

# HEALTH MANAGEMENT ASSOCIATES

## THE **MICHIGAN UPDATE** 2018

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## MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

Due to computer system issues, the Michigan Department of Health and Human Services has experienced a delay in releasing Medicaid managed care enrollment reports. Accordingly, we are unable to provide managed care enrollment information for January and February 2018. When the reports are available, we will provide updated information.

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

## HEALTHY MICHIGAN PLAN ENROLLMENT

The number of Healthy Michigan Plan (HMP) enrollees continues to “inch” up almost every month. The Michigan Department of Health and Human Services (MDHHS) reports enrollment counts each Monday on its [website](#), unless Monday is a holiday, in which case the count is reported on Tuesday. Although the HMP caseload drops at the beginning of each month because of an annual eligibility redetermination requirement, it generally rebounds by the last Monday of the month. HMP enrollment stood at **683,477 as of December 26, 2017; at 687,154 as of January 29, 2018; and at 691,603 as of February 26, 2018, which is the highest last Monday of the month count to date.**

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

## MI MARKETPLACE OPTION

In the October 2017 edition of *The Michigan Update*, we reported that the Michigan Department of Health and Human Services (MDHHS) intended to transition certain Healthy Michigan Plan (HMP) enrollees from their Medicaid health plan to a MI Marketplace Option health plan beginning in April 2018. HMP enrollees targeted for transition are those individuals with income above 100 percent of the federal poverty level who have been enrolled in HMP for at least one year, do not have serious health conditions or complex medical care needs, and have not chosen a healthy behavior through a Health Risk Assessment (HRA).

MDHHS has begun to notify non-exempt HMP enrollees of their need to choose a MI Marketplace Option health plan and sent notices to approximately 13,500 enrollees in mid-February. Each impacted enrollee was also given a frequently asked questions and answers document, a form on which to request a medical exemption, if applicable, and a hearing request form should the enrollee wish to appeal the proposed action. Similar to the Medicaid managed care enrollment process, Michigan ENROLLS will help facilitate the enrollee’s choice of a new health plan and will also facilitate auto-assignment to a MI Marketplace Option health plan if the enrollee fails to make a choice. The process will be repeated monthly for non-exempt HMP enrollees reaching their one-year enrollment threshold.



It is important to note that the MI Marketplace Option health plans offer a lesser package of health care benefits than the Medicaid health plans. One primary difference is that the MI Marketplace Option health plans do not cover vision or dental care or hearing aids. Further, while these enrollees are entitled to non-emergency medical transportation benefits, they must be arranged through the local MDHHS offices, rather than through the health plans. One other important point is that enrollees may still complete the HRA and choose a healthy behavior after receiving a notice, thus potentially avoiding the transition.

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

### MI HEALTH LINK

Due to computer system issues, the Michigan Department of Health and Human Services has experienced a delay in releasing MI Health Link enrollment reports. Accordingly, we are unable to provide enrollment information for January and February 2018. When the reports are available, we will provide updated information.

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 in 2018: Meridian Health Plan of Michigan, Molina Healthcare of Michigan, and UnitedHealthcare Community Plan. **As of January 1, 2018, these three D-SNPs had a combined enrollment of 15,776 duals** for whom they provide Medicare services. **As of February 1, 2018, the combined enrollment total was 16,179.**

D-SNP Health Plan	January 2018 Enrollment / Percent of Total		February 2018 Enrollment / Percent of Total	
Meridian Health Plan of MI	4,767	30.2	5,017	31.0
Molina Healthcare of MI	10,792	68.4	10,879	67.2
UnitedHealthcare Community Plan	217	1.4	283	1.8
<b>Total</b>	<b>15,776</b>		<b>16,179</b>	



HAP Midwest Health Plan, which was a D-SNP for several years, is not participating in 2018; and UnitedHealthcare, which discontinued participating as a D-SNP as of January 2015, is again enrolling duals into its plan.

As the table above notes, more than 67 percent of the duals enrolled in a Michigan D-SNP are enrolled with the Molina plan. None of these duals are participating in the MI Health Link demonstration.

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

## MANAGED LONG-TERM SERVICES AND SUPPORTS

A recent [article](#) in *Crain's Detroit Business* reported that the Michigan Department of Health and Human Services (MDHHS) may be moving forward on a plan to place long-term services and supports, both those in institutional settings such as nursing facilities, and those in community-based settings, under the management of private health plans.

Targeted populations could include the elderly and physically disabled as well as individuals with intellectual/developmental disabilities. Whether the plan would be implemented statewide or only in certain geographic areas of the state, whether implementation would impact the MI Health Link demonstration, and when implementation would occur have yet to be determined.

MDHHS was required in the budget for the current fiscal year to “explore the implementation of a managed care long-term support service” by July 1, 2018. With a grant from the Michigan Health Endowment Fund, MDHHS has contracted with the Center for Healthcare Research & Transformation (CHRT) at the University of Michigan and Public Sector Consultants to help it study options. A [report](#) prepared by CHRT for MDHHS includes a review of key issues and options, informed by various states’ MLTSS program development experience.

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

## MICHIGAN BUDGET FOR FISCAL YEAR 2018-2019

Governor Rick Snyder presented his fiscal year (FY) 2018-2019 budget recommendation to the Legislature on January 7, 2018. While the budget is constrained by revenue limits, there are no major funding or policy changes for Medicaid.



**Healthy Michigan Plan (HMP):** As reported previously in *The Michigan Update*, the HMP enabling legislation requires that the program end at such time as the state share of HMP costs exceeds the state savings in other programs, such as behavioral health services and corrections health care, that can be attributed to the HMP. For FY 2018-2019, the federal share of HMP costs decreases by an additional one percentage point (from 94.25 percent to 93.25 percent). While the federal matching rate is decreasing, the state budget office has determined that the \$217.6 million in state share of program costs is more than offset by savings in other programs that can be attributed to the HMP.

**Hospital Payments:** As a result of provisions in the new federal Medicaid Managed Care Rule, there was a need to modify how several Medicaid “pass-through” payments are made to Michigan hospitals by the Medicaid Health Plans (HMOs). The largest of these, the Hospital Rate Adjustment (HRA) has been restructured to comply with the new federal regulations. The HRA is now directly tied to claims and structured to better support hospital access. Hospitals have agreed to an increase in the hospital Quality Assurance Assessment Program to provide an additional \$190.0 million in total HRA payments through the new arrangement.

Two other programs, the Rural and Sole Community Hospital Payment and the Obstetrical (OB) Stabilization Payment, could not be restructured to meet the new federal requirements. The Governor’s budget assumes continuation of these pass-through payments without federal support. The Rural and Sole Community Hospital Payments through the HMOs will be reduced by the amount of the lost federal funding – a reduction of nearly \$20 million. The OB Stabilization Payments through the HMOs will not be reduced; an additional \$7 million in state general fund revenues will replace the lost federal dollars.

**Actuarially Sound Rates:** The Governor’s budget includes funding for a 1.5 percent increase in Medicaid HMO rates and a 2.0 percent increase in payments for behavioral health care to the Prepaid Inpatient Health Plans.

The Legislature has begun its budget deliberations and is holding hearings to inform the process.

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

## PROVIDER ENROLLMENT DELAY

In the December 2017 edition of *The Michigan Update*, we reported that the Michigan Department of Health and Human Services (MDHHS) is requiring all providers rendering services to Medicaid beneficiaries and billing directly or through contracted Medicaid Health Plans (HMOs) to be screened and enrolled in the Michigan Medicaid program. On February 23, 2018, MDHHS issued a [press release](#) to report that, due to an overwhelming response from providers, the implementation dates associated with this requirement are being extended.



The implementation date for denying claims from “typical” non-enrolled providers, generally individuals with professional health care licensing requirements such as physicians, certified nurse practitioners, and dentists, is delayed from March 1, 2018 to a future date not specified. Similarly, the May 1, 2018 implementation date for HMOs to begin denying pharmacy claims written by non-enrolled prescribers is delayed to a future and not specified date. The date for implementation of the enrollment requirements for “atypical” providers, generally those individuals or organizations that do not hold professional licenses and provide support services to Medicaid beneficiaries, has also not been specified.

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

## STATE INNOVATION MODEL TO CONTINUE

On February 1, 2018, the Michigan Department of Health and Human Services (MDHHS) issued a [press release](#) to announce that the federal Centers for Medicare & Medicaid Services (CMS) has approved its Operational Plan for year three of the State Innovation Model (SIM) project.

CMS awarded MDHHS almost \$70 million in 2015 for a four-year project to test and implement a model for delivering and paying for health care in the state, which was based on Governor Rick Snyder’s *Blueprint for Health Innovation*. A link to the *Blueprint* is included in the press release.

As the press release notes, the state has organized its SIM initiative into three categories: population health, care delivery and technology. Each category also focuses on improving outcomes for three priority populations: individuals at risk of high emergency department utilization, pregnant women and babies, and individuals with multiple chronic conditions. Additional information about the SIM project is available on the MDHHS [website](#).

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

## NEW MICHIGAN STREAMLINED APPLICATION FOR BENEFITS

On February 1, 2018, the Michigan Department of Health and Human Services issued a [press release](#) to announce the debut of a new, user-friendly and streamlined application for public assistance benefits, including Medicaid. The application is less than half the size of the previous form – the lengthiest in the country at 42 pages – and much quicker for applicants to complete and staff to review. Under development for more than two years, the application was designed to address applicant needs rather than program needs. The press release includes a direct link to the application form.

MDHHS also released an L-letter about the new application on January 19, 2018 (see L 18-02 in the Medicaid Policies article in this newsletter). The letter notes that a State Plan Amendment is being submitted for federal approval of the application.

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



## RFI RELEASED FOR SECTION 298 INITIATIVE PILOT SITES

On December 20, 2017, the Michigan Department of Health and Human Services (MDHHS) issued a press release to announce that a Request for Information (RFI) had been posted to the state's procurement site. The press release also included a link to the RFI. The purpose of the RFI is to select up to three pilot sites for the Section 298 Initiative, as required by the Michigan Legislature in Section 298 of Public Act 107 of 2017.

Only Community Mental Health Service Programs (CMHSPs) are eligible to respond to the RFI, and the applicant CMHSP must submit a signed memorandum of support from at least 50 percent of the Medicaid Health Plans within the proposed pilot region. Further, the applicant CMHSP must have a plan demonstrating full financial integration. Responses to the RFI are due to the state by February 13, 2018, and pilot decisions are anticipated by February 28, 2018

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

## IMPROVING ACCESS TO INPATIENT PSYCHIATRIC SERVICES

On February 13, 2018, the Michigan Department of Health and Human Services issued a [press release](#) announcing its plan to implement several recommendations to improve access to inpatient psychiatric services. The recommendations address staffing, expanded treatment options, health information sharing, and financing and reimbursement and were included in a report prepared through the Michigan Inpatient Psychiatric Admissions Discussion initiative.

A workgroup, comprised primarily of providers and payers, met during the fall of 2017 to investigate and analyze ongoing barriers to accessing inpatient psychiatric services in the state and prepared a report of 41 recommendations to address the issue. A link to the workgroup's full report is available in the press release.

The House Health Policy Committee, after reviewing the recommendations, has reported a bill (HB 5439) that would require MDHHS to establish a web-based resource to identify available inpatient psychiatric beds in the state. Facilities would be required to report available beds on close to a real-time basis.

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



## RFP FOR INNOVATIVE PROJECTS TO ELIMINATE CHILD LEAD EXPOSURE

On February 8, 2018, the Michigan Department of Health and Human Services issued a [press release](#) to announce that a Request for Proposals (RFP) had been posted on behalf of Michigan's Child Lead Exposure Elimination Commission (CLEEC) to select up to 10 projects to eliminate child lead exposure. One-time grants of up to \$75,000 will be awarded, and qualified applicants include local health departments, non-profit organizations, universities or other entities. Responses to the RFP are due by March 8, 2018.

The press release includes a link to the RFP as well as a new five-year Action Plan developed by the CLEEC that prioritizes recommendations from the Child Lead Poisoning Elimination Board's 2016 report, *A Roadmap to Eliminating Child Lead Exposure*.

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

## AUTISM THERAPY PROVIDER'S GRANT ON HOLD

In the October 2017 edition of *The Michigan Update*, we reported that the Michigan Strategic Fund approved a grant totaling \$8 million to Centria Healthcare, a provider of applied behavior analysis for children with autism and in-home nursing for people with brain and spinal cord injuries. In February 2018, that grant was put on hold pending the results of an investigation by the Michigan Attorney General's office into alleged wrongdoing by the company.

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

## RECENT PUBLICATIONS FROM CHRT

The Center for Healthcare Research & Transformation (CHRT) at the University of Michigan has recently released three publications that may be of interest: 1) *Creating Sustainability through Public-Private Partnerships: The Future of New Primary Care Models*; 2) *Changes in Primary Care Physicians' Patient Characteristics Under the Affordable Care Act*; and 3) *EHR Interoperability and Patient-centered Care*. All three publications are available on the CHRT [website](#).

The first publication details key elements of Patient-Centered Medical Home initiatives in four states, including Michigan. The second publication reports on the results of a survey of Michigan primary care physicians about the impact on their practices of the coverage expansions authorized by the Affordable Care Act. The third publication reports on what Michigan primary care physicians think about the value of interoperability to patient-centered care.

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



## MEDICAID POLICIES

The Michigan Department of Health and Human Services (MDHHS) has issued five final policies and two proposed policies that merit mention. They were released in January and February and are available for review on the department's [website](#).

- **MSA 17-49** notifies Bridges Eligibility and Administrative Manual Holders, as well as Medicaid Health Plans, the Medicaid Non-Emergency Medical Transportation (NEMT) Contractor, Maternal Infant Health Program (MIHP) Providers, and Local Health Departments of a **revision in NEMT provider enrollment requirements** and **MIHP NEMT policy**.
- **MSA 17-39** advises **Home Help** Agency and Individual Providers of a change in policy associated with **travel time for shopping and laundry services**.
- **MSA 18-01** informs **All Providers** of Current Procedural Terminology and Healthcare Common Procedure Coding System (**CPT and HCPCS**) **Code Updates**.
- **MSA 18-02** updates for **All Providers** Medicaid policy related to **coverage of physician-administered drugs and biological products**.
- **MSA 18-03** clarifies for Durable Medical Equipment Providers, Medical Suppliers, Orthotists, and Prosthetists (DMEPOS), as well as Practitioners, and Medicaid Health Plans Medicaid policy regarding **DMEPOS age limitations and parameters**.
- A proposed policy (**1728-CSHCS**) has been issued that would **establish coverage for pediatric outpatient intensive feeding program services** for beneficiaries with significant feeding and swallowing difficulties. Comments are due to MDHHS by March 15, 2018.
- A proposed policy (**1733-NF**) has been issued that would, **contingent upon federal State Plan Amendment approval, allow Michigan's State Veterans' Homes to participate in Medicaid as nursing facilities**, and make associated changes to the Medicaid Provider Manual. Comments are due to MDHHS by March 15, 2018.

MDHHS has also released 14 L-letters of potential interest, which are available for review on the same website.

- **L 17-58** was released on January 4, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to address a **change in the enrollment/disenrollment process, from paper to electronic**, for the Program of All-Inclusive Care for the Elderly (**PACE**).
- **L 17-61** was released to providers on January 9, 2018 as an **update on** the department's implementation of the **Modernizing Continuum of Care Level of Care Determination (LOCD) system and policy**.



- **L 17-60** was released on January 12, 2018 to remind Medicaid **Home Health Agencies** of their **responsibility to be informed of policy updates and to maintain current contact information in CHAMPS**, the Community Health Automated Medicaid Processing System.
- **L 18-02** was released on January 19, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to implement a **new and streamlined application** that will allow individuals to apply for all assistance programs, including Medicaid.
- **L 18-03** was released on February 1, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to align the Michigan Medicaid program with federal regulations regarding the **allowance of Miller Trusts**.
- **L 18-05** was released on February 13, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment to comply with federal law**, including the 21st Century Cures Act of 2016, **prohibiting Medicaid reimbursement for durable medical equipment from being higher than Medicare**.
- **L 18-07** was released on February 14, 2018 to notify pharmacy providers about certain **pharmacy-based services** covered by Michigan Medicaid **to address the prevention of hepatitis A virus infections**.
- **L 18-11** was released on February 15, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit an Amendment to the Comprehensive Health Care Program 1915(b) Waiver** to expand **dental coverage for pregnant women** eligible for Medicaid and enrolled in the Medicaid Health Plans.
- **L 18-12** was released on February 15, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit Amendments to the Comprehensive Health Care Program and Proposed Section 1115 Pathway to Integration Demonstration** for a **pilot program on integration of behavioral health and substance use disorder services**.
- **L 18-08** was released on February 16, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** and an **Alternative Benefit Plan Amendment** related to an **Opioid Health Home pilot**. The pilot will provide comprehensive care management and coordination services to Medicaid beneficiaries with opioid use disorder and the risk of developing another chronic condition.
- **L 18-06** was released on February 20, 2018 to announce **an opportunity for comment** on the department's **revised Statewide Transition Plan** for its home and community-based services waiver programs. Comments are due to MDHHS **by March 22, 2018**.
- **L 17-59** was released on February 21, 2018 to provide an **update for Medicaid Hospice Providers** regarding **completion of hospice admissions and discharges in CHAMPS**, the Community Health Automated Medicaid Processing System.



- **L 18-04** was released on February 21, 2018 to provide **supplemental information** regarding the application of **Field Definition Guidelines for the Medicaid Nursing Facility Level of Care Determination (LOCD) Tool**.
- **L 18-09** was released on February 21, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to modify one of its **Graduate Medical Education Innovation Agreements** to reflect a change in hospital partnership and an increase in the agreement amount.

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





# HMA HEALTH MANAGEMENT ASSOCIATES

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