

## *The Michigan Update*

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### **Corrigan Retires from DHS – Lyon Named Interim Director**

In September 2014, Michigan Department of Human Services (MDHS) Director Maura Corrigan announced that she would be retiring at the end of the year. She served as MDHS director since 2011 and previously served for 11 years on the Michigan Supreme Court. On December 29, 2014, Governor Rick Snyder [announced](#) that Nick Lyon, Director of the Department of Community Health, will fill Ms. Corrigan's role on an interim basis. Ms. Corrigan has indicated that she plans to join a Washington DC "think tank" in the near future.

A spokesperson for DCH said it is not known how long Mr. Lyon will serve in both posts. He is quoted as saying in an interview earlier in December that improving services, especially through putting a greater focus on integration of care and through improving overall services for persons both by DHS and DCH is a top priority.

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

### **Medicaid Managed Care Enrollment Activity**

As of December 1, 2014, there were **1,495,735 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 13 Medicaid Health Plans (HMOs); this is a **decrease of 34,570** since November. The enrollment total reflects an increase of 6,009 HMP enrollees since November and a decrease of 40,579 non-HMP Medicaid enrollees. The total number of non-HMP Medicaid managed care enrollees in December - 1,138,251 - is well below the June 2014 enrollment figure of 1,330,638.

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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 available in every county, 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.

## Healthy Michigan Plan

Enrollment in the Healthy Michigan Plan (HMP) continues to grow. The Michigan Department of Community Health (DCH) reports that since launching the program on April 1, 2014, enrollment has grown to **507,618 as of December 29, 2014**.

The MDCH updates HMP enrollment statistics on its [website](#) weekly and includes a breakdown of enrollment by county. Not surprisingly, more than half of the newly approved HMP beneficiaries reside in the state's five largest counties:

December 29, 2014 Healthy Michigan Plan Enrollment	
Wayne	137,516
Macomb	39,736
Oakland	38,769
Genesee	31,182
Kent	26,100
<b>Five-County Total</b>	<b>273,303</b>
<b>Statewide Total</b>	<b>507,618</b>

With few exceptions, new HMP beneficiaries are required to enroll in the Medicaid Health Plans (HMOs) to receive their health care benefits. As of December 1, 2014, there were a total of 357,484 HMP beneficiaries enrolled in the HMOs. HMP enrollment totals by health plan are expected to increase again in January as individuals continue to choose an HMO or are assigned to an HMO if they do not select a plan.

**December 2014 Healthy Michigan Plan Enrollment**

<b>Medicaid Health Plan</b>	<b>Voluntary Enrollees</b>	<b>Auto-Assigned Enrollees</b>	<b>Total Enrollees</b>
Blue Cross Complete of MI	25,356	3,895	29,251
CoventryCares of MI	3,357	3,928	7,285
HAP Midwest Health Plan	13,641	8,945	22,586
Harbor Health Plan, Inc.	774	1,991	2,765
HealthPlus Partners	18,880	2,788	21,668
McLaren Health Plan	34,154	8,845	42,999
Meridian Health Plan of MI	60,992	27,446	88,438
Molina Healthcare of MI	30,636	12,430	43,066
Priority Health Choice, Inc.	20,879	4,009	24,888
Sparrow PHP	2,460	1,100	3,560
Total Health Care	8,693	4,656	13,349
UnitedHealthcare Comm. Plan	34,751	12,217	46,968
Upper Peninsula Health Plan	10,654	7	10,661
<b>Total</b>	<b>265,227</b>	<b>92,257</b>	<b>357,484</b>

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

## Duals in Medicaid HMOs

There were **55,375** Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive their Medicaid benefits in December 2014, a **decrease of 1,182** since November. This is the first month since voluntary enrollment was implemented in late 2011 that the number of duals enrolled in the Medicaid HMOs decreased. 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 Advantage Special Needs Plan (SNP, or D-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.

Molina Healthcare of Michigan has the most duals receiving Medicaid services from an HMO, 24.0 percent of the total; UnitedHealthcare Community Plan has 21.4 percent of the total; Meridian Health Plan of Michigan has 18.7 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 35.9 percent.

Eight of the 13 Medicaid HMOs in Michigan (or their parent organizations) are also federally contracted as D-SNPs to provide *Medicare* benefits for duals in Michigan: HAP Midwest Health Plan, HealthPlus Partners, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan and Upper Peninsula Health Plan. As of December 1, 2014 these eight D-SNPs had a combined enrollment of 23,057 duals for whom they provide Medicare services; 50.7 percent of the duals that are enrolled in a D-SNP are enrolled in the Molina plan, 26.6 percent are enrolled in the UnitedHealthcare plan and the remaining 22.7 percent are spread across the other six plans. 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 Medicare coinsurance and deductible payments and/or monthly Medicare premiums. (**Note:** as reported in last month's edition of *The Michigan Update*, UnitedHealthcare Community Plan will close its D-SNP in Michigan on January 1, 2015.)

There is one additional D-SNP in Michigan, Fidelis SecureCare of Michigan, Inc., which does not hold a Medicaid contract but has been approved by the state as an Integrated Care Organization in the state's duals demonstration. As of December 1, 2014, Fidelis had 1,093 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 254 enrollees.

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

### **CSHCS Children in Medicaid HMOs**

The Michigan Department of Community Health (DCH) 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 December 1, 2014, there were **17,186 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - an decrease of 256 since November. All Medicaid HMOs except Harbor Health Plan, Inc. have CSHCS/Medicaid enrollees, although the numbers vary across plans.

Meridian Health Plan of Michigan, which has the largest Medicaid enrollment of any Medicaid HMO, also has the most CSHCS/Medicaid enrollees receiving their services from an HMO, 25.3 percent of the total. Molina Healthcare of Michigan has 17.5 percent of the total; UnitedHealthcare Community Plan has 17.0 percent; and the other nine plans share the remaining 40.2 percent.

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## **MIChild**

According to MAXIMUS, the Michigan Department of Community Health (DCH) contractor for MIChild enrollment, there were **37,344 children enrolled in the MIChild program as of November 1, 2014**. This reflects an **increase of 1,374** from the 35,970 children enrolled as of October 1, 2014. Of the total number of children enrolled, 765 November enrollees are dually eligible for Children's Special Health Care Services (CSHCS) and MIChild.

As the enrollment reports ([pdf](#)) ([xls](#)) for November show, enrollment is dispersed between 13 plans. The plans with the highest enrollment are Priority Health (with 15.6 percent of the total enrollees), HealthPlus of Michigan (with 15.0 percent), Molina Healthcare of Michigan (with 14.7 percent), and McLaren Health Plan (with 13.2 percent). A little more than 7 percent of the children were enrolled with Blue Cross Blue Shield of Michigan (BCBSM) as of November 1, 2014. The BCBSM market share has gradually dropped from about 75 percent last fall when the insurer advised that it wished to terminate its MIChild contract. Children residing in counties where there are at least two health plans available are given the choice to enroll with one of those plans. Children in counties where BCBSM has been the only available health plan choice will remain enrolled with that plan until other plans expand their service areas to these counties. There are now only seven counties where BCBSM is the only available plan.

MIChild-enrolled children receive their dental care through contracted dental plans. Of the two available plans, 88.7 percent of the children were enrolled with Delta Dental Plan as of November 1, 2014, which has a statewide service area. The remaining 11.3 percent of children were enrolled with Golden Dental Plan in a service area that includes eight counties. BCBSM was a statewide dental health plan as well through September 2013 when BCBSM terminated in full its

participation in the MICHild dental program.

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

## **Michigan Receives SIM Grant Award**

On December 16, 2014, Governor Rick Snyder announced that Michigan will receive \$70 million in federal State Innovation Model (SIM) grant funding during the next four years to support innovative health care system enhancements that benefit families. The US Department of Health and Human Services (DHHS) will fund the state's [Blueprint for Health Innovation](#), which will serve as a guide for the state as it pursues better coordination of care, lower costs and health outcomes. Michigan is one of 11 states awarded model test awards by DHHS; the others include Colorado, Connecticut, Delaware, Idaho, Iowa, New York, Ohio, Rhode Island, Tennessee and Washington.

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

## **Primary Care Capacity in Michigan**

On December 19, 2014, the Center for Healthcare Research and Transformation (CHRT) at the University of Michigan released a new publication entitled [Primary Care Capacity in Michigan: How are Physicians Responding?](#) This is the first publication in the 2014 Michigan Physician Survey series and focuses on the current and anticipated capacity of Michigan physicians to take new patients, particularly those with Medicaid. One of the key findings is that 87 percent of Michigan primary care physicians reported that they were accepting new patients at the time of the survey.

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## **MDCH Announces Health Innovation Grants**

On December 23, 2014, the Michigan Department of Community Health (MDCH) [announced](#) awards of more than \$1.34 million to 44 health innovation projects across the state. The grant awards fund creative initiatives intended to improve the delivery of health services in Michigan and to address many of the state's public health priorities. Included in the awards are projects designed to address services for

children with autism, chronic disease, health transportation, behavioral health, substance abuse, homelessness, health disparities in children, dental care, and more. The list of award recipients, with project descriptions, award amounts and counties served is available on the announcement.

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

## Health Endowment Fund Grants

The Michigan Health Endowment Fund was created in 2013 to benefit the health and wellness of people in the state - particularly seniors and children - by making a meaningful difference in their lives. The nine-member board was charged with deciding how to spend up to \$1.56 billion over 19 years to support health services for some of the state's most vulnerable residents. In December, the Fund [announced](#) awards to 10 organizations totaling \$36.15 million.

- Food Bank Council of Michigan - \$5.0 million
- Area Agencies on Aging Assn. - \$5.0 million
- Easter Seals - Michigan - \$4.1 million
- Michigan Recreational and Park Assn. - \$1.1 million
- Michigan Primary Care Assn. - \$5.0 million
- Michigan Alliance of Boys and Girls Clubs - \$5.0 million
- Michigan Assn. of United Ways - \$5.0 million
- State Alliance of Michigan's YMCAs - \$3.3 million
- Michigan Assn. for Local Public Health - \$1.9 million
- Michigan Fitness Foundation - \$750,000

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## Medicaid Policies

The Michigan Department of Community Health (DCH) has issued 19 new and two proposed policies (one of which was released simultaneously with a new policy) that merit mention. They are available for review on DCH's [website](#).

- **MSA 14-36** clarifies for **Hospitals and Medicaid Health Plans** program policy for **rebilling medically inappropriate or unnecessary inpatient hospital admissions**, hospital **utilization review committee audits**, and the

**two-midnight rule** for inpatient hospital admissions.

- **MSA 14-48** advises **Federally Qualified Health Centers and Medicaid Health Plans** of a recently approved **change in reimbursement methodology for FQHC services**.
- **MSA 14-49** defines what Children's Special Health Care Services (**CSHCS**)-approved **Children's Multi-Disciplinary Specialty (CMDS) Clinics** are and when such clinics are eligible to receive reimbursement. The bulletin also provides guidance to CMDS Clinics regarding **enrollment for clinic fees paid in addition to medical services** provided.
- **MSA 14-50** informs **Hospitals** of billing requirements related to **services performed by reference laboratories**.
- **MSA 14-51** notifies **Hospitals, Ambulatory Surgical Centers (ASCs)** and others of a change in the Outpatient Prospective Payment System (**OPPS**) and **ASC statewide budget-neutrality reduction factor**. The factor will be adjusted **from 53.4 percent to 52.3 percent effective for dates of service on and after January 1, 2015**. This bulletin was simultaneously released for public comment, with comments due to MDCH by December 31, 2014.
- **MSA 14-52** advises **Bridges Eligibility Manual** and **Bridges Administrative Manual** holders of a change in policy related to **non-emergency medical transportation** to accommodate changes in beneficiary eligibility or enrollment status.
- **MSA 14-53** notifies **Hospitals** of a change in policy related to **Hospital Swing Beds**, specifically related to the **"50-mile radius of the beneficiary's residence"** policy.
- **MSA 14-54** advises **Bridges Eligibility Manual** and **Bridges Administrative Manual** holders of **various Medicaid policy updates**.
- **MSA 14-55** notifies **All Providers** of **Quarterly Updates to the Medicaid Provider Manual**, shares an **ICD-10 Project Update** and makes other clarifications and announcements.
- **MSA 14-56** advises **Hospice and Other Providers as well as Medicaid and MICHild Health Plans** of a change in policy related to **hospice care for children**, specifically that it may be provided **concurrently with curative treatment**.
- **MSA 14-57** informs **All Providers** of **implementation and transition plans** for the **MI Health Link demonstration** program for adult Medicaid beneficiaries dually eligible for Medicare.



- **MSA 14-58** addresses for **Home Help Agency and Individual Providers** modifications to requirements for **provider enrollment and verification of provided services**.
- **MSA 14-59** notifies **Hospitals and Medicaid Health Plans** that **DRG Grouper Version 32.0** will be used to process claims for inpatient hospital discharges effective January 1, 2015 and provides additional information about **pricing variables** in the reimbursement methodology. The bulletin also announces that effective January 1, 2015 **capital costs** for inpatient hospital services will be reimbursed through **a hospital-specific prospective rate**.
- **MSA 14-60** informs **Durable Medical Equipment** providers and others that policy regarding **coverage of breast pumps will be expanded** effective January 1, 2015.
- **MSA 14-61** informs **Practitioners, Outpatient Hospitals and Medicaid Health Plans** that, contingent upon approval of a State Plan Amendment by the federal government, a **rate adjustment for specified primary care practitioner services** will be implemented at a reasonable estimate of the **midpoint between Medicaid rates and Medicare levels**.
- **MSA 14-63** provides information and policy for **Prepaid Inpatient Health Plans and Community Mental Health Services Programs** regarding the **behavioral health benefit for Healthy Michigan Plan enrollees**.
- **MSA 14-64** lists for **MI Choice Waiver Agencies and Aging and Disability Resource Collaborations** the reasons they may remove an applicant from a MI Choice waiting list.
- **MSA 14-65** notifies **Ambulance Providers and Hospitals** of new **claim submission requirements** related to **multiple ambulance transports for the same beneficiary on the same date of service**.
- **MSA 14-66** informs **Medical Suppliers, Practitioners and Medicaid Health Plans** that effective February 1, 2015, Medicaid and Healthy Michigan Plan **beneficiaries with a diagnosis of inherited disease of metabolism authorized to receive metabolic formula** are **excluded from managed care enrollment** and will receive care on a fee-for-service basis.
- A proposed policy (**1450-NEMT**) has been issued that would amend Bridges Administrative Manual Item 825 to include Children's Hospital of Michigan and Helen DeVos Children's Hospital, along with C.S. Mott Children's Hospital as pediatric facilities where

meals and lodging may be authorized for a parent for up to 14 days without prior authorization. Comments are due to MDCH by January 9, 2015.

DCH has also released an L-letter of potential interest, which is available for review on the same website.

- **L 14-63** was released on December 9, 2014 to give notice of MDCH's intent to submit a State Plan Amendment to allow fully-licensed psychologists (at the doctoral level) and licensed social workers (master's level) to become enrolled with the Michigan Medicaid program and to provide and be reimbursed for behavioral health services.

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