentage of children living in poverty increased from 15 percent in 2003 to more than 19 percent in 2007, and the percentage of children living in families where neither parent had full-time, year-round employment (and potentially no health insurance) also increased in 2007.

The data book (data center) is available on the Foundation's web site at: <http://datacenter.kidscount.org>. National, state-specific and state comparison data are available.

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Medicaid Policies

DCH has issued five final policies and four proposed policies that merit mention. Two of the proposed policies were issued simultaneously with a final policy. The policies are available on DCH's web site at http://www.michigan.gov/mdch/0,1607,7-132-2945_5100-87513--,00.html.

- **MSA 10-24** informs **Nursing Facilities and County Medical Care Facilities** of a revision in the **non-available bed plan policy** for facilities holding a written agreement with an accredited medical school instructing students in providing care for geriatric patients. Such facilities may request an exception to

published policy.

- **MSA 10-25** notifies **Hearing Centers and Audiologists** of **changes in standards of coverage and documentation** requirements for hearing aids for persons with **unilateral hearing loss**.
- **MSA 10-26** informs **Medicaid Health Plans** of **reporting requirements** associated with **outpatient drugs** dispensed to enrollees. This bulletin was **simultaneously issued for comment (1022-Pharm)**. Comments are due to DCH by July 30, 2010.
- **MSA 10-27** notifies Physicians, **Clinics and other Providers** of **eight procedure code changes effective July 1, 2010**.
- **MSA 10-28** informs **Hospitals** that **inpatient payment reductions totaling \$45,872,360** will be initiated for the current fiscal year. The reductions, required by State law and executive orders of the Governor issued in 2001, 2002 and 2005, will be made through **gross adjustment beginning in August**. The bulletin lists the reduction amount for each hospital. This bulletin was **simultaneously issued for comment (1025-EO)**. Comments are due to DCH by August 13, 2010.
- A proposed policy (**1018-Ambulance**) has been issued that would **change claim submission requirements** for **multiple transports** of a beneficiary on the **same date of service**. Comments are due to DCH by August 7, 2010.
- A proposed policy (**1021-PDN**) has been issued that would require **Private Duty Nursing** providers to bill for **services in one-hour increments** for compliance with common coding convention. Comments are due to DCH by August 14, 2010.

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