

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of January 1, 2011, there were **1,223,264 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), an **increase of 789** since December 1, 2010. The number of Medicaid beneficiaries eligible for managed care enrollment also increased in January - there were 1,286,459 eligible beneficiaries, up from 1,285,660 in December. The number of beneficiaries eligible but not yet enrolled in a contracted health plan, not counting exemptions, was 51,580.

As the [enrollment reports](#) for January reflect, every county in the state is served by at least one Medicaid Health Plan. Please note on the enrollment reports that Great Lakes Health Plan has changed its name to UnitedHealthcare Great Lakes Health Plan.

Fee-for-service care is an option in four counties. Three of the four counties - Barry, Charlevoix and Cheboygan - 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. 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.

MIChild

According to MAXIMUS, the Michigan Department of

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Sacramento, California
Tallahassee, Florida
Washington, DC

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Community Health (DCH) contractor for MIChild enrollment, there were **33,072 children enrolled** in the MIChild program as of January 1, 2011. This is an **increase of 490** since December 2010.

As the [enrollment report](#) for January shows, enrollment is dispersed between nine plans, with more than 83 percent of the children enrolled with Blue Cross Blue Shield of Michigan (BCBSM).

MIChild-enrolled children receive their dental care through contracted dental plans. Of the three available plans, more than 97 percent of the children are enrolled with either BCBSM (46.92 percent) or Delta Dental Plan (50.37 percent).

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

Adult Benefits Waiver (ABW)

As of the middle of January 2011, DCH reports there were **94,273 ABW beneficiaries enrolled** in the program, an **increase of 3,113** since the middle of December and an increase of 52,868 - about 128 percent - since September 2010.

DCH announced in mid-September 2010 that there would be an **open enrollment period for the ABW program** from October 1 through November 30, 2010. This was the first open enrollment period for the program since early 2009 and is responsible for the marked increase in enrollment since October. Enrollment growth in January was considerably lower than in December and likely indicates that the vast majority of applications filed during the open enrollment period have now been processed by staff in the Department of Human Services (DHS).

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of January 1, 2011, the combined ABW **enrollment in the 28 CHPs was 79,979**, an **increase of 16,331** since December and an increase of 42,102 since September 2010. CHP enrollment has more than doubled as a result of the open enrollment period and may grow slightly through February 2011 as new ABW beneficiaries are assigned to CHPs in the 73 counties served by CHPs.

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

Michigan Government Changes

Governor Rick Snyder continues to announce members of his new administration, some of whom will be of keen interest to members of the healthcare community.

In last month's edition of *The Michigan Update*, we announced several appointments. Since that publication, Governor Snyder announced that Supreme Court **Justice Maura Corrigan** would step down from the Court to become Director of the Department of Human Services (DHS). Ms. Corrigan had been the Supreme Court's liaison for child support and child welfare for ten years.

Governor Snyder also clarified that **John Nixon**, the new State Budget Director, will serve as Director of the Department of Technology, Management and Budget (DTMB) as well. Whether this signals a consolidation of the two areas into a single department is unknown.

As Governor Snyder continues to round out his Cabinet, his **government business model organizational structure** is becoming clearer. He has indicated that his department directors will be grouped based on common issues to permit closer working relationships. He has said that one individual within the group will be designated the group leader with a more direct reporting relationship to him. Thus far, he has identified the **"Public Safety"** group, comprised of the Departments of Corrections, State Policy and Military and Veterans Affairs, and has indicated that the group leader will be his Deputy Chief of Staff, Jeff Barnes. The **"Quality of Life"** group, comprised of the Departments of Agriculture and Rural Development, Environmental Quality (DEQ) and Natural Resources, will be led by Dan Wyant, the DEQ director. A third group, the **"Health and Education"** group, comprised of the Departments of Community Health, Human Services, Education and Civil Rights, will be led by Maura Corrigan, the DHS director. The **"Economic Growth"** group, comprised of the Michigan Economic Development Corporation (MEDC), the Michigan State Housing Development Authority (MSHDA) and the Department of Transportation, will be led by Michael Finney, the President and Chief Executive Officer of the MEDC.

In his State of the State address on January 19, 2011, Governor Snyder indicated that his executive organizational structure will align with the Five Key Areas for which measures will be included on the new Michigan Dashboard ... www.michigan.gov/MiDashboard. This would imply a fifth group would be labeled **"Value for Government"**; however its members have not yet been publicly announced. Governor Snyder also indicated during his speech that he planned to give special messages to the Legislature in March on government reform and in April on

education reform and that draft bills to support these proposed reforms would be provided immediately thereafter.

Governor Snyder did not dwell on health care in his State of the State message but did indicate that improving access to and the quality and cost of care, with an emphasis on wellness and preventive care, is one of the key areas his administration will address. An outline of the Governor's State of the State address is available at:

www.michigan.gov/documents/snyder/StateoftheStateoutline_343389_7.pdf.

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State Budget

Governor Snyder has indicated a desire to move to biennial state budgets. He is expected to release his Executive Budget Recommendation on February 17, 2011 for both Fiscal Year (FY) 2011-2012 and FY 2012-2013. He has said that he hopes the Legislature will finish its deliberations over both budgets by the end of May 2011, considerably earlier than in past years.

While state revenues are improving, a significant budget deficit exists for the upcoming fiscal year. At the Revenue Estimating Conference held January 14, 2011, the three conference members - House Fiscal Agency Director Mitch Bean, Senate Fiscal Agency Director Ellen Jeffries and State Treasurer Andy Dillon - estimated the deficit will range from \$1.1 billion to \$2 billion. The range in part depends on the resolution of a Medicaid issue. DCH is in discussion with the federal government regarding the appropriateness of \$220 million in federal Medicaid payments for persons in state institutions dating back several years.

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

Unemployment Rate Continues to Drop

For the first time in more than 20 months, the seasonally adjusted unemployment rate in Michigan was below 12 percent in December 2010. At 11.7 percent, down from 12.4 percent in November, Michigan has thankfully lost its place as the state with the highest or second highest unemployment rate in the country and now ranks number four. Nevada holds the top spot at 14.5 percent. Michigan was one of 15 states and the District of Columbia to see the

unemployment rate drop in December while 20 states saw increases in their rates.

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House Committee Assignments

In last month's edition of *The Michigan Update* we announced the State Senate's key committee chair selections for the new term. Committee assignments within the House of Representatives were announced on January 12, 2011 by House Majority Leader and Speaker James "Jase" Bolger (R - Marshall).

As noted in the previous edition, the Chair of the House Appropriations Committee will be **Representative Chuck Moss** (R - Birmingham). Other appointments of interest to the healthcare community include:

- **Representative Matt Lori** (R - Constantine) will serve as Chair of the Community Health Appropriations Subcommittee. Other members of this committee include Peter MacGregor (R - Rockford) as Majority Vice Chair, David Agema (R - Grandville), Robert Genetski (R - Saugatuck), Rashida Tlaib (D - Detroit) as Minority Vice Chair and Joan Bauer (D - Lansing).
- **Representative David Agema** (R - Grandville) will serve as Chair of the Human Services Appropriations Subcommittee.
- **Representative Gail Haines** (R - Waterford) will serve as Chair of the Health Policy Committee.
- **Representative Kenneth Kurtz** (R - Coldwater) will serve as Chair of the Families, Children and Seniors Committee.
- **Representative Pete Lund** (R - Shelby Township) will serve as Chair of the Insurance Committee.

A complete list of the members for all Committees in the House of Representatives is available at: house.michigan.gov/standing_committees.pdf. A similar list, for Senate Committees, is available at: www.senate.michigan.gov/committee/committeeinfo.htm.

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Medicaid Policies

DCH has issued two final policies and four proposed policies that merit mention. One of the proposed policies was released simultaneously with the final policy. The policies are available for review on DCH's web site at www.michigan.gov/mdch/0,1607,7-132-2945_5100-87513--00.html.

- **MSA 11-01** advises **Hospice Providers, Medicaid and MIChild Health Plans and Others** that as required by federal law **children receiving hospice services are entitled to concurrently receive curative treatment** of their terminal illness. This bulletin was **simultaneously issued for comment (1058-Hospice)**. Comments are due to DCH by January 30, 2011.
- **MSA 11-02** advises **Family Planning** Clinics of **additional billing codes** available for laboratory services.
- A proposed policy (**1053-LHD**) has been issued that would require **Local Health Departments to bill Medicaid Health Plans for member immunizations** rather than billing DCH. Comments are due to DCH by February 9, 2011.
- A proposed policy (**1057-SBS**) has been issued that would increase the number of **random moments** reported for **Personal Care Services** provided in the **School Based Services** setting to assure statistical validity. Comments are due to DCH by February 9, 2011.
- A proposed policy (**1103-CCI**) has been issued that would implement **Medicaid National Correct Coding Initiative (NCCI) edits** into the Community Health Automated Medicaid Processing System (CHAMPS) as required by federal law. Comments are due to DCH by February 23, 2011.

DCH also released an L-letter (**L 11-01**) in January that may be of interest to providers who serve children eligible under the Children's Special Health Care Services (**CSHCS**) program. The letter reminds providers that, for CSHCS-eligible children not also eligible for Medicaid, the program will only pay for the medically necessary services related to the child's qualifying diagnosis and that **all services must be rendered or ordered by a provider authorized by the CSHCS program to serve the child**. The L-letter is available at the same site as the policy bulletins.

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