

The Michigan Update

[Print This Issue](#)

In This Issue

[Medicaid Managed Care Enrollment Activity](#)

[CSHCS Children in Medicaid HMOs](#)

[Duals in Medicaid HMOs](#)

[MIChild](#)

[Adult Benefits Waiver](#)

[Integrated Care for Dual Eligibles](#)

[Medicaid Expansion under ACA and the DCH Budget](#)

[Marketplace Navigator Grants](#)

[Standard Prescription Form](#)

[No-Fault Reform](#)

[Mental Health System Review](#)

[Administrative Rules](#)

Medicaid Managed Care Enrollment Activity

As of April 1, 2013, there were **1,240,995 Medicaid beneficiaries enrolled** in 13 Medicaid Health Plans (HMOs), **an increase of 4,468** since March 1, 2013. The number of Medicaid beneficiaries eligible for managed care enrollment decreased in April - there were 1,300,819 eligible beneficiaries, down from 1,302,103 in March.

The number of Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive their Medicaid benefits continues to grow - there were **35,533 duals enrolled** in April, up from 35,089 in March, an increase of 444. The number of Medicaid children dually eligible for the Children's Special Health Care Services (CSHCS) program enrolled in Medicaid HMOs also continues to grow - there were **17,662 CSHCS/Medicaid children enrolled** in April, up from 13,707 in March.

As the enrollment reports ([.pdf](#)) ([.xls](#)) reflect, every county in the state is served by at least one Medicaid Health Plan. Auto-assignment of beneficiaries into the HMOs is now in place in every county of the state and there are at least two HMOs serving every county in the Lower Peninsula. Beneficiaries in all 15 counties in the Upper Peninsula are auto-assigned through federal "Rural Exception" authority to the one HMO serving the counties, Upper Peninsula Health Plan.

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

CSHCS Children in Medicaid HMOs

In previous editions of *The Michigan Update* we reported on the Department of Community Health's (DCH) plan to

[Reduced Sequestration: No State Employee Layoffs](#)

[Medicaid Policies](#)

Quick Links

[About Us](#)
[Expertise](#)
[Services](#)

Contact Us

Phone:
1-800-678-2299

[Email](#)

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

[Join Our Mailing List!](#)

enroll children (and a few adults) receiving services from both the Children's Special Health Care Services (CSHCS) program and the Medicaid program in Medicaid Health Plans (HMOs). Enrollment began in October 2012, was phased in gradually over the last few months and is now essentially complete. As of April 1, 2013, there were **17,662 CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** to receive their Medicaid benefits, up from 13,707 on March 1, 2013. Of this total, 4,916 children were auto-assigned to an HMO and 12,746 - the vast majority - voluntarily enrolled. All Medicaid HMOs except Pro Care Health Plan have CSHCS/Medicaid enrollees although the numbers vary across plans.

As the table below reflects, Meridian Health Plan of Michigan, which has the largest Medicaid enrollment of any Medicaid HMO, also has the most CSHCS/Medicaid enrollees receiving their Medicaid services from an HMO, 26.8 percent of the total. Molina Healthcare of Michigan has 16.7 percent; United Healthcare Community Plan has 15.0 percent of the total; McLaren Health Plan has 10.3 percent; and the other eight plans share the remaining 31.2 percent.

April 2013 CSHCS/Medicaid Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	398	64	462
CoventryCares of MI	172	203	375
HealthPlus Partners	828	109	937
McLaren Health Plan	1,302	516	1,818
Meridian Health Plan of MI	3,221	1,519	4,740
Midwest Health Plan	867	341	1,208
Molina Healthcare of MI	2,185	759	2,944
PHP Mid-MI Family Care	175	46	221
Priority Health Govt. Programs	1,081	192	1,273
Pro Care Health Plan	0	0	0
Total Health Care	351	230	581
UnitedHealthcare Comm. Plan	1,967	691	2,658
Upper Peninsula Health Plan	199	246	445
Total	12,746	4,916	17,662

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

Duals in Medicaid HMOs

As of April 1, 2013, there were **35,533 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** to receive their Medicaid services - an increase of 444 since March 1, 2013. The

number of duals enrolled through auto-assignment as of April 1, 2013 was 16,045, and the number of duals enrolled on a voluntary basis was 19,488. All Medicaid HMOs have duals enrolled although the numbers vary dramatically across plans.

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 **initially** 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.

As the table below reflects, Molina Healthcare of Michigan has the most duals receiving their Medicaid services from an HMO, 29.0 percent of the total; UnitedHealthcare Community Plan has 23.2 percent of the total; Meridian Health Plan of Michigan has 15.4 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 32.4 percent.

April 2013 Medicaid Dual Eligible Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	470	321	791
CoventryCares of MI	574	134	708
HealthPlus Partners	939	232	1,171
McLaren Health Plan	1,971	802	2,773
Meridian Health Plan of MI	4,457	1,023	5,480
Midwest Health Plan	1,201	756	1,957
Molina Healthcare of MI	3,019	7,268	10,287
PHP Mid-MI Family Care	258	48	306
Priority Health Govt. Programs	1,069	794	1,863
Pro Care Health Plan	20	32	52
Total Health Care	853	252	1,105
UnitedHealthcare Comm. Plan	4,102	4,151	8,253
Upper Peninsula Health Plan	555	232	787
Total	19,488	16,045	35,533

Eight of the 13 Medicaid HMOs in Michigan (or their parent organizations) are also federally contracted as Medicare Advantage Special Needs Plans (SNPs) to provide Medicare benefits for duals in Michigan: HealthPlus Partners, McLaren Health Plan, Meridian Health Plan of Michigan, Midwest Health Plan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan and Upper Peninsula Health Plan. HealthPlus Partners and Total Health Plan are new Dual-SNPs beginning in 2013. As of April 1, 2013 these eight Dual-SNPs have a combined

enrollment of 15,992 duals for whom they provide Medicare services; 57.4 percent of the duals that are enrolled in a Dual-SNP are enrolled in the Molina plan, 30.2 percent are enrolled in the UnitedHealthcare plan and the remaining 12.4 percent are spread across the other six plans. Not all of the duals enrolled in these Dual-SNPs are eligible to receive full Medicaid benefits. Some only receive assistance from the Medicaid program with Medicare coinsurance and deductible payments and/or monthly Medicare premiums.

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

MIChild

According to MAXIMUS, the DCH contractor for MIChild enrollment, there were **37,929 children enrolled** in the MIChild program as of April 1, 2013. This is an increase of 383 since March 1, 2013.

As the enrollment report ([.pdf](#)) ([.xls](#)) for April shows, enrollment is dispersed between 10 plans, with 75 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 (48.4 percent) or Delta Dental Plan (46.7 percent).

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

Adult Benefits Waiver (ABW)

As of the middle of April 2013, DCH reports there were **38,844 ABW beneficiaries enrolled** in the program, an **increase of 12,829** since the middle of March. The increase is attributed to an **open enrollment period** during the month of April, the first since October - November 2010. The ABW enrollment figure will continue to climb for a month or two as Department of Human Services' staff process applications received during April. There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of April 1, 2013, the combined ABW **enrollment in the 28 CHPs was 22,692**, a **decrease of 987** since March. The CHPs should begin to see enrollment growth by May 1, 2013.

For more information, contact [Fileen Filis](#), Managing

Principal, at (517) 482-9236.

Integrated Care for Dual Eligibles

In previous editions of *The Michigan Update*, most recently in January 2013, we have written about Michigan's plan to implement an integrated delivery system of health care for persons dually eligible for Medicare and Medicaid (duals) through contracts with Integrated Care Organizations (ICOs). In mid-January 2013, DCH announced that the agency was in the final stages of negotiation with the federal Centers for Medicare & Medicaid Services (CMS) on a Memorandum of Understanding (MOU) for a three-year demonstration to be implemented in four regions of the state - the entire Upper Peninsula, an eight-county region in southwest Michigan (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren Counties), and the single county regions of Macomb and Wayne Counties. As of the end of April, the MOU has yet to be finalized; however DCH staff still express optimism that approval will occur. Implementation by January 2014 is very unlikely at this point; a mid-2014 date is more likely.

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

Medicaid Expansion under ACA and the DCH Budget

As reported in previous editions of *The Michigan Update*, Governor Rick Snyder has endorsed a Medicaid expansion in Michigan, available through the Affordable Care Act (ACA) - the federal health care reform law. The legislature has yet to endorse the expansion and as a result the DCH appropriation for fiscal year 2013-2014 is in limbo. The House of Representatives passed its version of the budget bill for DCH without referencing the expansion and Senate Appropriations Committee Chair Roger Kahn has delayed action on the Senate's version of the budget bill to permit time for additional discussion. In addition to the Medicaid expansion issue, the two budget bills have other significant differences.

Issues of difference include funding for expansion of the Healthy Kids Dental program, the level of funding for hospitals for Graduate Medical Education, and funding for mental health and substance abuse services for veterans. Both chambers decreased funding for the Governor's recommended health and wellness initiatives but by different amounts. The Senate bill includes funding for autism research which was not recommended by the

Governor nor included in the House budget, but the Senate bill does not include language supporting fee increases recommended by the Governor regarding vital records, Certificate of Need and emergency services. Another issue that must be addressed is the shortfall associated with the Health Insurance Claims Assessment tax, estimated at more than \$130 million. The claims tax was designed to fill the funding gap left when the state discontinued an assessment on Medicaid Health Plans, which generated about \$400 million annually. If another source of funding is not identified there will be a need to reduce the DCH budget accordingly.

A joint revenue estimating conference involving both the executive and legislative branches is scheduled for mid-May. Any upward or downward revisions to estimates of Fiscal Year 2013-2014 revenues would also affect final appropriation decisions.

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

Marketplace Navigator Grants

On April 9, 2013 the Centers for Medicare & Medicaid Services (CMS) announced availability of new funding to support Navigators in federally-facilitated and state partnership marketplaces. Navigators are individuals and entities that will provide unbiased information to consumers about health insurance, the new Health Insurance Marketplace (this is CMS' new name for Health Insurance Exchanges), qualified health plans and public programs including Medicaid and the Children's Health Insurance Program (CHIP). The [CMS announcement](#) provides links to additional information and to the grant application.

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

Standard Prescription Form

In last month's edition of *The Michigan Update* we reported on legislation that would require development of a standardized form for prescribers to use in obtaining prior authorization of prescription drugs from insurers, including managed care organizations. Senate Bills 178 and 179 have now been passed and forwarded to Governor Rick Snyder for signature. Anticipating his approval, the next step will be establishment of a workgroup managed by the

Department of Insurance and Financial Services (DIFS) and including representatives from insurance companies, prescribers, pharmacists, hospitals, DCH and other stakeholders to develop the common form for use by 2015.

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

No-Fault Reform

On April 18, 2013, Governor Rick Snyder unveiled his plan to overhaul how the state regulates medical coverage for individuals catastrophically injured in automobile accidents, and on April 23rd Representative Pete Lund introduced House Bill 4612 designed to do so. The bill would reduce auto insurance rates by \$125 per vehicle and discontinue unlimited medical benefits through the Michigan Catastrophic Claims *Association*, instead establishing a new Michigan Catastrophic Claims *Corporation* that would cap medical coverage at \$1 million. In addition, the bill would restrict what hospitals and other providers could charge to what they receive from the Medicare and Medicaid programs for the same services and would place restrictions on attendant care for individuals, both relative to the number of hours per day and the payment rate. The bill was referred to the House Insurance Committee for review, a committee chaired by Representative Lund.

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

Mental Health System Review

In the February 2013 edition of The Michigan Update, we reported that Governor Rick Snyder had issued Executive Orders creating two new boards charged with recommending improvements to the state's mental health system. One of those boards, the Mental Health and Wellness Commission, a six-member advisory board to DCH chaired by Lieutenant Governor Brian Calley, held its first hearing on April 23, 2013. The Commission heard from witnesses who outlined problems with treatment and care for mentally ill individuals, who questioned whether the current decentralized mental health system is still appropriate or if additional state beds for individuals in need of longer care are necessary, and who emphasized the need for additional psychiatric and psychological practitioners to reduce the time it takes to initiate

treatment. The Commission's charge includes but is not limited to identifying ways to address gaps in the delivery of mental health services and proposing new service models to strengthen the entire delivery spectrum of mental health services throughout the state. A report of findings and recommendations is due in December 2013 and the commission will cease to exist by mid-2014.

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

Administrative Rules Reduced

In early April 2013, the Office of Regulatory Reinvention within the Department of Licensing and Regulatory Affairs (LARA) announced that it had achieved a milestone in reducing the number of administrative rules in the state. Since the office was created two years ago, more than 1,200 unnecessary rules have been eliminated. There are still a little more than 18,000 in place but the reduction is noteworthy.

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

Sequestration: No State Employee Layoffs

In last month's edition of *The Michigan Update* we reported that federal sequestration cuts to Michigan could mean state employee layoffs. The Office of State Employer had sent notices to state departments and agencies alerting them to this possibility. On April 15, 2013, Michigan's Budget Director John Nixon announced that the state's fiscal position is such that layoffs will not be required.

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

Medicaid Policies

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

- **MSA 13-10** notifies **Medical Equipment Suppliers, Practitioners and Medicaid Health Plans** that **wearable cardioverter-defibrillators are now covered** when medically necessary.
- **MSA 13-11** advises **Prepaid Inpatient Health Plans and Community Mental Health Services**

Programs of covered service and eligibility changes for the Waiver for Children with Serious Emotional Disturbances and the Children's Waiver Program.

- **MSA 13-12** notifies **Practitioners** that the agency is **rescinding Bulletin MSA 11-50**. This bulletin changed the **reimbursement methodology for certain injectable drugs** and was **effective January 1, 2012**.
- A proposed policy (**1301-HH**) has been issued that would require a **physician certifying** eligibility for initial **home health services** to provide **documentation of a face-to-face encounter** with the beneficiary. The proposed policy also provides documentation requirements. Comments were due to DCH by April 24, 2013.
- A proposed policy (**1310-NF**) has been issued that would **change the "look back" period** for any **nursing facility seeking to enroll in the Medicaid program or increase the number of Medicaid-certified beds**. The purpose of the look back is to assure the facility has no regulatory deficiencies impacting residents more than minimally. Comments are due to DCH by May 3, 2013.
- A proposed policy (**1311-GT**) has been issued that would provide **standards of coverage for genetic testing**. Comments are due to DCH by May 11, 2013.
- A proposed policy (**1312-Payments**) has been issued that would **simplify the payment process for interim payments made to participating hospitals**. Comments are due to DCH by May 21, 2013.
- A proposed policy (**1313-Dental**) has been issued that would change **coverage policy for endodontic treatment** and clarify policy regarding **new diagnostic and pre-diagnostic service codes**. Comments are due to DCH by May 21, 2013.

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

***[Health Management Associates](#)** is an independent national research and consulting firm specializing in complex health care program and policy issues. Founded in 1985, in Lansing, Michigan, Health Management Associates provides leadership, experience, and technical expertise to local, state, and federal governmental agencies,*

regional and national foundations, investors, multi-state health system organizations and single site health care providers, as well as employers and other purchasers in the public and private sectors.