HEALTH MANAGEMENT ASSOCIATES

December 2015

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of December 1, 2015, there were **1,626,652 Medicaid beneficiaries, including 467,042 Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 12 Medicaid Health Plans (HMOs); this is an **increase of 14,176** since November. The enrollment total reflects an **increase of 3,239 HMP** enrollees since November and an **increase of 10,937 non-HMP** Medicaid enrollees.

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. The plans with the highest enrollment as of December 1, 2015 were Meridian Health Plan of Michigan (with 27.4 percent of the total enrollees), Molina Healthcare of Michigan (with 18.5 percent), and United Healthcare Community Plan (with 15.4 percent).

The Michigan Department of Health and Human Services 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, 2015, there were **17,293 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - an increase of 345 since November. All Medicaid

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HMOs except Harbor Health Plan have CSHCS/Medicaid enrollees, although the numbers vary across plans.

There were **32,739 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** to receive Medicaid benefits in December 2015, **an increase of 686** since November. All Medicaid HMOs have duals enrolled, although the numbers vary dramatically across plans. Molina Healthcare of Michigan has the most duals receiving Medicaid services from an HMO, 28.4 percent of the total; Meridian Health Plan of Michigan has 24.5 percent of the total (but the most voluntary enrollees); and McLaren Health Plan has 14.7 percent of the total; UnitedHealthcare Community Plan has 11.0 percent of the total; and the other 8 plans share the remaining 21.4 percent.

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

Medicaid Managed Care Rebid Results

In last month's edition of *The Michigan Update* we provided a report on the state's re-procurement of Medicaid managed care contracts. It appears that all issues related to the re-procurement have now been resolved and the new contracts will be effective January 1, 2016.

Protests filed resulted in the correction of some scoring errors but did not persuade the state to award a contract to HAP Midwest Health Plan for Regions 9 and 10 or to Sparrow PHP for Region 7. To minimize disruption in care, these two plans were encouraged by the Michigan Department of Health and Human Services to work with successful health plans serving the regions involved to facilitate plan-to-plan transfers of enrollees - approximately 84,500 for HAP Midwest and about 21,000 for Sparrow PHP. HAP Midwest Health Plan reached a transfer agreement with Molina Healthcare of Michigan, and Sparrow PHP reached an agreement with Blue Cross Complete of Michigan.

Priority Health Choice was a successful bidder in Regions 4 and 8 but unsuccessful in Regions 2, 3 and 9. The health plan has only been serving members in six of the counties in the latter three regions (Grand Traverse, Hillsdale, Jackson, Leelanau, Manistee and Missaukee) but will lose about 12,000 members in these counties. Total Health Care will lose almost 6,000 members in Genesee County because the health plan did not submit a bid to serve Region 6 where this county is located. Members of both of these health plans have been sent letters advising them to choose another health plan and will receive care on a fee for service basis

until new plan choices can be processed.

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Healthy Michigan Plan

In previous editions of *The Michigan Update* we have reported that the Michigan Department of Health and Human Services (MDHHS) must receive approval from the federal Centers for Medicare & Medicaid Services (CMS) of an amendment to the waiver enabling Medicaid funding for the Healthy Michigan Plan (HMP) if the program is to continue. The state statute authorizing the HMP requires more stringent cost sharing by enrollees with income above 100 percent of the federal poverty level (FPL) after 48 months of coverage and stipulates that waiver approval must be received before December 31, 2015 or the HMP will be terminated at the end of April 2016. On December 17, 2015 MDHHS received approval of the waiver amendment submitted on September 1, 2015.

The approval letter from CMS states in part that:
"With this approval, beginning on April 1, 2018, which is 48 months after the initial implementation of the Healthy Michigan Plan, all beneficiaries in the demonstration with incomes above 100 percent of the FPL and who are not medically frail will have the opportunity to choose between coverage through a Healthy Michigan Plan or through a Qualified Health Plan offered on the Marketplace (known as the "Marketplace Option" component of the demonstration)...Individuals in the Healthy Michigan Plan after April 1, 2018, must meet a healthy behavior requirement."

After careful deliberation, MDHHS and CMS have found a way to meet the requirements of Public Act 107 of 2013, the enabling legislation for the HMP, without compromising federal limits on beneficiary cost sharing under Medicaid. Under the "Special Terms and Conditions" of the waiver, beginning April 1, 2018 individuals with income above 100 percent of the FPL may be subject to an alternative cost sharing model that requires completion of healthy behaviors. Completion of these healthy behaviors will result in reductions in cost-sharing obligations to levels that do not exceed the federal regulatory limits on Medicaid cost sharing (generally five percent of income). MDHHS has until July 1, 2017 to send CMS revised details of the Healthy Behaviors Protocol and the Operational Protocol for the MI Health

Accounts.

After April 1, 2018, individuals with income between 100 percent and 138 percent of the FPL can choose to enroll in the Marketplace Option rather than the HMP. For these individuals the state is required to ensure that cost sharing will not exceed the level of cost sharing under the Medicaid State Plan. The state can work with the Qualified Health Plans (or other entities) to provide for advance monthly cost-sharing reduction (CSR) payments to cover the costs associated with the reduce cost sharing for the Marketplace Option. These payments would be subject to annual reconciliation based on actual utilization of services by the individual beneficiary. The updated Healthy Behaviors Protocol must also include an opportunity for individuals in this group to rejoin the HMP by meeting requirements for healthy behaviors.

HMP enrollment levels have stabilized and, according to the MDHHS website, stood at **583,640 as of December 14, 2015**. Although the 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. Most HMP enrollees receive their health care through the Medicaid health plans and as of December 1, 2015, there were 467,042 HMP enrollees receiving care through these HMOs.

For additional information, contact Eileen Ellis, Managing Principal, at (517) 482-9236.

MIChild

According to MAXIMUS, the Michigan Department of Health and Human Services (MDHHS) contractor for MIChild enrollment, there were **31,141 children enrolled in the MIChild program as of November 1, 2015**. The November enrollment total reflects a decrease from the 32,959 children enrolled as of October 1, 2015. Of the total children enrolled, 518 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 12 plans. The plans with the highest enrollment were Molina Healthcare of Michigan (with 26.2 percent of the total enrollees), Priority Health (with 16.4 percent), and McLaren Health Plan (with 15.7 percent).

In previous editions of The Michigan Update, most recently last month, we have reported on the state's planned

transition of the MIChild program to a Medicaid expansion program effective January 1, 2016. Letters have now been sent to families of children enrolled in health plans that will not have a Medicaid managed care contract as of January 1st or will not be offering service in specific counties where the children reside. Approximately 5,500 children will need to change to different health plans.

MIChild-enrolled children have received their dental care through contracted dental plans. Of the two available plans, 86.4 percent of the children were enrolled with Delta Dental Plan as of November 1, 2015. Delta Dental has a statewide service area. The remaining 13.6 percent of children were enrolled with Golden Dental Plan in a service area that includes eight counties. With the transition from the MIChild program to a Medicaid expansion program on January 1st, the children enrolled with Golden Dental Plan will be transferred to Delta Dental Plan, the state's administrator for the Healthy Kids Dental program. Medicaid children statewide receive their dental care through the Healthy Kids Dental program with the exception of children between the ages of 13 and 19 who reside in Wayne, Oakland and Kent Counties who receive dental care on a fee for service basis.

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, will last for five years 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; and Wayne and Macomb Counties are two single-county regions. As of December 1, 2015, the Michigan Department of Health and Human Services (MDHHS) reports there were **34,858 enrollees** in these health plans, down from 42,728 in September. Also as of December 1st, more than 45,000 duals eligible for participation in the demonstration have chosen to opt out (not participate). These individuals will receive their Medicaid benefits on a fee-for-service basis but retain the option to voluntarily enroll in the demonstration at a later time.

Enrollment in the demonstration began in the Upper Peninsula and Southwest regions in February with first enrollments (all voluntary) effective on March 1, 2015. As of May 1st, eligible beneficiaries in these two regions who had

not voluntarily enrolled were "passively" enrolled but with the ability to opt out (disenroll). There is one Integrated Care Organization (ICO) serving the Upper Peninsula, the Upper Peninsula Health Plan, and two ICOs serving the eight southwest counties: Aetna Better Health (CoventryCares) of Michigan and Meridian Health Plan of Michigan.

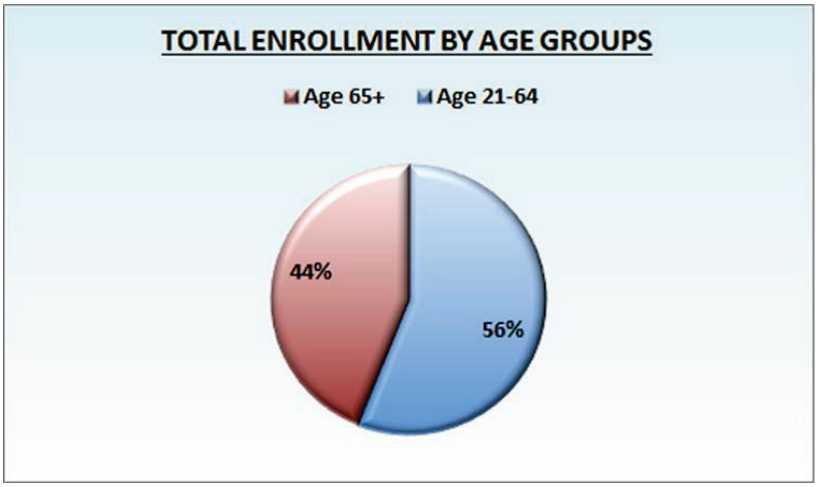
There are five ICOs serving the Macomb and Wayne single county regions: Aetna Better Health, AmeriHealth Michigan, MI Complete Health / Fidelis SecureCares of Michigan, HAP Midwest Health Plan, and Molina Healthcare of Michigan. The table below provides enrollment information by region for each ICO.

MI Health Link Enrollment December 1, 2015					
	Upper Pen. Region	**SW MI Region**	**Macomb Region**	**Wayne Region**	**Total**
Aetna Better Health		3,083	645	2,252	5,980
AmeriHealth Michigan			712	2,513	3,225
Fidelis SecureCares of MI			548	2,351	2,899
HAP Midwest Health Plan			1,040	4,320	5,360
Meridian Health Plan of MI		4,801			4,801
Molina Healthcare of MI			1,420	7.428	8,848
Upper Peninsula Health Plan	3,745				3,745
Total	**3,745**	**7,884**	**4,365**	**18,864**	**34,858**

Less than 11 percent of these duals voluntarily enrolled in MI Health Link. The vast majority were passively enrolled. Molina Healthcare has the most enrollees, both voluntarily and passively enrolled, more than 25 percent of the combined total; Aetna Better Health has about 17 percent of the total and HAP Midwest has about 15 percent. At this point, most of the MI Health Link enrollees are living at home, with only seven percent of the enrollees living in a nursing facility. Although each of the plans has enrollees who are receiving care in nursing facilities, Molina Healthcare has the largest share, almost a third of the total.

The MDHHS has established an enrollment dashboard on the

MI Health Link page on its website and it shows that enrollees in the program are generally low-income individuals that receive services from both Medicaid and Medicare. Almost all of these individuals qualified for Medicaid due to their age or their disability. (A very small number are enrolled in Medicaid as part of a low-income family with minor children.) According to the MI Health Link website, for December 2015, more than half of the MI Health Link enrollees are individuals under the age of 65.



The enrollee distribution by ten-year groups shows that individuals ages 61 to 70 are the largest single group, as shown in the following table.

MI Health Link Enrollment By Age Group December 1, 2015		
Age	**Enrollees**	**Percent**
21-30	2,187	6%
31-40	3.496	10%
41-50	4,767	14%
51-60	6,751	19%
61-70	8,685	25%
71-80	5.735	16%
81 +	3,211	9%

On December 3, 2015, MDHHS announced that, as required by the federal Centers for Medicare & Medicaid Services, an Ombudsman Program has been established for the MI Health Link demonstration. The program is a collaboration between the Michigan Elder Justice Initiative and the Counsel and Advocacy Law Line and will provide an avenue for response to general inquiries about the MI Health Link demonstration. The program will also provide advocacy for MI Health Link enrollees needing assistance with access to services, billing

issues, qualify of supports and services and other problems requiring resolution.

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Michigan D-SNPs

Five of the 12 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, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, and Upper Peninsula Health Plan. As of December 1, 2015 these five D-SNPs had a combined enrollment of 12,711 duals for whom they provide Medicare services, an increase of 307 since November. Almost 80 percent of the duals enrolled in a D-SNP are enrolled in the Molina plan.

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.

Although it no longer holds a Medicaid HMO contract since acquisition of the Medicaid product by Molina Healthcare of Michigan, HealthPlus of Michigan still maintains its D-SNP, and this plan had 649 enrollees as of December 1, 2015. There is one additional D-SNP in the state, Fidelis SecureCare of Michigan (also called MI Complete Health), which does not hold a Medicaid HMO contract but has been approved by the state as an Integrated Care Organization in the state's duals demonstration. As of December 1, 2015, Fidelis had 329 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 151 enrollees.

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Plan First! Program Ending

Since 2006 Michigan has had a Medicaid demonstration waiver program (*Plan First!*) to provide family planning services for uninsured women ages 19 to 44 not otherwise eligible for Medicaid, and with income at or below 185 percent of the federal poverty level (FPL). Two changes in 2014 reduced the need for this program.

The first change was the availability of subsidized insurance

through Qualified Health Plans (QHPs) offered through the Federally Facilitated Market Place beginning in January 2014. The second change was implementation of the Healthy Michigan Plan (HMP) in April 2014 that provides Medicaid coverage for individuals with incomes up to 138 percent of the federal poverty level. As of mid-December 2015 there were about 25,000 individuals enrolled in *Plan First!* (Prior to implementation of the QHPs and the HMP, monthly enrollment had been relatively steady at about 55,000 individuals.)

In a press release dated December 7, 2015, the Michigan Department of Health and Human Services (MDHHS) said current *Plan First!* beneficiaries were notified in November that the program will end as of January 31, 2016. Beneficiaries were told that if MDHHS has no record of any other health care coverage the department will automatically review them for potential eligibility and coverage under Medicaid, including the HMP. Beneficiaries with other third party health care coverage were given an opportunity to request an eligibility review for potential coverage under Medicaid or the HMP; such requests were due to the department by December 11th to ensure completion of the review process before *Plan First!* benefits end.

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

Prescription Opioid Use in Michigan

On December 1, 2015, the Center for Healthcare Research and Transformation (CHRT) at the University of Michigan released a new publication entitled *Uncoordinated Prescription Opioid Use in Michigan*. This report states that a study of more than 600 privately insured individuals in 2013 - about 0.3 percent of individuals using opioids - found that uncoordinated opioid prescriptions put hundreds of privately insured individuals in Michigan at increased risk for accidental overdose and death.

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

America's Health Rankings

In early December the United Health Foundation released its 26th edition of the *America's Health Rankings Annual Report: A Call to Action for Individuals and Their Communities*. According to the report there have been reductions in smoking, deaths from heart disease and infant mortality but

increases in drug deaths, obesity and diabetes. In addition to the Annual Report, a database is available that enables development of customized state-specific reports.

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

Scorecard on State Health System Performance

In early December the Commonwealth Fund released its fourth Scorecard on State Health System Performance. According to the report there is extensive variation among states in people's ability to access care, the quality of the care they receive, and their likelihood of living a long and healthy life. The reported study measured the effects of the Affordable Care Act's coverage expansions in 2014 and found that more states improved on the 42 indicators measured than worsened.

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Medicaid Policies

The Michigan Department of Health and Human Services (MDHHS) has issued 15 final and four proposed policies (all of which were released simultaneously with a final policy) that merit mention. They are available for review on DCH's website.

- **MSA 15-45** provides **Local Health Departments, Hospitals, Physicians and Clinics** with additional information about Children's Special Health Care Services **(CSHCS) program policies**.
- **MSA 15-47** provides guidance to **Bridges Eligibility Manual (BEM) Holders** on policy associated with **treatment of health insurance premiums and repayment schedules for promissory notes**.
- **MSA 15-48** clarifies for **Ambulance Providers, Hospitals and Medicaid Health Plans** ambulance policy related to **Advanced Life Support and base rate services, non-emergent air ambulance transports and neonatal emergency transports**.
- **MSA 15-49** notifies **All Providers** of changes in **beneficiary cost-sharing limits**; implementation is contingent upon federal approval of a State Plan Amendment.

- **MSA 15-50** informs **Bridges Eligibility Manual (BEM) and Bridges Administrative Manual (BAM) Holders** of changes in Medicaid policy for **Non-Emergency Medical Transportation** especially as it relates to **medical needs verification and minors traveling alone**.
- **MSA 15-51** advises **All Providers** that the **MIChild Program is converting to a Medicaid expansion**. This conversion, from a stand-alone program, **will require some children to change health plans** and **will entitle them to all Medicaid covered services**.
- **MSA 15-52** informs **Bridges Eligibility Manual (BEM) and Bridges Administrative Manual (BAM) Holders** of the **MIChild Program conversion to a Medicaid expansion**.
- **MSA 15-53** notifies **All Providers** of **Quarterly Updates to the Medicaid Provider Manual** and shares **information regarding beneficiary cost-sharing policy**.
- **MSA 15-55** notifies **All Providers** that a **Medicaid Health Plan Common Formulary** will be implemented January 1, 2016.
- **MSA 15-56** advises **Practitioners, Medicaid health Plans, Local Health Departments, Prepaid Inpatient Health Plans, Clinics** and others of **new reimbursement policy regarding Office-Based Opioid Treatment services**.
- **MSA 15-57** informs **Tribal Health Centers** that they will now be **eligible to receive the Indian Health Services all-inclusive rate for managed care encounters**.
- **MSA 15-58** notifies **Hospitals, Ambulatory Surgical Centers, Medicaid Health Plans** and others of an update to the **Outpatient Prospective Payment System and Ambulatory Surgical Center statewide budget-neutrality reduction factor**. This final policy was simultaneously released for public comment with comments due to MDHHS by January 4, 2016.
- **MSA 15-59** notifies **Practitioners, Local Health Departments, Clinics, Medicaid Health Plans, Prepaid Inpatient Health Plans** and others of **new policy** regarding coverage of **Behavioral Health Treatment services**, including Applied Behavioral Analysis, for **children with Autism Spectrum Disorders**. Implementation is contingent upon federal approval of a State Plan Amendment. This final policy was simultaneously released for public comment with comments due to MDHHS by January 5, 2016.

- **MSA 15-60** informs **Hospice Providers and Medicaid Health Plans** of changes in **Hospice reimbursement and the claims submission process**. This final policy was simultaneously released for public comment with comments due to MDHHS by January 19, 2016.
- **MSA 15-61** advises **Medicaid Health Plans, Practitioners, Clinics and Vision and Dental Providers** of the **annual practitioner fee schedule update**. This final policy was simultaneously released for public comment with comments due to MDHHS by January 19, 2016.

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

- **L 15-66** was released on December 2, 2015 to **clarify Medicaid policy for billing newborn services when the mother is enrolled in a Medicaid Health Plan**.
- **L 15-69** was released on December 3, 2015 as a **notice of the department's intent** to submit a State Plan Amendment **to update existing language in the Medicaid State Plan** that describes **reimbursement for services provided by Maternal Infant Health Program** providers.
- **L 15-72** was released on December 16, 2015 to **invite comments before January 22, 2016 on the department's Statewide Transition Plan for Home and Community-Based Services**. The letter includes a link to the Transition Plan.
- **L 15-71** was released on December 18, 2015 to announce that the **department is seeking approval** from the federal Centers for Medicare & Medicaid Services for a **Section 1115 demonstration waiver - Pathway to Integration - to combine under a single waiver authority all services and eligible populations served under the current Section 1915(b) and several 1915(c) waivers** for persons with Serious Mental Illness (**SMI**), Substance Use Disorders (**SUD**), Intellectual & Developmental Disabilities (**IDD**) and Children with Serious Emotional Disturbances (**SED**). The letter indicates a proposed effective date of April 1, 2016, provides a link to the waiver document and announces **two public hearings** scheduled for January - one a webinar on January 13, 2016 and the other a face-to-face meeting on January 28, 2016. (**L 15-70** was also released on December 18, 2015 as the required notice of intent to all Tribal Chairs and Health

Directors that the department is seeking this Section 1115 waiver.)

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