

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of January 1, 2015, there were **1,528,379 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 13 Medicaid Health Plans (HMOs); this is an **increase of 32,644** since December. The enrollment total reflects an increase of 30,009 HMP enrollees since December and an increase of 2,635 non-HMP Medicaid enrollees. Even with this increase, the total number of non-HMP Medicaid managed care enrollees in January - 1,140,886 - is still well below the June 2014 enrollment figure of 1,330,638.

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 **533,110 as of January 26, 2015**.

The MDCH updates HMP enrollment statistics on its [website](#) weekly and includes a breakdown of enrollment by county.

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Not surprisingly, more than half of the newly approved HMP beneficiaries reside in the state's five largest counties:

January 26, 2015 Healthy Michigan Plan Enrollment	
Wayne	143,570
Macomb	42,089
Oakland	41,063
Genesee	32,453
Kent	27,595
Five-County Total	286,770
Statewide Total	533,110

The vast majority of these enrollees (about 440,000) have income below poverty and almost 52 percent of the enrollees are women. About 46.5 percent of the enrollees are between the ages of 19 and 34; 39.5 percent are between the ages of 35 and 54; and 13.9 percent are between the ages of 55 and 64. Virtually all of these enrollees are already or soon will be enrolled in the state's Medicaid managed care organizations for their health care services. Since program implementation on April 1, 2014, MDCH reports that enrollees have received more than 350,000 primary and preventive care visits.

With few exceptions, new HMP beneficiaries are required to enroll in the Medicaid Health Plans (HMOs) to receive their health care benefits. As of January 1, 2015, there were a total of 387,493 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.

January 2015 Healthy Michigan Plan Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	26,779	4,461	31,240
CoventryCares of MI	3,458	4,266	7,724
HAP Midwest Health Plan	14,434	10,380	24,814
Harbor Health Plan, Inc.	779	2,217	2,996
HealthPlus Partners	19,861	3,075	22,936

McLaren Health Plan	36,198	10,001	46,199
Meridian Health Plan of MI	66,793	30,962	97,755
Molina Healthcare of MI	31,998	14,633	46,631
Priority Health Choice, Inc.	22,502	4,258	26,760
Sparrow PHP	2,791	1,263	4,054
Total Health Care	9,180	5,155	14,335
UnitedHealthcare Comm. Plan	36,299	14,091	50,390
Upper Peninsula Health Plan	11,651	8	11,659
Total	282,723	104,770	387,493

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

Duals in Medicaid HMOs

There were **54,625** Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive their Medicaid benefits in January 2015, a **decrease of 750** since December. This is the second straight 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, 24.3 percent of the total; UnitedHealthcare Community Plan has 19.8 percent of the total; Meridian Health Plan of Michigan has 19.2 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 36.7 percent.

Six 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, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total

Health Care, and Upper Peninsula Health Plan. As of January 1, 2015 these six D-SNPs had a combined enrollment of 16,057 duals for whom they provide Medicare services; 71.1 percent of the duals that are enrolled in a D-SNP are enrolled in the Molina plan, 12.0 percent are enrolled in Meridian plan and the remaining 16.9 percent are spread across the other four 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.

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 January 1, 2015, Fidelis had 1,215 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 249 enrollees.

We previously reported in *The Michigan Update* that effective January 1, 2015, UnitedHealthcare Community Plan would no longer participate as a D-SNP in Michigan. A review of the January enrollment report reflects that McLaren Health Plan has apparently also withdrawn as a D-SNP. These two D-SNPs had a combined enrollment of more than 7,000 Michigan members in December 2014.

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

Integrated Care for Dual Eligibles

In previous editions of *The Michigan Update* we have written about Michigan's plan to implement an integrated delivery system of health care for persons dually eligible for Medicare and Medicaid (duals). The demonstration will occur in four regions of the state and in two phases. The first phase, including the entire Upper Peninsula and eight counties in the southwest corner of the state, is scheduled to begin in February with first enrollments effective on March 1, 2015. The second phase, including Wayne and Macomb Counties as two single-county regions, is scheduled to begin in a few months. Both phases begin with voluntary enrollments followed by a passive enrollment process; duals passively enrolled will be able to opt out of the demonstration if they wish. MDCH has received approval from the Centers for Medicare and Medicaid Services to reclassify duals residing in these regions as "excluded" rather than "voluntary", which means they will be

disenrolled from Medicaid HMOs not serving as Integrated Care Organizations in the demonstration.

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

CSHCS Children in Medicaid HMOs

The Michigan Department of Community Health (MDCH) 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 January 1, 2015, there were **17,267 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - an increase of 81 since December. 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, 25.2 percent of the total. Molina Healthcare of Michigan has 17.6 percent of the total; UnitedHealthcare Community Plan has 16.9 percent; and the other nine plans share the remaining 40.3 percent.

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

MIChild

According to MAXIMUS, the Michigan Department of Community Health (DCH) contractor for MIChild enrollment, there were **38,196 children enrolled in the MIChild program as of December 1, 2014**. This reflects an **increase of 852** from the 37,344 children enrolled as of November 1, 2014. Of the total number of children enrolled, 751 December enrollees are dually eligible for Children's Special Health Care Services (CSHCS) and MIChild.

As the enrollment reports ([pdf](#)) ([xls](#)) for December show, enrollment is dispersed between 13 plans. The plans with the highest enrollment are Priority Health (with 15.5 percent of the total enrollees), Molina Healthcare of Michigan (with 14.8 percent), HealthPlus of Michigan (with 14.7 percent), and McLaren Health Plan (with 13.6 percent). Seven percent of the children were enrolled with Blue Cross Blue Shield of Michigan (BCBSM) as of December 1, 2014. The BCBSM

market share has gradually dropped from about 75 percent in late 2013 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 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, 87.9 percent of the children were enrolled with Delta Dental Plan as of December 1, 2014. Delta Dental has a statewide service area. The remaining 12.1 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.

Medicaid Managed Care Rebid

The current contract with Medicaid Health Plans (HMOs) has been in place since October 2009 and is scheduled to be rebid this year. The Request for Proposals (RFP) was anticipated in February with awards finalized and contracts implemented on October 1, 2015. This schedule is being moved back and a number of changes made in requirements.

The Michigan Department of Community Health (MDCH) [announced](#) on January 6, 2015 that the new RFP will include changes in service areas and requirements. A major change involves the use of Michigan's Prosperity Regions for the procurement and a requirement that bidding HMOs be able to serve all counties within regions bid. Notably, the Prosperity Regions group Michigan's three largest counties - Wayne, Oakland and Macomb - in a single region. In addition, the two regions covering the upper half of the Lower Peninsula must be bid together, meaning any bidding HMO must be able to serve all 21 counties in the combined regions. The announcement also indicated that the Children's Health Insurance Program (CHIP) - MICHild - will if approved by the Centers for Medicare and Medicaid Services (CMS) be converted from a "stand-alone" CHIP program to a Medicaid expansion group and included in the

rebid and subsequent contracts.

The early January announcement suggested that questions could be sent to MDCH by January 31st. On January 26, 2015, MDCH [announced](#) that to give prospective bidders additional time to develop adequate networks in Prosperity Regions, the current HMO contract will be extended through December 2015 and the RFP released by May 1, 2015 with responses due in August.

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

Michigan State of the State

Governor Rick Snyder gave his fifth State of the State message to the Legislature on Tuesday evening, January 20, 2015. After providing several examples of progress made since he took office - in economic growth, getting more Michiganders into the work force through improved skilled trades education, and increased access to health care through expansion of the Medicaid program, to name a few - he then spoke of his proposal to create a "River of Opportunity" to help streamline and personalize programs that help people needing assistance.

The Governor said that the goal of government should be to help people, not to perpetuate a multitude of distinct and overlapping programs. He noted that implementation of some aspects of a more streamlined approach to holistic service delivery and improved population health will require federal waiver authority; he cited the need to standardize income eligibility requirements across several federal programs as an issue that will need to be addressed.

To that end, he said an Executive Order would soon be issued to combine the Departments of Community Health (DCH) and Human Services (DHS) into a single "mega" department called Health and Human Services. These two departments currently administer the state's cash, food, social services and medical assistance programs that encompass about 46 percent of the state budget and serve a combined population of more than 2.5 million people with 14,000 staff. At this time it is unclear if the current director of DCH and interim director of DHS, Nick Lyon, will be chosen to lead the new department. While not emphasized in the message, it is anticipated that some of the programs currently administered in these departments, such as workforce training, may be relocated to a different department.

The Governor also emphasized the need to fund improvements in the state's roads and bridges, many of which are very deteriorated, said he will create a new energy agency in government to combine the Public Service Commission with economic development and environmental concerns, and encouraged a continued focus on education to allow students to earn college credits while in high school.

A video of the address is available on the [Governor's web page](#).

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

Michigan Budget

Governor Rick Snyder will release his Executive Budget Recommendation for the state fiscal year beginning October 1, 2015 on February 11, 2015. It is expected to include reductions in funding for several state government programs as a result of lower than anticipated revenues. Budget reductions for the current fiscal year are anticipated as well. A recent Consensus Revenue Estimating Conference, which included representatives from both the Senate and House Fiscal Agencies and the Department of Treasury and State Budget Office, agreed that revenues for the current fiscal year are now expected to be more than \$300 million lower than previously estimated, and a shortfall for the upcoming fiscal year in a similar amount is also expected. A special edition of *The Michigan Update* will be issued shortly after the Governor's release with details about the Budget Recommendation and information about any Executive Order that cuts Medicaid spending in the current fiscal year.

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

Legislative Leaders Announce Committees

Senate Majority Leader Arlan Meekhof and House of Representatives Speaker Kevin Cotter, both Republicans, have announced members of their committees for the year.

Senator Meekhof's appointments with health care importance include:

- **Appropriations (12 Republican/5 Democrat):** D. Hildenbrand (chair), P. MacGregor (vice chair), G. Hansen, J. Stamas, T. Schuitmaker, M. Knollenberg, D. Booher, M. Shirkey, J. Proos, M. Nofs, M. Green, J. Marleau, V. Gregory (minority vice chair), H. Hopgood, C. Hertel Jr., D. Knezek, and C. Young II.
- **Appropriations Subcommittee for Community Health (3/1):** Senators Marleau (chair), Shirkey (vice chair), Hansen and Hertel (minority vice chair).
- **Family, Seniors and Human Services (5/1):** J. Emmons (chair), P. Pavlov (vice chair), R. Jones, T. Casperson, and B. Johnson (minority vice chair).
- **Health Policy (7/2):** M. Shirkey (chair), J. Hune (vice chair), M. O'Brien, J. Marleau, R. Jones, J. Stamas, D. Robertson, C. Hertel Jr. (minority vice chair), and H. Hopgood.

Speaker Cotter's appointments with health care importance include:

- **Appropriations (18/11):** A. Pscholka (chair), J. Bumstead (vice chair), C. Afendoulis, J. Bizon, E. Canfield, L. Cox, C. Gamrat, L. Inman, N. Jenkins, T. Kelly, M. McCready, A. Miller, P. Muxlow, D. Pagel, E. Poleski, P. Potvin, R. VerHeulen, R. Victory, P. Faris (minority vice chair), B. Banks, B. Dillon, F. Durhal III, J. Hoadley, J. Irwin, K. Pagan, S. Roberts, Minority Floor Leader S. Singh, H. Yanez, and A. Zemke.
- **Appropriations Community Health Subcommittee (6/3):** Representatives VerHeulen (chair), Bizon (vice chair), Afendoulis, Bunstead, Canfield, Cox, Dillon (minority vice chair, Farris, and Pagan.
- **Families, Children and Seniors (5/3):** T. Hooker (chair), J. Runestad (vice chair), K. Crawford, A. Forlini, H. Vaupel, M. Hovey-Wright (minority vice chair), A. Tinsley-Talabi, and F. Liberati.
- **Health Policy (13/8):** M. Callton (chair), H. Vaupel (vice chair), J. Bizon, L. Chatfield, K. Crawford, D. Garcia, J. Graves, T. Hooker, H. Hughes, K. Kesto, J. Tedder, R. VerHeulen, K. Yonker, G. Darany, W. Brinks, T. Cochran, S. Neely, E. Geiss, F. Liberati, P. Phelps, and R. Wittenberg.

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2015 Michigan Health Insurance Marketplace

On January 23, 2015, the Center for Healthcare Research and Transformation (CHRT) at the University of Michigan [released](#) a new publication entitled *Rate Analysis: 2015 Michigan Health Insurance Marketplace*. This publication notes changes in both the number of available health plans and in premium costs for 2015 compared with 2014.

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

MDCH Announces Awards to Birthing Centers

On December 30, 2014, the Michigan Department of Community Health (MDCH) [announced](#) awards of \$300,000 to 30 birthing hospitals in Michigan to help connect families to evidence-based home visiting programs including the Maternal Infant Health Program and Children's Special Health Care Services. Each center received a \$10,000 grant. The list of facility recipients is available via the announcement.

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

Medicaid Policies

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

- **MSA 15-01** advises **Home Help Agency and Individual Providers** that implementation of the changes announced last month in bulletin **MSA 14-58**, with modifications to requirements for **provider enrollment and verification of provided services is delayed until further notice**.
- **MSA 15-03** advises **Bridges Eligibility and Administrative Manual** Holders as well as **Hospitals and Medicaid Health Plans** of changes to **prior authorization** requirements for **pediatric-related travel and overnight stays**.
- A proposed policy (**1462-Dental**) has been issued to inform providers of **new requirements for mobile**

dental providers. Comments are due to MDCH by February 26, 2015.

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

- **L 15-01** was released on January 13, 2015 to remind **Nursing Facilities** of their responsibilities **related to non-emergency non-ambulance transportation for residents.**

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

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