

HEALTH MANAGEMENT ASSOCIATES

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## MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of January 1, 2019, there were **1,751,429** Medicaid beneficiaries, including **526,431** Healthy Michigan Plan (HMP) beneficiaries, enrolled in the 11 Michigan Medicaid Health Plans (HMOs). As the table below shows, this is an overall **decrease of 761** since December 1, 2018. While the number of HMP beneficiaries enrolled in HMOs decreased by 8,026, this decrease was offset by an increase of 7,265 non-HMP enrollees.

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

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, which no doubt contributed to the minimal increase in total Medicaid HMO enrollment.

As the enrollment reports for January ([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, and 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 the counties, Upper Peninsula Health Plan.

The plans with the highest total enrollment in January were Meridian Health Plan of Michigan with just over 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 526,431 HMP beneficiaries enrolled as of January 1, 2019** in the Medicaid HMOs. This is a decrease of 8,026 since December 1, 2018 and a decrease of 24,311 since September 1, 2018. It is very likely that the large number of individuals not yet assigned to a health plan (57,771 of the 111,082 total) has had a significant impact on this enrollment decrease. All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in January were Meridian Health Plan of Michigan with almost 28 percent of the total, Molina Healthcare of Michigan with almost 17 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 **22,020 joint CSHCS/Medicaid beneficiaries enrolled as of January 1, 2019** in the Medicaid HMOs, an increase of 3,522 since December 1, 2018. This dramatic jump in the enrollment total could reflect the correction of a problem identified several months ago with some children being inadvertently disenrolled from their Medicaid HMO following their annual CSHCS redetermination.

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in January were Meridian Health Plan of Michigan with almost 24 percent of the total, Molina Healthcare of Michigan with almost 23 percent, and UnitedHealthcare Community Plan with almost 14 percent of the total enrollees.

### *MICchild*

There were **36,448 MICchild beneficiaries enrolled as of January 1, 2019** in Medicaid HMOs. As the table above reflects, the number of enrolled MICchild beneficiaries increased by 1,369 between December 1, 2018 and January 1, 2019.

All Medicaid HMOs have MICchild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in January were Meridian Health Plan of Michigan with almost 29 percent of the total, Molina Healthcare of Michigan with almost 17 percent, and UnitedHealthcare Community Plan with more than 13 percent of the total enrollees.

## Medicare/Medicaid

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **39,261 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of January 1, 2019** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 211 between December 1, 2018 and January 1, 2019**.

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in January were Meridian Health Plan of Michigan with more than 30 percent of the total, Molina Healthcare of Michigan with almost 25 percent, and Priority Health Choice with almost 12 percent of the total enrollees.

For additional information, contact [Eileen Ellis](#), Senior Advisor Emeritus, 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 (MDHHS) reports that **as of January 1, 2019, the MI Health Link enrollment total was 34,367, a decrease of 288 enrollees since December.**

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 total for January 1, 2019, which is almost 3,700 below the enrollment total for January 1, 2018 and almost 4,700 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
37,518	37,103	36,394	35,651	34,827	34,655	34,367

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 **January 1, 2019**.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,021	732	2,684	6,437
AmeriHealth Michigan			552	2,038	2,590
HAP Midwest Health Plan			899	3,422	4,321
Meridian Health Plan of MI		4,872			4,872
MI Complete Health / Fidelis			436	1,721	2,157
Molina Healthcare of MI			1,725	8,367	10,092
Upper Peninsula Health Plan	3,898				3,898
<b>Total</b>	<b>3,898</b>	<b>7,893</b>	<b>4,344</b>	<b>18,232</b>	<b>34,367</b>

As of January 1, 2019, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (more than 29 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, just over 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 January 2019; more than 21 percent of the total enrollees residing in nursing facilities were part of UPHP. Aetna Better Health of Michigan ranked second, with almost 19 percent of the total. Molina Healthcare of Michigan was third, with a little more than 18 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 January 1, 2019, the voluntary enrollment percentage was 26.4.

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 January 1, 2019, these three D-SNPs had a combined enrollment of 20,895 duals** for whom they provide Medicare services.

More than 58 percent of the duals enrolled in a Michigan D-SNP (12,205 individuals) are enrolled with Molina; over 37 percent (7,768 duals) are enrolled with Meridian; and 922 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 69 enrollees as of January 1, 2019 but federal reports did not reflect any enrollees in January 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.

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## 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 **685,996 as of January 28, 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.

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## WHITMER ANNOUNCES NEW MDHHS DIRECTOR

On January 10, 2019, Governor Gretchen Whitmer [announced](#) Robert Gordon as the new Director of the Michigan Department of Health and Human Services. Mr. Gordon comes to Michigan after working with the New York City Department of Education. He previously held senior positions within the U.S. Office of Management and Budget and the U.S. Department of Education during the administration of former President Barack Obama.

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

## WHITMER ISSUES SEVERAL EXECUTIVE DIRECTIVES

Governor Gretchen Whitmer has [issued 12 Executive Directives](#) since taking office.

- 2019-1 requires state employees to report imminent health and safety threats and establishes a procedure for reporting those up a chain of command.
- 2019-2 requires state departments to report irregularities around public money or property, and issues instructions on how to do so.
- 2019-3 establishes baseline standards for ethical conduct for gubernatorial appointees, unclassified employees and department directors. The directive includes a requirement to “give a full day’s labor for a full day’s pay” and use government resources judiciously.
- 2019-4 prohibits soliciting or receiving political contributions in state facilitates. Civil service rules already prohibit classified employees from engaging in unauthorized political activities while on duty.
- 2019-5 prohibits state employees from using personal emails to conduct state business.
- 2019-6 requires department directors to consult with the State Budget Director when pursuing activities with budgetary implications.



- 2019-7 establishes a process for state departments to put forth policy proposals. In the process, the proposals go before the State Budget Director and the Governor's Director of Legislative Affairs before being transmitted to the legislature.
- 2019-8 requires the Department of Technology Management and Budget to work with and increase purchases from small and geographically-disadvantaged businesses
- 2019-9 strengthens protections for lesbian, gay, bisexual, and transgender workers within state government, state contractors and in services the state provides.
- 2019-10 aims to eliminate the pay gap between men and women by banning the state from asking about previous salaries in hiring.
- 2019-11 encourages transparency in state government and focuses on the Freedom of Information Act and Open Meetings. It also requires each department or autonomous agency to designate a Transparency Liaison.
- 2019-12 relates to climate change and requires state department to implement policies that advance the goals of reducing carbon pollution and promoting clean energy deployment.

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## MASSIVE SUPPLEMENTAL GETS APPROVAL IN DECEMBER

On December 28, 2018, former Governor Rick Snyder signed a \$1.26 billion supplemental passed by the Legislature during the “lame duck” session. The supplemental, Public Act 618 of 2018, includes funding for most state departments, with \$647.2 million identified for the Michigan Department of Health and Human Services. More than \$400 million of that appropriation is in federal funds. A complete listing of appropriations across departments and services is available in the [House Fiscal Agency's analysis of the bill](#).

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## LEGISLATIVE LEADERS ANNOUNCE COMMITTEES

Senate Majority Leader Mike Shirkey and House of Representatives Speaker Lee Chatfield, both Republicans, have announced members of their committees for the year.

[Senator Shirkey's appointments](#) with health care importance include:

- **Appropriations (12 Republican/6 Democrat):** Stamas (*chair*), Bumstead (*vice chair*), Barrett, Bizon, LaSata, MacDonald, MacGregor, Nesbitt, Outman, Runestad, Schmidt, Victory, Hertel (minority vice chair), Bayer, Hollier, Irwin, McCann, and Santana.
- **Community Health/Human Services Appropriations Subcommittee (6 Republican/3 Democrat):** MacGregor (*chair*), Bizon (*vice chair*), Schmidt, LaSata, MacDonald, Barrett, Hertel (minority vice chair), Irwin, and Santana.
- **Health Policy and Human Services (6 Republican/4 Democrat):** VanderWall (*chair*), Bizon (*vice chair*), Johnson, LaSata, MacDonald, Theis, Brinks, (minority vice chair), Hertel, Santana, and Wojno.

[Speaker Chatfield's appointments](#) with health care importance include:

- **Appropriations (17 Republican/12 Democrat):** Hernandez (*chair*), Miller (*vice chair*), Inman, Albert, Allor, Brann, VanSingel, Whiteford, Yaroch, Bollin, Glenn, Green, Huizenga, Lightner, Maddock, Slagh, VanWoerkom, Hoadley (minority vice chair), Love, Pagan, Hammoud, Peterson, Sabo, Anthony, Brixie, Cherry, Hood, Kennedy, and Tate
- **Health and Human Services Appropriations Subcommittee (8 Republican/5 Democrat):** Whiteford (*chair*), Green (*vice chair*), Inman, Allor, Yaroch, Glenn, Huizenga, VanWoerkom, Hammond (minority vice chair), Hoadley, Love, Brixie, and Cherry
- **Families, Children, and Seniors (5 Republican/4 Democrat):** Crawford (*chair*), Rendon (*vice chair*), Hoitenga, Meerman, Wozniak, Garrett (minority vice chair), Liberati, B. Carter, C. Johnson.
- **Health Policy (11 Republican/8 Democrat):** Vaupel (*chair*), Frederick (*vice chair*), Alexander, Calley, Hornberger, Lower, Whiteford, Afendoulis, Filler, Mueller, Wozniak, Liberati (minority vice chair), Garrett, Clemente, Ellison, Koleszar, Pohutsky, Stone, and Witwer.

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## MEDICAID SUBROGATION REQUIREMENTS

Michigan's Medicaid program, pursuant to federal law, is the payer of last resort for healthcare services. As such, when a healthcare provider bills for services provided to a Medicaid beneficiary, coverage from all other eligible insurances must be exhausted before the Medicaid program is liable; and if third party liability is identified after Medicaid has made payment, appropriate actions must be made to refund the program. Language in the Michigan Social Welfare Act (MCL 400.106) requires Medicaid beneficiaries or their legal counsel to inform the Department of Health and Human Services (MDHHS) when filing an action for healthcare expenses that could result in a third-party liability recovery for Medicaid. This covers numerous forms of insurance including automobile insurance, product liability, and medical malpractice.

[Public Act 511 of 2018](#), enacted in late December 2018 and given immediate effect, includes provisions that provide more specificity to the requirements included in MCL 400.106 related to Medicaid subrogation. These changes include notice to MDHHS, and a beneficiary's Medicaid HMO if applicable, within 30 days of a complaint being filed in court and, in the case of a legal settlement, would have to be provided in writing before the action is settled.

Similarly, an insurer who was potentially liable in an action and was aware of the action would have to provide notice to the MDHHS, and the beneficiary's Medicaid HMO if applicable, in the same manner as the individual. If a complaint were settled without the MDHHS (or HMO) receiving notice, MDHHS or the HMO could file a legal action to recover expenses. An attorney's failure to notify MDHHS in a timely manner could result in a civil fine.

Within 30 days of receiving notice, MDHHS (and the Medicaid HMO if applicable) would have to provide a written itemization to the individual, their representative, or their counsel of expenses that could be subject to third party liability. Failure to do so releases counsel's obligation to protect Medicaid's (and the HMO's) interest.

MDHHS advises that its staff is working with the State Court Administrator's Office (SCAO) on revisions to the SCAO summons form required because of this change in statute, however a revised form may not be available for several months.

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

## DENTAL THERAPISTS

[Public Act 463 of 2018](#) was signed into law by former Governor Rick Snyder on December 28, 2018. This law provides for the licensing of dental therapists in Michigan. The law specifies the scope of practice for these health professionals, including required practice agreements with supervising dentists, and identifies licensing requirements.

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

## WALGREENS SETTLES WHISTLEBLOWER CASE

The law firm representing a whistleblower in a case filed in 2012 [announced](#) on January 22, 2019 that Walgreens, the nation's largest retail pharmacy, has agreed to pay \$60 million to settle allegations that it knowingly overcharged government healthcare plans such as Medicaid for prescription drugs. It had been alleged that Walgreens offered discounted prices on prescription drugs to the public through its Prescription Savings Club while charging higher prices for the same drugs when paid by government programs. The federal government and 39 states (including Michigan), along with the whistleblower, will share in the settlement.

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## MEDICAID POLICIES

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

- **MSA 19-01** notifies **All Providers of Current Procedural Terminology and Healthcare Common Procedure Coding System code updates**.
- **MSA 19-02** informs **Nursing Facilities and other Long-Term Care Facilities** of changes to the **Allowable and Non-Allowable Costs** section of the Medicaid Provider Manual related to provider donations for **outstationed state staff**.
- A proposed policy (**1839-CNM**) has been issued that would **update Medicaid policy for Certified Nurse Midwives to align it with current professional scope of practice** in state law. Comments are due to MDHHS by February 11, 2019.
- A proposed policy (**1851-ACA**) has been issued that would **clarify existing nondiscrimination protections established in federal law**. Comments are due to MDHHS by February 15, 2019.
- A proposed policy (**1852-DME**) has been issued that would allow the **purchase of osteogenesis stimulators** for beneficiaries with medical need to use the stimulator longer than 10 months. Comments are due to MDHHS by February 19, 2019.
- A proposed policy (**1853-Eligibility**) has been issued to clarify for staff determining Medicaid eligibility **how to handle non-taxable annuity payments for MAGI-based Medicaid programs**. Comments are due to MDHHS by February 26, 2019.

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

- **L 18-74** was released on January 11, 2019 to notify interested parties that MDHHS is submitting an **amendment to the Section 1915(c) MI Health Link Waiver**.
- **L 19-04** was released on January 29, 2019 to **supplement information** provided in L 18-70, released December 3, 2018. Both letters relate to the MDHHS intent to **submit a State Plan Amendment** to develop an **alternate payment methodology for Rural Health Clinics**.

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





# HMA HEALTH MANAGEMENT ASSOCIATES

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