

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of August 1, 2016, there were **1,692,375 Medicaid beneficiaries, including 486,822 HMP beneficiaries**, enrolled in the 11 Medicaid Health Plans (HMOs). This is an overall **decrease of 6,513** since July. The decrease is all associated with non-HMP enrollees such as parents and caregivers as well as the elderly and disabled. The MICHild portion of the non-HMP population showed an enrollment increase of 632 since July and the total HMP managed care enrollment increased by 1,885 since July.

As the enrollment reports ([pdf](#)) ([xls](#)) for August reflect, every county in the state is served by at least one Medicaid HMO. Auto-assignment of beneficiaries into the HMOs is available in every county, and in addition to the HMOs with smaller service areas, there are three HMOs – McLaren Health Plan, Meridian Health Plan of Michigan and Molina Healthcare of Michigan – authorized to serve all counties in the Lower Peninsula and a fourth – UnitedHealthcare Community Plan – authorized to serve all but three of the Lower Peninsula counties. 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.

The plans with the highest enrollment as of August 1, 2016 were Meridian Health Plan of Michigan (with 28.1 percent of the total), Molina Healthcare of Michigan (with 21.3 percent), United Healthcare Community Plan (with 14.9 percent), and McLaren Health Plan with 10.9 percent of the total.

MDHHS requires children (and a few adults) receiving services from both the Children’s Special Health Care Services (CSHCS) program and the Medicaid program to enroll in Medicaid HMOs. As of August 1, 2016, there were

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17,731 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs, a decrease of 190 since July. All Medicaid HMOs except Harbor Health Plan have CSHCS/Medicaid enrollees, although the numbers vary across plans. Meridian Health Plan of Michigan has the most CSHCS/Medicaid beneficiaries enrolled (26.3 percent of the total); Molina Healthcare of Michigan has 26.2 percent of the total (20 fewer enrollees than Meridian); UnitedHealthcare Community Plan has 15.9 percent; and McLaren Health Plan has 10.2 percent of the total.

There were **34,140 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** to receive acute care Medicaid benefits in August 2016, a decrease of 343 since July. All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. Molina Healthcare of Michigan has the most duals receiving Medicaid services from an HMO (28.9 percent of the total); Meridian Health Plan of Michigan has 25.0 percent of the total (but the most voluntary enrollees); and McLaren Health Plan has 15.4 percent of the total enrollees.

There were **32,438 MICHild beneficiaries enrolled in Medicaid HMOs** in August 2016, an increase of 632 since July. (Please note that there was an error in last month's edition of the newsletter. The total number of MICHild enrollees in July should have been shown as 31,806, up from 31,026 in June, from 30,967 in May and from 30,311 in April.) All Medicaid HMOs have MICHild beneficiaries enrolled, although the numbers vary dramatically across plans. Meridian Health Plan of Michigan has the most MICHild enrollees (22.7 percent of the total); Molina Healthcare of Michigan has 20.7 percent of the total; McLaren Health Plan has 13.9 percent; UnitedHealthcare Community Plan has 12.7 percent; and Priority Health Choice has 12.6 percent of the total enrollees (19 fewer enrollees than UnitedHealthcare).

For additional information, contact [Eileen Ellis](#), Senior Fellow, or [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

Healthy Michigan Plan

Healthy Michigan Plan (HMP) enrollment levels have continued to climb and, according to the Michigan Department of Health and Human Services (MDHHS) [website](#), stood at **614,012 as of August 29, 2016**. Although the HMP caseload drops by about 25,000 at the beginning of each month as a result of an annual eligibility redetermination requirement, it generally rebounds by the end of the month.

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

MI Health Link

In previous editions of *The Michigan Update* we have written about Michigan's implementation of an integrated health care delivery system for adults dually eligible for Medicare and Medicaid (duals). The demonstration, called MI Health Link, is approved to last for five years (through 2019) and operate in four regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state form another region (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren); and Wayne and Macomb Counties are two single-county regions. Medicaid and Medicare physical health care services are provided by HMOs that have contracts as Integrated Care Organizations (ICOs) to serve the duals.

As of **June 1, 2016**, due to a passive enrollment process implemented by the Michigan Department of Health and Human Services (MDHHS), there were **38,767 enrollees** in the ICOs. (Read more about this passive enrollment process in the June 2016 edition of *The Michigan Update*.) This is an increase of almost 8,000 enrollees from the May enrollment level of 30,813, but still below the 42,757 enrollees in September 2015 when the demonstration was initially implemented. Enrollment **dropped to 37,781 enrollees as of July 1, 2016 and to 37,087 as of August 1, 2016**, likely due to passive enrollees who were assigned to a health plan but chose to opt out from (not participate in) MI Health Link.

There are seven ICOs serving one or more of the demonstration regions. The table below provides enrollment information by region for each ICO and both for August 2016.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,450	767	2,798	7,015
AmeriHealth Michigan			775	2,708	3,483
MI Complete Health / Fidelis			354	1,709	2,063

HAP Midwest Health Plan			1,046	4,233	5,279
Meridian Health Plan of MI		5,323			5,323
Molina Healthcare of MI			1,665	8,276	9,941
Upper Peninsula Health Plan	3,983				3,983
Total	3,983	8,773	4,607	19,724	37,087

As of August 1st, Molina Healthcare of Michigan has the most enrollees, both voluntarily and passively enrolled (26.8 percent of the combined total); Aetna Better Health of Michigan has 18.9 percent of the total; Meridian Health Plan of Michigan has 14.4 percent; and HAP Midwest Health Plan has 14.2 percent. At this point, almost 94 percent of the MI Health Link enrollees are living at home, and about 5.6 percent of the enrollees live in a nursing facility. Less than one percent of the enrollees are receiving home and community-based long-term services and supports. While all of the plans have enrollees receiving care in nursing facilities, Molina Healthcare of Michigan has the largest share, 21.2 percent of the total. The Upper Peninsula Health Plan follows very closely with 20.9 percent of the total enrollees receiving care in nursing facilities (and only seven fewer enrollees receiving such care than Molina).

While the majority of MI Health Link enrollees are passively enrolled, almost 15 percent of them voluntarily joined the demonstration, and this percentage has more than doubled since September 2015. MDHHS reports that as of August 1st, more than 50,000 duals eligible for participation in the demonstration have chosen to opt out. These individuals receive their Medicaid benefits on a fee-for-service basis but retain the option to voluntarily enroll in the demonstration at a later time.

The MDHHS has established an [enrollment dashboard](#) on the MI Health Link page on its website. According to the MI Health Link website, more than half of the MI Health Link enrollees are individuals under the age of 65. These younger individuals qualified for Medicare and Medicaid based on a disability.

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

Michigan D-SNPs

Four of the 11 Medicaid HMOs in Michigan (or their parent organizations) are also federally contracted as D-SNPs (Medicare Advantage Special Needs Plans for persons dually eligible for Medicare and Medicaid [duals]) to provide Medicare benefits for duals in Michigan: HAP Midwest Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, and Upper Peninsula Health Plan. As of August 1, 2016 these four D-SNPs had a combined enrollment of **12,261 duals** for whom they provide Medicare services. Almost 83 percent of the duals enrolled in a D-SNP are enrolled in the Molina plan. None of these duals are participating in the MI Health Link demonstration.

Not all of the duals enrolled in these D-SNPs are eligible to receive full Medicaid benefits. Some only receive assistance from the Medicaid program with their Medicare coinsurance and deductible payments and/or monthly Medicare premiums.

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

Medicaid Program Integrity Education

The federal Centers for Medicare & Medicaid Services' [website](#) includes a number of interesting toolkits and fact sheets designed to educate providers, beneficiaries and other stakeholders in promoting best practices and awareness of Medicaid fraud, waste and abuse. Toolkits address such topics as drug diversion, program integrity around electronic health records, and safeguarding medical identity. E-bulletins address a variety of issues including provider enrollment, agreements, disclosures and corporate integrity as well as home and community based services and the role of brokers in the Medicaid program. Two E-alerts have recently been posted that focus on Medicaid Improper Payments and Prescription Drug Diversion.

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

MDHHS Issues RFP for Health Innovation Grants

On August 4, 2016, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that it had recently released a Request for Proposals for public, non-profit and private organizations interested in applying for Health Innovation Grants. Intended to support one-time projects to

improve the delivery of health services in Michigan, each grantee could receive as much as \$35,000. Applications are due to MDHHS on September 1, 2016.

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

MDHHS Issues RFP to Support Breastfeeding Initiatives

On August 26, 2016, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that it is issuing a Request for Proposals (RFP) to Michigan's birthing hospitals that have not yet achieved the Baby Friendly® USA designation. Successful applications in response to this RFP could result in up to four \$10,000 grant awards for the period from January through September 2017. The grant awards are intended to support birthing hospitals in developing or continuing breastfeeding initiatives.

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

MDHHS Receives \$1.2 Million HRSA Grant

On August 17, 2016, the Michigan Department of Health and Human Services [announced](#) that it had recently been awarded a \$1.2 million grant from the federal Health Resources and Services Administration for the state's Pediatric Epilepsy Project. The focus of the three-year grant is to improve access to health care, including specialized pediatric epilepsy services, for children with epilepsy in the state's rural and medically underserved areas.

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

HHS Awards \$53 Million to Address Opioid Epidemic

On August 31, 2016, the US Department of Health and Human Services [announced](#) \$53 million in funding to 44 states, four tribes and the District of Columbia to improve access to treatment for opioid use disorders.

The multi-year funding supports six different programs, three administered through the Substance Abuse and Mental Health Services Administration (SAMHSA) and three administered through the Centers for Disease Control and Prevention (CDC).

- Medication-Assisted Treatment Prescription Drug Opioid Addiction Grants – up to \$11 million across 11 states (SAMHSA)
- Prescription Drug Opioid Overdose Prevention Grants – up to \$11 million across 12 states (SAMHSA)
- Strategic Prevention Framework Partnerships for Prescription Drugs Grants – up to \$9 million across 21 states (including Michigan) and four tribes (SAMHSA)
- Prescription Drug Overdose: Prevention for States – up to \$11.5 million in supplemental funding across 14 states (CDC)
- Prescription Drug Overdose: Data-Driven Prevention Initiative - \$6 million across 13 states (including Michigan) and the District of Columbia (CDC)
- Enhanced State Surveillance of Opioid-Involved Morbidity and Mortality program – \$4.27 million across 12 states (CDC)

The funding announcement specifies which states received each program award.

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

Michigan Health Endowment Fund

On August 18, 2016, the Michigan Health Endowment Fund [announced](#) grant awards totaling \$3 million to 37 organizations across Michigan to support projects across the fund's eight focus areas: 1) infant mortality, 2) health services for foster and adopted children, 3) wellness and fitness programs, 4) access to healthy food, 5) behavioral health services, 6) technology enhancements, 7) health-related transportation services, and 8) foodborne illness prevention. Many of these awards are focused on addressing infant mortality and health services for foster and adopted children.

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

Connecting Kids to Coverage in Flint

On August 22, 2016, the Centers for Medicare & Medicaid Services [announced](#) in the Federal Register a single source emergency cooperative agreement funding opportunity available solely to the Greater Flint Health Coalition to reduce the number of children in Flint, Michigan who are eligible for Medicaid and CHIP but are not enrolled, and to improve retention of children enrolled. The funding

opportunity is for three years with a maximum funding amount of \$100,000 available each year.

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

CMS Request for Information

The Centers for Medicare & Medicaid Services (CMS) released a [Request for Information](#) on August 23, 2016 for public comment regarding concerns about health care providers and provider-affiliated organizations steering people eligible for or receiving Medicare and/or Medicaid benefits to an individual market plan for the purpose of obtaining higher payment rates. CMS said the agency is concerned about reports of this practice and is requesting comments on the frequency and impact of this issue from the public. CMS also said the agency believes this practice not only could raise overall health system costs, but could potentially be harmful to patient care and service coordination because of changes to provider networks and drug formularies, result in higher out-of-pocket costs for enrollees, and have a negative impact on the individual market single risk pool (or the combined risk pool in states that have chosen to merge their risk pools). Comments are requested by September 22, 2016.

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

Cephalon Drug Settlement

Michigan is one of 48 states that will share a \$125 million settlement connected to alleged efforts by drug manufacturer Cephalon to delay generic versions of its sleep disorder drug Provigil from entering the market. Michigan's share of the settlement is reported to be almost \$3.4 million and, according to Attorney General Bill Schuette, will go to repay Michigan consumers who purchased Provigil when they might have been able to purchase a lower cost generic version of the drug.

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

Medicaid Policies

The Michigan Department of Health and Human Services (MDHHS) has issued two final and three proposed policies

that merit mention. They are available for review on the department's [website](#).

- **MSA 16-23** clarifies for **Practitioners, Clinics, Medicaid Health Plans, Prepaid Inpatient Health Plans** and others program policy related to the coverage of **Autism Services for children**. The policy clarifies **education requirements for Qualified Behavioral Health Professionals** and **updates the proper symptom severity rating scale** to be used.
- **MSA 16-24** notifies **Local Health Departments and Medicaid Health Plans** of changes in published program policy for coverage of **environmental investigations related to blood lead poisoning**. The changes are to align the policy with the approved Medicaid State Plan.
- A proposed policy (**1611-MIHP**) has been issued to **transfer responsibility for administering Maternal Infant Health Program services for enrollees in Medicaid Health Plans to the health plans**. Comments are due to MDHHS by September 20, 2016.
- A proposed policy (**1623-SBS**) has been issued to establish as policy a standard procedure for **school-based services** related to the **90-day retroactive prescription**. The policy would also clarify that **physician assistants cannot sign physical therapy prescriptions for school-based services**. Comments are due to MDHHS by September 20, 2016.
- A proposed policy (**1627-CMH**) has been issued to formalize a **training process** for the use of **Peer Mentors** to provide services to beneficiaries. Comments are due to MDHHS by October 3, 2016.

MDHHS has also released four L-letters of potential interest, which are available for review on the same website.

- **L 16-40** was released on August 4, 2016 to announce **methods of dispensing naloxone** to Medicaid beneficiaries at risk of opioid overdose.
- **L 16-46** was released on August 12, 2016 to **Genesee County providers** to provide an **update** on the status of the MDHHS Section 1115 demonstration waiver and State Plan Amendment requests submitted to the Centers for Medicare & Medicaid Services to **assist in addressing health impacts from potential lead exposure in Flint, Michigan**. A second letter (**L 16-47**) was released the same day to **providers in other counties**. It provided the same update but did not include language related to accessing services from the Genesee Children's Healthcare Access program operated by the Greater Flint Health Coalition.
- **L 16-45** was released on August 16, 2016 as a notice to Tribal Chairs and Health Directors of the department's

intent to submit a **State Plan Amendment** to **update language** regarding the **requirements for third party liability payment of long-term care claims involving retroactive Medicare Part A and Part B coverage**.

For additional 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.