

The Michigan Update

[Print This Issue](#)

In This Issue

[Medicaid Managed Care Enrollment Activity](#)

[CSHCS Children in Medicaid HMOs](#)

[Duals in Medicaid HMOs](#)

[McLaren to Purchase CareSource](#)

[Integrated Care for Dual Eligibles](#)

[MICHild](#)

[Adult Benefits Waiver](#)

[Michigan Budget - Current Year](#)

[Michigan Budget - Next](#)

Medicaid Managed Care Enrollment Activity

As of April 1, 2012, there were **1,234,814 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), an **increase of 5,015** since March 1, 2012. The number of Medicaid beneficiaries eligible for managed care enrollment increased in April as well - there were 1,293,173 eligible beneficiaries, up from 1,290,444 in March. There was also an increase in the number of Medicaid beneficiaries dually eligible for Medicare ("duals") enrolled in Medicaid HMOs to receive their Medicaid benefits - there were **19,704 duals enrolled in April, up from 18,565 in March**, an increase of 1,139.

As the enrollment reports ([.pdf](#)) ([.xls](#)) for April reflect, every county in the state is served by at least one Medicaid Health Plan. The reports also reflect a name change for one of the health plans. **BlueCaid of Michigan is now called Blue Cross Complete of Michigan** and, according to an article in the Detroit Free Press on April 19, 2012, this health plan has announced receipt of approval from the State to expand its Wayne County service area for Medicaid from selected ZIP codes to the entire county.

Auto-assignment of beneficiaries into Medicaid Health Plans is now in place in every county of the state. Fee-for-service care is an option in only one county - Barry - which is also the only remaining "Preferred Option" county. Beneficiaries in Barry County who do not specifically choose the fee-for-service option are auto-assigned to a contracted health plan but may return to fee-for-service at any time. 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.

CSHCS Children in Medicaid HMOs

<p>Year</p> <p>Audit of DCH Rate Setting for Long-Term Care</p> <p>Michigan Critical Health Indicators</p> <p>Healthiest Counties in Michigan</p> <p>Tobacco Quit Line</p> <p>Community Health Centers</p> <p>Welfare Cuts</p> <p>ORR Recommends Deregulation of Selected Occupations</p>	<p>There are approximately 20,000 children (and a few adults) participating in the Children's Special Health Care Services (CSHCS) program who also have Medicaid coverage. These children are currently excluded from enrollment in Medicaid HMOs and receive their health care on a fee-for-service basis. This is about to change.</p> <p>Language included in the DCH appropriation measure for the current fiscal year requires the department to develop an appropriate means to enroll the children in Medicaid HMOs. DCH is also required to identify and implement methods to assure continuity of care and ongoing relationships with providers, especially physician specialists since these children have complex medical conditions.</p> <p>DCH has been working with the Medicaid HMOs, providers that serve these children and other stakeholders to develop a structure to enroll the children in the health plans. Medicaid HMOs interested in enrolling these children will need to meet a set of core competencies determined by DCH. Selected services are expected to be carved out of the HMO benefits and rates, e.g., hemophilia factor and orphan drugs, as well as care coordination provided through staff in local health departments, visits at Children's Multidisciplinary Clinics, orthodontia for specific diagnoses, respite care and certain over-the-counter pharmaceuticals. These services will still be provided on a fee-for-service basis.</p> <p>DCH hopes to complete the required HMO readiness reviews and system changes and receive federal approval of an amendment to the Section 1915(b) federal waiver for the Medicaid managed care program by early fall 2012. Enrollment is targeted for late fall 2012.</p>
<p>CMH Professionals Must Report Child Abuse</p>	<p>For more information, contact Esther Reagan, Senior Consultant, at (517) 482-9236.</p>
<p>Medicaid Policies</p>	<p>Duals in Medicaid HMOs</p> <p>The number of Medicaid beneficiaries dually eligible for Medicare (duals) who were enrolled in Medicaid HMOs through auto-assignment in April was 11,139; the number of duals enrolled on a voluntary basis was 8,565. All Medicaid HMOs have duals enrolled although the numbers vary dramatically across plans.</p>
<p>Quick Links</p>	
<p>About Us</p>	
<p>Expertise</p>	<p>A Medicaid HMO member who gains Medicare coverage and remains in the HMO is categorized as auto-assigned or voluntarily enrolled based on the means through which the member was <i>initially</i> enrolled in the HMO. Duals enrolled in a Medicare Special Needs Plan (SNP) for their Medicare benefits but receiving Medicaid on a fee-for-service basis are auto-assigned to the related Medicaid HMO if applicable. Any dual is able to "opt out" of the HMO and receive Medicaid benefits on a fee-for-service basis.</p>
<p>Services</p>	
<p>Contact Us</p>	
<p>Phone: 1-800-678-2299</p>	
<p>Email</p>	<p>As the table below reflects. Molina Healthcare of Michigan has the</p>

Locations:

Atlanta, Georgia
Austin, Texas
Boston,
Massachusetts
Chicago, Illinois
Columbus, Ohio
Denver, Colorado
Harrisburg,
Pennsylvania
Indianapolis,
Indiana
Lansing, Michigan
New York, New York
Bay Area, California
Sacramento,
California
Southern California
Tallahassee, Florida
Washington, DC

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most dual enrollees, about 36 percent of the total; UnitedHealthcare Community Plan has about 24 percent of the total; Meridian Health Plan of Michigan has almost 14 percent of the total (but the most voluntary enrollees); and the other 11 plans share the remaining 26 percent.

April 2012 Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
BlueCaid of MI	133	44	177
CareSource MI	220	336	556
HealthPlus Partners	419	101	520
McLaren Health Plan	688	88	776
Meridian Health Plan of MI	2,199	464	2,663
Midwest Health Plan	491	493	984
Molina Healthcare of MI	1,290	5,777	7,067
OmniCare Health Plan	262	60	322
PHP Mid-MI Family Care	116	23	139
Priority Health Govt. Programs	493	434	927
Pro Care Health Plan	11	15	26
Total Health Care	327	99	426
UnitedHealthcare Comm. Plan	1,682	3,036	4,718
Upper Peninsula Health Plan	234	169	403
Total	8,565	11,139	19,704

Six of the 14 Medicaid HMOs in Michigan are also federally contracted as Medicare Advantage SNPs to provide *Medicare* benefits for duals: CareSource, Meridian, Midwest, Molina, UnitedHealthcare and Upper Peninsula Health Plan. As of April 1, 2012 these six SNPs have a combined enrollment of 12,654 duals for whom they provide Medicare services; 59 percent of the duals enrolled in SNPs for Medicare services are enrolled in the Molina plan, 29 percent are enrolled in the UnitedHealthcare plan and the remaining 12 percent are spread across the other four plans.

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

McLaren to Purchase CareSource

On April 18, 2012, McLaren Health Plan announced an agreement to purchase CareSource Michigan. If approved by the state's Office of Financial and Insurance Regulation (OFIR), McLaren's Medicaid service area will expand from its current 30 counties to a total of 53. CareSource serves Medicaid beneficiaries in 31 counties but the two plans overlap in eight counties. McLaren's CEO noted that this acquisition is "strategically significant." It positions the health plan well for the Medicaid caseload growth expected in 2014 and gives the

plan a needed presence in the duals market. (As noted above, CareSource is also a Medicare Advantage SNP that provides Medicare benefits for duals in 12 counties, seven of which are also part of the CareSource service area for Medicaid.)

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

Integrated Care for Dual Eligibles

On April 26, 2012, DCH submitted its proposal to the Centers for Medicare & Medicaid Services (CMS) for an integrated care program to serve duals. The proposal is only minimally different from the version shared for public comment by DCH in March. The proposal is expected to be published by CMS for public comment in early May. DCH also sent a notice to Medicaid HMOs via their state association on April 26, recommending that they "not attempt to submit an application to CMS by May 24 to participate in Michigan's integrated care demonstration."

The following is the text of the message sent:

"DCH is aware of the challenges Michigan's health plans are facing in submitting Capitated Financial Alignment Demonstration Applications to CMS by May 24, 2012. As we have reviewed the process that CMS is requiring interested organizations to follow in order to participate in their plan selection process for the integrated care demonstration, we realize that these plans have insufficient information regarding details of the Medicaid component, including specificity on benefits and the proposed regional configuration, to be able to describe a complete model of integrated care. In addition, it is possible that CMS will not fully agree to every aspect of the plan that Michigan has just submitted.

What is clear is that Michigan will not be implementing the integrated care initiative on January 1, 2013. Following submission of its proposal, the state will be negotiating with CMS for flexibility in the timeline that would apply to Michigan plans. We hope to implement this initiative in the middle of 2013 and, to meet this implementation goal, will seek an alternative schedule specific to Michigan that would allow interested organizations to submit their demonstration applications to CMS in late 2012. If Michigan is unable to negotiate a modified schedule for CMS certification that would apply to all management entities intending to participate as a demonstration plan, implementation will be deferred to January 1, 2014.

Given these facts, we are recommending that interested organizations not attempt to submit an application to CMS by May 24 to participate in Michigan's integrated care demonstration. However, we acknowledge that plans will need to make their own determination as to whether or not to continue with the application process in accordance with federal guidance based on their own business needs.

We will continue to inform interested organizations as additional guidance is received from CMS with regard to this matter."

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

MICHild

According to MAXIMUS, the DCH contractor for MICHild enrollment, there were **38,427 children enrolled** in the MICHild program as of April 1, 2012. This is an **increase of 1,016** since March 1, 2012.

As the enrollment report ([.pdf](#)) ([.xls](#)) for April shows, enrollment is dispersed between 10 plans, with almost 77 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 95 percent of the children are enrolled with either BCBSM (48.1 percent) or Delta Dental Plan (47.4 percent).

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

Adult Benefits Waiver (ABW)

As of the middle of April 2012, DCH reports there were **41,283 ABW beneficiaries enrolled** in the program, a **decrease of 1,913** since the middle of March. Enrollment in the program one year ago this month, shortly after the most recent open enrollment period ended, stood at 86,856.

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of April 1, 2012, the combined ABW **enrollment in the 28 CHPs was 37,437, a decrease of 1,819** since March. The enrollment level one year ago this month stood at 78,475.

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

Michigan Budget - Current Year

In last month's edition of *The Michigan Update* we reported on House Bill (HB) 4289, a supplemental appropriation being considered by the Legislature with additional current year funding for multiple departments, including DCH. In early April the legislatively-approved bill was presented to Governor Rick Snyder. On April 12, 2012, he approved the bill but with one veto. He vetoed language that would distribute any surplus Disproportionate Share Hospital (DSH) capacity in the current fiscal year to hospitals that receive a smaller share of

the existing \$45 million pool of state-supported DSH funds. Supplemental funding was approved for DCH to restore chiropractic benefits for adults on Medicaid and to provide additional funding for Graduate Medical Education.

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

Michigan Budget - Next Year

Also in last month's edition of *The Michigan Update* we reported on the Legislature's actions on a DCH budget bill SB 950 and HB 5365 for fiscal year 2012-2013. On April 24, 2012, the Senate approved its proposed appropriation with approval by the House the following day. Neither version changed appreciably from what we reported last month, and they differ in a number of areas. A Joint Conference Committee will be appointed to resolve differences. Action is not likely until after the results of the Consensus Revenue Estimating Conference are available in mid-May.

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

Audit of DCH Rate Setting for Long-Term Care

The Michigan Auditor General issued a report this month admonishing DCH to tighten its review and rate setting systems for Medicaid long-term care facilities. There are about 440 nursing facilities housing Medicaid beneficiaries in Michigan, and DCH is required to review and set per diem rates for all of them annually. The audit looked at the process in place between October 2008 and April 2011 and said DCH needs to improve its document maintenance procedures and the timeliness within which cost settlements are completed. DCH agreed with most findings but noted that a reduction in staffing levels during this time period affected performance. The Performance Audit report is available at: <http://audgen.michigan.gov>.

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

Michigan Critical Health Indicators

On April 4, 2011, DCH released the *2011 Michigan Critical Health Indicators* report, describing the health and well-being of the state's residents and establishing a method for monitoring improvement. The report is organized by four health topics - Health Outcomes, Health-Related Behaviors, Health Systems and Socioeconomic Factors - and a combined 28 related measures or indicators.

The report examines each of the 28 measures and indicators, providing up to 10 years of data for trending purposes. According to the report summary - "Factors and indicators which contribute to improved health are moving in the correct direction, including pediatric immunizations, cholesterol testing, nutrition, and physical activity. High school and college graduation rates increased and the jobless rate decreased. The mortality rate of cancer decreased. The broader indicator of life expectancy also moved in the right direction." The report notes that there is an increasing demand for public health services and provides information on a number of state initiatives designed to support better health. The complete report is available on the DCH web site at: www.michigan.gov/mdch/0,4612,7-132-2944_5327_47055---,00.html

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

Healthiest Counties in Michigan

A recent study reports Leelanau County as Michigan's healthiest county, followed by Ottawa, Clinton, Livingston and Washtenaw Counties. The report also shows Ontonagon County as least healthy, with Wayne County just above it.

The study - *County Health Rankings & Roadmaps* - ranks the health of nearly every county in the nation on a variety of measures affecting health, such as the rate of people dying before age 75, high school graduation rates, access to healthier foods, air pollution levels, income and rates of smoking, obesity and teen births. The study is a collaboration between the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute. Charts for each county in Michigan are available through an interactive map at this site: www.countyhealthrankings.org. The site also provides a link to the Roadmaps to Health Action Center with tools to help individuals and organizations create a healthier environment.

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

Tobacco Quit Line

DCH reports that calls to its Tobacco Quit Line - 1-800-QUIT-NOW - have increased by 200 percent since a new campaign called "Tips from Former Smokers" was launched in mid-March by the Centers for Disease Control and Prevention. Anyone covered by Medicaid or Medicare or who is a veteran or uninsured can use a free series of coaching calls available through the Quit Line and may also qualify for free products such as nicotine replacement therapy.

For more information, contact [Esther Reagan](#), Senior Consultant, at

(517) 482-9236.

Community Health Centers

In a news story released April 17, 2012, the Kaiser Health News reported results of an analysis of 2010 data maintained by the federal Health Resources and Services Administration (HRSA) on care rendered by the nearly 1,200 community health centers in the nation for primarily low-income persons. According to that analysis many health centers fall short on key measures such as vaccinating children and helping diabetics control their blood sugar.

There were 29 Michigan health centers ranked in the analysis on the cited measures - diabetes control, timely prenatal care, hypertension control, low birth weight, childhood immunizations and cervical cancer screening. The vast majority of Michigan's health centers ranked above national averages on hypertension control and childhood immunizations; about 2/3 of the centers ranked well on providing timely prenatal care and a little more than half ranked better than the norm on the percentage of low birth weight babies. Only one health center ranked above the national average on diabetes control and only eight scored better than the norm on cervical cancer screening.

Information about this analysis is available at

www.kaiserhealthnews.org/Stories/2012/April/18/community-health-centers-under-pressure.aspx and the Michigan table is available at www.kaiserhealthnews.org/Stories/2012/April/18/community-health-center-chart.aspx?utm_source=khn&utm_medium=internal&utm_campaign=viewed.

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

Welfare Cuts

In last month's edition of *The Michigan Update* we reported that a Genesee County Circuit Court Judge ruled Department of Human Services (DHS) Director Maura Corrigan exceeded her authority by ending cash assistance benefits for many Michigan families last fall. In addition to appealing the lower court decision to the Court of Appeals, DHS requested a stay of the order pending resolution of the appeal, which was denied. A subsequent request to the State Supreme Court for a stay of the order was also denied. With no stay, DHS is developing a letter to send to the affected families offering them an opportunity to reapply for benefits. According to a DHS spokesperson, if the Court ultimately decides in the State's favor, any families that reapply and receive benefits while the appeal is pending may be required to refund amounts received.

For more information, contact [Esther Reagan](#), Senior Consultant, at

(517) 482-9236.

ORR Recommends Deregulation of Selected Occupations

The Office of Regulatory Reinvention (ORR) in the Michigan Department of Licensing and Regulatory Affairs has issued a report recommending deregulation of 18 occupations and elimination of nine occupational boards. Included on the list are six health-related professions: acupuncturists, dieticians, nutritionists, ocularists, respiratory care and speech pathologists. Action by the state Legislature is required to implement the recommendations, and it is anticipated that opposition will be raised regarding some of the cited occupations.

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

CMH Professionals Must Report Child Abuse

Attorney General Bill Schuette released Opinion No. 7264 on April 24, 2012 that requires health professionals working in a Community Mental Health setting to report suspected cases of child abuse. The Opinion also ruled that choking a child could be considered child abuse. Mr. Schuette stated that while the Mental Health Code generally exempts health or social work professionals from revealing details about a client, there is still a duty to report suspected child abuse. The Opinion is available on the Attorney General's web site at www.ag.state.mi.us/opinion/datafiles/2010s/op10343.htm.

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

Medicaid Policies

DCH has issued three final and six proposed policies that merit mention. The policies are available for review on [DCH's web site](#).

- **MSA 12-09** advises **Bridges Eligibility Manual Holders** of additional terms in the manual's glossary related to **Medicaid eligibility and divestment penalties**.
- **MSA 12-10** notifies **Bridges Administrative Manual Holders** of new policy in the Third Party Liability section of the manual related to **Estate Recovery hardship criteria**.
- **MSA 12-11** advises **Prepaid Inpatient Health Plans** of revisions to the **Mental Health/Substance Abuse** chapter of the **Medicaid Provider Manual** related to **approved pharmacological supports**.
- A proposed policy (**1205-Dental**) has been issued that would

make a **new (different) online training course** available for health **professionals applying fluoride varnish**. Comments are due to DCH by May 7, 2012.

- A proposed policy (**1209-MHSA**) has been issued that would establish **standards and the process for enrollment of Wraparound Programs** rendering **mental health** services for certain Medicaid **children**. Comments are due to DCH by May 18, 2012.
- A proposed policy (**1210-HIP**) has been issued that would establish a new **condition of participation** for the Children's Special Health Care Services (**CSHCS**) program. Individuals **age 18 or older with hemophilia or cystic fibrosis** as their qualifying condition and with no other insurance, including Medicaid or Medicare, would be required to **enroll in the state's Health Insurance Program (HIP)**. Comments are due to DCH by May 21, 2012.
- A proposed policy (**1212-NF**) has been issued to clarify Medicaid policy for the **reconciliation of Quality Assurance Supplement** payments for **nursing facilities**. Comments are due to DCH by May 21, 2012.
- A proposed policy (**1213-Hospice**) has been issued that would increase the number and type of **practitioners allowed to perform hospice face-to-face encounters**. Comments are due to DCH by May 21, 2012.
- A proposed policy (**1216-Hospital**) has been issued that would **reduce inpatient hospital payments** to comply with Executive Orders issued in 2001, 2002 and 2005 and in the DCH appropriation measure for the current fiscal year. Comments are due to DCH by May 28, 2012.

DCH has also issued two L-letters which are available for review on the same web site.

- **L 12-15** was issued on April 25, 2012 as a notice of intent that DCH plans to submit a State Plan Amendment to change the review process and applicability of hardship waivers granted under the **Estate Recovery** program. (DCH also released a bulletin on this issue; see MSA 12-10 above.)
- **L 12-17** was issued on April 20, 2012 as a notice of intent that DCH plans to submit a State Plan Amendment to **reinstate chiropractic services** for adults effective June 1, 2012. Funding to do so was included in the supplemental appropriation signed by Governor Snyder. (See the "Michigan Budget - Current Year" article in this edition of the newsletter.)

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

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