

HEALTH MANAGEMENT ASSOCIATES

THE
**MICHIGAN
UPDATE**
2019 

FEBRUARY



WWW.HEALTHMANAGEMENT.COM



Table of Contents

MEDICAID MANAGED CARE ENROLLMENT ACTIVITY 3

MI HEALTH LINK 5

MICHIGAN D-SNPS..... 7

HEALTHY MICHIGAN PLAN ENROLLMENT..... 7

MDHHS RESTRUCTURING 8

MICHIGAN SIM APPROVED FOR YEAR FOUR 8

WORKFORCE/COMMUNITY ENGAGEMENT REQUIREMENT 9

CHECK UP ON ORAL HEALTH 10

ACCESS TO HEALTH CARE IN MICHIGAN 10

UNIVERSAL CASELOAD SYSTEM 10

MEDICAID POLICIES 11

MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of February 1, 2019, there were **1,765,189 Medicaid beneficiaries, including 535,310 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Michigan Medicaid Health Plans (HMOs). As the table below shows, this is an overall **increase of 13,760** since January 1, 2019. The number of HMP beneficiaries enrolled in HMOs increased by 8,879, and the number of non-HMP enrollees increased by 4,881. However, as the table also shows, the February enrollment total is more than 24,000 below the total for September 2018.

| | Sept. 2018 | Oct. 2018 | Nov. 2018 | Dec. 2018 | Jan. 2019 | Feb. 2019 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| All Medicaid Beneficiaries Enrolled | 1,789,450 | 1,777,481 | 1,755,709 | 1,750,668 | 1,751,429 | 1,765,189 |
| • Total HMP Enrollees | 550,742 | 543,570 | 540,098 | 534,457 | 526,431 | 535,310 |
| • Total CSHCS/Medicaid Enrollees | 21,416 | 19,683 | 19,040 | 18,498 | 22,020 | 21,712 |
| • Total Medicare/Medicaid Enrollees (Duals) | 39,563 | 39,445 | 38,965 | 39,472 | 39,261 | 39,236 |
| • Total MICHild Enrollees | 34,873 | 35,043 | 34,847 | 35,079 | 36,448 | 35,423 |

The number of individuals identified as mandatory managed care enrollees but not yet enrolled in a Medicaid HMO has increased since mid-2018, from a low of 45,305 in July 2018 to 50,755 in October 2018, and to 66,552 as of December 1, 2018. The number of individuals not yet assigned to a health plan dramatically increased as of January 1, 2019, to 111,082, but dropped to 70,307 as of February 1, 2019.

As the enrollment reports for February ([pdf](#), [xls](#)) 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. 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 these counties, Upper Peninsula Health Plan.

The plans with the highest total enrollment in February were Meridian Health Plan of Michigan with more than 28 percent of the total, Molina Healthcare of Michigan with more than 19 percent, and UnitedHealthcare Community Plan with a little more than 14 percent of the total number of enrollees.

Healthy Michigan Plan (HMP)

There were **535,310 HMP beneficiaries enrolled as of February 1, 2019** in the Medicaid HMOs. This is **an increase of 8,879 since January 1, 2019**; however, as the table above shows, the February count of enrollees is more than 15,000 below the count for September 2018. All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in February were Meridian Health Plan of Michigan with more than 27 percent of the total, Molina Healthcare of Michigan with more than 16 percent, and Blue Cross Complete with more than 15 percent of the total enrollees.

CSHCS/Medicaid

The Michigan Department of Health and Human Services (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. There were **21,712 joint CSHCS/Medicaid beneficiaries enrolled as of February 1, 2019** in the Medicaid HMOs, a **decrease of 308 since January 1, 2019**.

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in February were Meridian Health Plan of Michigan with almost 24 percent of the total, Molina Healthcare of Michigan with more than 22 percent, and UnitedHealthcare Community Plan with almost 14 percent of the total enrollees.

MiChild

There were **35,423 MiChild beneficiaries enrolled as of February 1, 2019** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **decreased by 1,025 between January 1, 2019 and February 1, 2019**.

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in February were Meridian Health Plan of Michigan with 29 percent of the total, Molina Healthcare of Michigan with more than 16 percent, and UnitedHealthcare Community Plan with almost 14 percent of the total enrollees.

Medicare/Medicaid

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **39,236 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of February 1, 2019** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 25 between January 1, 2019 and February 1, 2019**.

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in February were Meridian Health Plan of Michigan with almost 31 percent of the total, Molina Healthcare of Michigan with more than 24 percent, and McLaren Health Plan with more than 15 percent of the total enrollees.

For additional information, contact [Eileen Ellis](#), Senior Fellow, or [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 for five years (through 2019) and operates in four regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren) form another region; and Macomb County and Wayne County are two single-county regions. Medicaid and Medicare physical health care services (including long-term services and supports) are provided by HMOs that have contracts as Integrated Care Organizations (ICOs) to serve the duals.

The number of MI Health Link enrollees fluctuated during 2018, with increases in some months and decreases in others. The Michigan Department of Health and Human Services reports that **as of February 1, 2019, the MI Health Link enrollment total was 34,444, an increase of 77 enrollees since January 1, 2019.**

The table below illustrates the MI Health Link enrollment fluctuation by month during 2018. Note that the enrollment total for December 2018 was the lowest for the year, more than 4,000 below the total for May, which was the highest monthly total for the year. The table also shows the enrollment totals for January and February 2019, both of which are more than 3,600 below the enrollment total for January 1, 2018 and almost 4,600 below the May 2018 total.

| Jan. | Feb. | March | April | May | June | | |
|--------|--------|--------|--------|--------|--------|--------------|--------------|
| 38,045 | 38,571 | 38,562 | 37,798 | 39,021 | 38,327 | | |
| | | | | | | | |
| July | August | Sept. | Oct. | Nov. | Dec. | Jan. 2019 | Feb. 2019 |
| 37,518 | 37,103 | 36,394 | 35,651 | 34,827 | 34,655 | 34,367 | 34,444 |

There are seven ICOs serving one or more of the demonstration regions. The table below provides enrollment information by region for each ICO as of **February 1, 2019.**



| MI Health Link Enrollment | Upper Pen. Region | SW MI Region | Macomb Region | Wayne Region | Total |
|------------------------------|-------------------|--------------|---------------|---------------|---------------|
| Aetna Better Health of MI | | 2,997 | 745 | 2,689 | 6,431 |
| AmeriHealth Michigan | | | 535 | 2,022 | 2,557 |
| HAP Midwest Health Plan | | | 908 | 3,425 | 4,333 |
| Meridian Health Plan of MI | | 4,907 | | | 4,907 |
| MI Complete Health / Fidelis | | | 434 | 1,719 | 2,153 |
| Molina Healthcare of MI | | | 1,747 | 8,445 | 10,192 |
| Upper Peninsula Health Plan | 3,871 | | | | 3,871 |
| Total | 3,871 | 7,904 | 4,369 | 18,300 | 34,444 |

As of February 1, 2019, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (almost 30 percent of the combined total); Aetna Better Health of Michigan came in second with almost 19 percent; and Meridian Health Plan of Michigan was third with just over 14 percent of the total enrollees.

At present, a little more than 95 percent of the MI Health Link enrollees are living in a community setting, and a little less than 5 percent of the enrollees live in a nursing facility. About 5 percent of the total enrollees living in a community setting are receiving home and community-based long-term services and supports through the MI Health Link program waiver; however, a significant number of the enrollees living in a community setting receive in-home services and supports from the ICOs through the Medicaid State Plan personal care benefit.

While all plans have enrollees receiving care in nursing facilities, the Upper Peninsula Health Plan (UPHP) had the largest share during February 2019; almost 21 percent of the total enrollees residing in nursing facilities were part of UPHP. Molina Healthcare of Michigan ranked second, with a little more than 19 percent of the total. Aetna Better Health of Michigan was third, with almost 19 percent of the total enrollees residing in nursing facilities.

Although the majority of MI Health Link enrollees are passively enrolled, the percentage that voluntarily joined the demonstration has grown significantly over time. As of February 1, 2019, the voluntary enrollment percentage was 27.3.

MDHHS also reports that more than 60,000 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 any time.





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

Three 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: Meridian Health Plan of Michigan, Molina Healthcare of Michigan, and UnitedHealthcare Community Plan. **As of February 1, 2019, these three D-SNPs had a combined enrollment of 21,176 duals** for whom they provide Medicare services.

More than 57 percent of the duals enrolled in a Michigan D-SNP (12,174 individuals) in February 2019 are enrolled with Molina; over 37 percent (7,922 duals) are enrolled with Meridian; and 1,080 duals are enrolled with United. None of these duals are participating in the MI Health Link demonstration. In addition to these three D-SNPs, beginning January 1, 2019, two additional health plans have been approved – Humana Medical Plan and Health Alliance Plan of Michigan (HAP). Humana had 81 enrollees as of February 1, 2019 but federal reports did not reflect any enrollees in February for HAP. The federal reports also reflected an expanded service area in Michigan for Meridian.

Not all 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 additional information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

HEALTHY MICHIGAN PLAN ENROLLMENT

The Michigan Department of Health and Human Services reports enrollment counts for the Healthy Michigan Plan (HMP), its Medicaid expansion program for low-income non-elderly adults who do not meet eligibility criteria for traditional program coverage, at the beginning of each week on its [website](#). Enrollment stood at **691,926 as of February 25, 2019**, the last counting day of the month.

Although the HMP caseload drops at the beginning of each month because of an annual eligibility redetermination requirement, it generally rebounds by the end of the month.

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



MDHHS RESTRUCTURING

In last month's edition of *The Michigan Update*, we reported Governor Gretchen Whitmer's appointment of Robert Gordon as the new Director of the Michigan Department of Health and Human Services (MDHHS). Since his appointment, Director Gordon has begun to reorganize the senior leadership structure at the department. In an email sent to MDHHS staff, he said he was creating three chief deputy director roles, up from one during the former administration. The three chief deputy positions will oversee Health, Opportunity, and Administration. He is also adding a Chief of Staff.

The Chief Deputy for Administration is Elizabeth Hertel, who is returning to MDHHS after a break in service. In this role, she will oversee shared services including External Affairs and Communications, Finance and Administration, and Legislative Services. Neither the Chief of Staff nor the other chief deputy positions have not yet been filled, and it is not clear how the various organizational units within the department will align under each of them. Director Gordon also announced that the department has posted an opening for a permanent deputy director over the Medical Services Administration – the state's Medicaid director. Kathy Stiffler has served in an acting role since the former Medicaid Director, Chris Priest, resigned in late 2017.

Nancy Vreibel, the former Chief Deputy Director, is taking on a special assignment related to population health. Matt Lori, a former state representative and Deputy Director for Policy, Planning and Legislative Services has been succeeded by Sarah Esty, who comes to state service from a position at McKinsey & Company, where she was involved in state government and health care practices. Herman McCall, who directed the Children's Services Agency, is leaving MDHHS at the end of February and is being succeeded on an interim basis by Jennifer Wrayno, who oversees child welfare services in several of the state's largest counties.

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

MICHIGAN SIM APPROVED FOR YEAR FOUR

On February 11, 2019, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that it is beginning its fourth and final year of the State Innovation Model (SIM) initiative. Approved and funded through the Centers for Medicare & Medicaid Services with almost \$70 million over four years, the SIM is testing and implementing several programs geared toward person-centered health and coordinated care.

The state organized its SIM initiative into three categories: population health, care delivery and technology. Each category focuses on improving outcomes for three priority populations: individuals at risk of high hospital emergency department use, pregnant women and babies, and individuals with multiple chronic conditions. MDHHS has built on the state's existing infrastructure to develop and implement models for delivering and financing services that can be sustained after federal SIM funding expires.



MDHHS reports that a key innovation under SIM was the development of Community Health Innovation Regions (CHIRs), through which local organizations play an important role in improving the well-being of a region and changing the trajectory of medical costs. These broad partnerships work together to identify and implement strategies that address social determinants of health. CHIRs are being piloted in five areas of the state: Jackson, Genesee and Muskegon counties, the Northern Region (a 10-county area occupying the northwest portion of the lower peninsula) and the Livingston-Washtenaw county areas. Additional information about the SIM initiative is available on the MDHHS [website](#).

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

WORKFORCE/COMMUNITY ENGAGEMENT REQUIREMENT

In previous editions of *The Michigan Update*, most recently in December 2018, we have written about Michigan Department of Health and Human Services activities related to implementation of a workforce or other community engagement requirement. This requirement results from enactment of Michigan Public Act 208 of 2018 and will become a condition of eligibility for health care benefits under Medicaid beginning in 2020 for some beneficiaries. The requirement will apply to able-bodied adults age 19 through 62 enrolled in the Healthy Michigan Plan (HMP) who do not meet exemption criteria.

A recent report by [Manatt Health](#) provides estimates of potential impacts of Michigan's work requirement based on data available and experience with a similar program implemented in Arkansas. According to this report, between 61,000 and 183,000 Michigan HMP beneficiaries could lose their health care coverage if the requirement is implemented as currently structured. The report goes on to say that this increase in the number of uninsured would also increase the uncompensated care burden for the state's health care providers.

Governor Gretchen Whitmer has been very vocal about her position related to the work requirement and its potential impact on health care access. She has sent a [letter](#) to Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma and has traveled to Washington, DC to discuss the issue. While acknowledging that this is the law in Michigan and recognizing the requirement was a condition associated with continuing the HMP program, she has said that she will work with the state legislature to hopefully make modifications to the requirement and is hopeful that CMS will accept and approve any changes agreed to at the state level, one of which would be to reduce the current age ceiling from 62 to 50.

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



CHECK UP ON ORAL HEALTH

The Michigan Oral Health Coalition recently released a [report](#) – *Check Up on Oral Health: Age One Dental Services* – that provides county-specific statistics related to the percentage of Michigan Medicaid beneficiaries under age two that received at least one dental service in a medical or dental setting during calendar year 2017. The report notes that, contrary to recommendations by the American Academy of Dentistry, only 13 percent of children receiving Medicaid benefits have had a dental exam by age two – a seemingly low rate but much higher than the 4.5 percent rate in 2013. The counties with the highest percentages of Medicaid children receiving a dental exam by age two in 2017 were Grand Traverse, Benzie and Antrim; the counties with the lowest percentages were Barry, Mackinac and Allegan. The report cited a shortage of dentists accepting Medicaid and a general lack of access to dental care as reasons for the low rates. Interestingly, the report also said that, based on a national survey, a third of dentists do not recommend the early preventative visits.

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

ACCESS TO HEALTH CARE IN MICHIGAN

On February 28, 2019, the Center for Health and Research Transformation (CHRT) at the University of Michigan released a new report – [Access to Health Care in Michigan](#). The report presents the results from CHRT’s 2018 Cover Michigan Survey of state residents about their experiences in accessing health care services, specifically how easy or difficult it was to get appointments with providers of different specialties. The survey found that two factors – the presence of primary care providers and whether people had a medical home – figured prominently in reported ease of access to care.

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

UNIVERSAL CASELOAD SYSTEM

More than a year ago, the Michigan Department of Health and Human Services (MDHHS) implemented its universal caseload system. The system was created to help clients get faster help in applying for and checking on services through calling in to a pool of caseworkers rather than to a single assigned caseworker, for whom they would often need to leave a voicemail message. Implemented initially in 35 counties, it was expanded to 50. However, the system has proven to be very problematic. In addition to some technical problems, there also is an insufficient pool of workers to take calls from clients and a very large backlog of unaddressed requests.



On February 13, 2019, MDHHS Director Robert Gordon [announced](#) that the system will not be further expanded until the problems have been resolved. To give workers more time to manage their workload, he has ordered a change to the hours when the pooled workers can take calls. Instead of being available from 8 a.m. until 4:30 p.m. each day, the telephone lines will now only be available from 9 a.m. until 3 p.m. He has also ordered a redistribution of the workforce in some counties to help reduce the backlog of work as well as some technology changes to support staff efforts.

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

MEDICAID POLICIES

The Michigan Department of Health and Human Services (MDHHS) has released one final policy that merits mention. It is available for review on the department's [website](#).

- **MSA 19-03** notifies **All Providers** that **beginning April 1, 2019**, the department will implement **Provider Enrollment Fitness Criteria** to comply with federal regulations and state statute. Application of such criteria **could result in providers being denied initial enrollment or existing providers having their enrollment terminated**. The policy identifies circumstances that could result in enrollment denials or terminations.

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

- **L 19-02** was released on February 4, 2019 to **provide contract bill-back information for School Based Services Providers** related to the State Fiscal Year 2019 statewide Michigan Random Moment Time Study and claim calculation process.
- **L 18-72** was released on February 5, 2019 to provide **Home Help Agency** providers with information related to **enrollment requirements for caregivers and employees**.
- **L 19-03** was released February 7, 2019 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit an amendment** to the Centers for Medicare & Medicaid Services for the **MI Choice Waiver program**. Both the Section 1915(c) and 1915(b) waivers would be amended to **remove Community Transition Services as a MI Choice Waiver service**.
- **L 19-01** was released on February 11, 2019 to **inform interested parties about the MI Choice Waiver program amendments** referenced in L 19-03, above.
- **L 19-05** was released on February 22, 2019 to **clarify program policy (MSA 18-18) related to managed care dental service eligibility for pregnant women**.

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



HMA HEALTH MANAGEMENT ASSOCIATES

Health Management Associates (HMA) is an independent, national research and consulting firm specializing in publicly funded healthcare reform, policy, and programs. We serve government, public and private providers, health systems, health plans, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With over 20 offices and more than 200 multidisciplinary consultants coast to coast, our expertise, our services, and our team are always within client reach.