

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of January 1, 2012, there were **1,226,733 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), an **increase of 1,845** since December 1, 2011. The number of Medicaid beneficiaries eligible for managed care enrollment decreased in January - there were 1,286,328 eligible beneficiaries, down from 1,288,283 in December. There was an increase in the number of Medicare beneficiaries enrolled in Medicaid HMOs (from 11,647 in December to 13,650 in January). See more about this in the Duals in Medicaid Health Plans article in the November 2011 edition of *The Michigan Update*. There was a very slight decline in January in the number of HMO enrollees receiving only Medicaid (and not Medicare as well).

As the enrollment reports ([.pdf](#)) ([.xls](#)) for January reflect, every county in the state is served by at least one Medicaid Health Plan. The reports also reflect **service area expansions** for two of the health plans. **McLaren Health Plan** has been approved to serve Medicaid beneficiaries in Emmet and Kalamazoo Counties, and **Priority Health Government Programs, Inc.** is now available to Medicaid beneficiaries in Mason, Newaygo and Van Buren Counties.

In addition, **Health Plan of Michigan is now called Meridian Health Plan of Michigan**, for consistency with two other health plans owned by the same organization, in Illinois and Iowa.

Auto-assignment of beneficiaries into Medicaid Health Plans is now in place in every county of the state. Fee-for-service care is an option in only one county - Barry - which is also the only remaining "Preferred Option" county. Beneficiaries in Barry County who do not specifically

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choose the fee-for-service option are auto-assigned to a contracted health plan but may return to fee-for-service at any time. Beneficiaries in all 15 counties in the Upper Peninsula are auto-assigned through federal "Rural Exception" authority to the one health plan serving the counties.

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

MiChild

According to MAXIMUS, the Department of Community Health (DCH) contractor for MiChild enrollment, there were **37,517 children enrolled** in the MiChild program as of January 1, 2012. This is a **decrease of 89** since December 1, 2011.

As the enrollment report ([.pdf](#)) ([.xls](#)) for January shows, enrollment is dispersed between ten plans, with almost 78 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 or Delta Dental Plan.

Note: The enrollment report for November 2011, distributed with last month's newsletter, was formatted incorrectly. A corrected version is now available ([.pdf](#)) ([.xls](#)) and we apologize for the error. As we reported last month, we are now able to provide more plan and county-specific detail in the MiChild enrollment reports. The reports will be formatted in the same manner as the Medicaid managed care enrollment reports and will also be provided in Excel format.

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

Adult Benefits Waiver (ABW)

As of the middle of January 2012, DCH reports there were **46,401 ABW beneficiaries enrolled** in the program, a **decrease of 2,640** since the middle of December. Enrollment in the program one year ago this month, just after the open enrollment period ended, stood at 94,273.

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of January 1, 2012, the combined ABW **enrollment in the 28 CHPs**

was 43,014, a decrease of 1,431 since December. The enrollment level one year ago this month stood at **79,979**.

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

Michigan HMO Consumer Guide

The Office of Financial and Insurance Regulation (OFIR) has released a Consumer Guide with information about commercial HMOs in Michigan. The guide uses a star rating system for HMO performance and rates the seven plans on Access and Service, Qualified Providers, Staying Healthy, Getting Better and Living with Illness. The Consumer Guide is available on the [OFIR web site](#).

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State of the State

Governor Rick Snyder gave his second State of the State message before the Legislature on January 18, 2012. The speech was generally focused on accomplishments during his first year in office and he mentioned the "dashboard" he established to show how the State is progressing on various initiatives. He announced a pilot program called Pure Michigan Fit that will focus on childhood obesity and renewed his request for approval of the MiHealth Marketplace health insurance exchange as well as legislation mandating that insurance companies cover treatment for autism. His speech, the dashboard and related documents are available for review on the [Governor's web site](#).

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

Michigan Budget

Governor Snyder will be presenting his Executive Budget recommendation to the Legislature for Fiscal Year 2012-2013 on February 9, 2012. He is expected to simultaneously request a supplemental appropriation for the current year that will expend some of the more than \$400 million in surplus funds from the fiscal year ending last September.

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

2011 Kids Count in Michigan

In the August 2011 edition of *The Michigan Update* we included an article about the *2011 KIDS COUNT* Data Book and its state-specific information on a number of health, economic and social indicators. Building on that data, on January 24, 2012 the Michigan League for Human Services released its *Kids Count in Michigan Data Book 2011: Health Matters*. The Michigan report examines several wide-ranging indicators of the well-being of the state's children and teens and notes that while health and safety indicators are generally improving, some important indicators of child wellbeing are declining.

The report notes that almost half of the public school students in the state in 2010 were eligible for free or reduced price lunches, a clear reflection of the economic situation in the state. The report also notes a 34 percent increase in reported child abuse and neglect cases during the past decade and that in 2010 child poverty was higher in Michigan than in any other state in the country for all groups except Asians. Between 2000 and 2009 the percentage of Michigan children living in poverty increased from 14 percent to 23 percent, and the percentage of children living in **extreme** poverty increased from 5 to 10 percent. Nearly two of every five children in Michigan depend on Medicaid for their health care.

Not all statistics were negative. There has been a small improvement in infant mortality since 2000; however African American infants still have a three-fold higher risk of mortality than white infants. There was a small improvement in the death rate of children between the ages of 1 and 14, and the state's teen death rate has seen a 13 percent improvement since 2000. The teen birth rate continues to drop, down 21 percent between 2000 and 2009; Michigan now ranks 13th in the country for this indicator. More students are staying in school but there are still a significant number who are not receiving a diploma.

The complete narrative and data tables are available on the [League's web site](#).

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

CHIPRA Performance Bonus Awards

One of the provisions in the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 authorized

funding for performance bonus payments to states surpassing a specified Medicaid enrollment target and for adopting procedures to improve access to Medicaid and CHIP through streamlined enrollment policies and procedures making it easier for eligible children to enroll and retain coverage. On December 28, 2011, the US Department of Health and Human Services identified 23 states, **including Michigan**, receiving bonuses for fiscal year 2011. Almost \$300 million was awarded. Michigan's award was \$5.9 million.

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Medicaid Policies

DCH has issued five final policies and one L-letter that merit mention. The policies are available for review on [DCH's web site](#).

- **MSA 11-55** advises **Pharmacy Providers** of modifications to **documentation requirements for non-controlled electronically transmitted prescriptions**.
- **MSA 11-56** notifies **All Providers of Annual Updates** to Current Procedural Terminology (**CPT**) and the Healthcare Common Procedure Coding System (**HCPCS**)
- **MSA 11-57** advises **Hospitals, Ambulatory Surgical Centers and Others** of an update regarding the Outpatient Prospective Payment System (**OPPS**) and Ambulatory Surgical Center (**ASC**) statewide budget-neutrality **Reduction Factor**. The factor will be adjusted **from 56.4 percent to 55.3 percent** for dates of service on and after January 1, 2012.
- **MSA 11-58** informs **Dentists and Dental Clinics** of an expansion of the **Healthy Kids Dental** contract service area to Mason, Muskegon, Newaygo and Oceana Counties. (This expansion was previously announced in September 2011 in **MSA 11-41**.)
- **MSA 12-01** notifies **Nursing Facilities and other Institutional Long-Term Care Providers** of **billing requirements** for Medicaid beneficiaries dually eligible for Medicare.

On January 23, 2012, DCH released an L-letter (**L 12-03**) to Tribal Chairs and Health Directors that may be of interest. This letter advises that DCH will be submitting a Medicaid State Plan Amendment to comply with Sections

6401 and 6501 of the Patient Protection and Affordable Care Act (ACA - the health reform law). As another means to prevent fraud, waste and abuse, these provisions require DCH to conduct **provider screenings** upon initial enrollment, re-enrollment or re-validation of enrollment. An **application fee** will also be required from institutional providers, however the fee will apparently be waived for Medicaid enrollment if already paid to achieve Medicare enrollment. The L-letter is available on the DCH web site referenced above. Additional information is available in a CMS Informational Bulletin that can be downloaded from the [Center for Medicaid and CHIP Services web site](#). HMA will follow this issue and provide more information as it is released.

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