

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of July 1, 2014, there were **1,548,764 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 13 Medicaid Health Plans (HMOs); this is a **net increase of 47,827** since June. The HMP saw an increase of 60,163 new enrollees but was offset by a decrease of 12,336 non-HMP Medicaid enrollees. The number of non-HMP Medicaid beneficiaries for which managed care enrollment is still in process is 16,171; the number of HMP beneficiaries for which managed care enrollment is still in process is 63,389.

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 now in place in every county of the state 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.

Please note in the enrollment reports that one of the Medicaid HMOs has changed its name. Midwest Health Plan, Inc. is now called HAP Midwest Health Plan, Inc.

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 between April 1 and July 29, 2014, a

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total of **341,634 individuals have been approved** for HMP coverage.

The DCH updates HMP enrollment statistics on its [website](#) weekly and includes a breakdown of enrollment by county. Not surprisingly, more than half of the newly approved HMP beneficiaries reside in the state's five largest counties:

July 29, 2014 Healthy Michigan Plan Enrollment	
Wayne	94,001
Macomb	24,194
Oakland	24,700
Genesee	22,885
Kent	16,461
Five-County Total	183,241
Statewide Total	341,634

The DCH [website](#) also includes information for HMP applicants and enrollees, providers and health plans. Program policy and publications are available along with information and the form used for Health Risk Assessment. A set of Frequently Asked Questions is provided and the HMP waiver protocols are also available on the site.

With few exceptions, new HMP beneficiaries are required to enroll in the Medicaid Health Plans (HMOs) to receive their health care benefits. As of July 1, 2014, there were a total of 230,462 HMP beneficiaries enrolled in the HMOs. HMP enrollment totals by health plan are expected to increase again in August as individuals continue to choose an HMO or are assigned to an HMO if they do not make a choice of plans.

July 2014 Healthy Michigan Plan Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	16,562	2,323	18,885
CoventryCares of MI	1,872	3,566	5,438
HAP Midwest Health Plan	7,703	5,872	13,575
Harbor Health Plan, Inc.	842	1,686	2,528
HealthPlus Partners	12,427	2,283	14,710
McLaren Health Plan	22,065	6,516	28,581
Meridian Health Plan of MI	36,525	20,643	57,168
Molina Healthcare of MI	18,395	7,809	26,204
PHP Mid-MI Family Care	1,220	790	2,010

Priority Health Choice, Inc.	13,157	2,753	15,910
Total Health Care	5,021	3,725	8,746
UnitedHealthcare Comm. Plan	20,292	8,771	29,063
Upper Peninsula Health Plan	7,642	2	7,644
Total	163,723	66,739	230,462

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

Duals in Medicaid HMOs

The number of Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive their Medicaid benefits continues to grow - there were **51,435 duals enrolled** in Medicaid HMOs in July, an increase of 1,458 since June. 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 their Medicaid services from an HMO, 24.9 percent of the total; UnitedHealthcare Community Plan has 21.8 percent of the total; Meridian Health Plan of Michigan has 17.9 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 35.4 percent.

Eight of the 13 Medicaid HMOs in Michigan (or their parent organizations) are also federally contracted as Medicare Advantage Special Needs Plans for Duals (D-SNPs) to provide *Medicare* benefits for duals in Michigan: HealthPlus Partners, McLaren Health Plan, Meridian Health Plan of Michigan, HAP Midwest Health Plan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan and Upper Peninsula Health Plan. As of July 1, 2014 these eight D-SNPs have a combined enrollment of 21,715 duals for whom they provide Medicare services; 50.3 percent of the duals that are enrolled in a D-SNP are enrolled in the Molina plan, 29.5 percent are enrolled in the UnitedHealthcare plan and the remaining 20.2 percent are spread across the other six 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 a potential Integrated Care Organization (ICO) in the state's duals demonstration. As of July 1, 2014, Fidelis has 878 enrollees in its D-SNP and is also an approved Medicare Advantage Institutional SNP (I-SNP) with 267 enrollees.

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

CSHCS Children in Medicaid HMOs

The Michigan Department of Community Health (DCH) changed its policy in 2012 to require 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. The enrollment process was phased in through February 2013 and as of July 1, 2014, there were **18,637 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**; this is a decrease of 82 since June. 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, 25.5 percent of the total. Molina Healthcare of Michigan has 17.1 percent of the total; UnitedHealthcare Community Plan has 16.8 percent; and the other nine plans share the remaining 40.6 percent.

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MIChild

According to MAXIMUS, the Michigan Department of Community Health (DCH) contractor for MIChild enrollment, there were **31,904 children enrolled in the MIChild program as of June 1, 2014 and 34,037 enrolled as of July 1, 2014**. These enrollment numbers reflect an increase from the 31,669 children enrolled as of May 1, 2014 but a **significant decrease from the 36,841 children enrolled as of January 1, 2014**. Of these totals, 661 enrollees in June and 636 enrollees in July are dually eligible for Children's Special Health Care Services (CSHCS) and MIChild.

As was reported in last month's edition of *The Michigan Update*, the new Modified Adjusted Gross Income (MAGI) income counting methodology implemented in Michigan in January 2014 impacted MICHild enrollment. While the new method effectively raised the upper limit on income for MICHild coverage to 212 percent of the federal poverty level, it also raised the income levels for children's groups in Medicaid by ten percentage points. These changes may be responsible for the reduction in MICHild enrollment.

As the enrollment reports ([pdf](#)) ([xls](#)) for June show, enrollment is dispersed between 13 plans. A little more than eight percent of the children were still enrolled with BCBSM as of June 1, 2014. The enrollment reports ([pdf](#)) ([xls](#)) for July show only about seven percent of the children still enrolled with BCBSM. The BCBSM market share has gradually dropped from about 75 percent last fall 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 choice will remain enrolled with that plan until other plans expand their service areas to these counties. There are now only eight counties where BCBSM is the only available plan.

MICHild-enrolled children receive their dental care through contracted dental plans. Of the two available plans, 93.0 percent of the children were enrolled with Delta Dental Plan as of June 1, 2014 (and 91.8 percent as of July 1), which has a statewide service area. The remaining 7.0 percent of children in June (and 8.2 percent in July) are 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 but terminated in full its participation in the MICHild dental program.

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

National Project to Reduce Prescription Drug Abuse

On July 29, 2014, Michigan Department of Community Health (DCH) Director James Haveman [announced](#) that Michigan has been selected by the National Governors Association to participate in a year-long *Policy Academy on Reducing Prescription Drug Abuse*. MDCH will coordinate Michigan's role on the year-long project and work with representatives from Minnesota, Nevada, North Carolina, Vermont and Wisconsin, states also selected to participate in the project. Through the Policy Academy, participants will

learn about evidence-based interventions and policies that will align with current, ongoing initiatives and partners. Selected states will participate in collaborative efforts including two, two-day meetings with other policy academy states; an in-state workshop facilitated by NGA Center for Best Practices staff; and develop a comprehensive, strategic plan for reducing prescription drug abuse.

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

HHS Announces Health Care Innovation Awards

On July 9, 2014, US Secretary of Health and Human Services (HHS) Sylvia Mathews Burwell announced new prospective awardees to test innovative care models, bringing the total amount of funding to as much as \$360 million for 39 recipients spanning 27 states and the District of Columbia. The models are designed to deliver better health care and lower costs under the Health Care Innovation Awards program and are made possible by the Affordable Care Act (ACA - the health care reform law). Three of the recipients, who will share almost \$26 million, will implement projects affecting Michigan communities. The projects will be funded for three years, contingent upon satisfactory performance.

- **Altarum Institute** was awarded \$9,383,762 for a project entitled *Reducing the Burden of Childhood Dental Disease*. The project will test the impact of an intervention, which integrates primary care providers, dentists and health information technology on dental outcomes for children ages 0 to 17 enrolled in Medicaid or CHIP.
- **Detroit Medical Center, Vanguard Health Systems** was awarded \$9,966,608 for a project entitled *Gateway to Health: An Innovative Model for Primary Care Expansion in Detroit*. The project will test a proposal to make primary care immediately available to individuals who arrive at four major inner city hospital emergency departments (EDs) for non-urgent care by establishing adjacent patient-centered medical home clinics. Medicaid fee-for-service beneficiaries will be the dominant target population.
- **Regents of the University of Michigan** received \$6,389,850 for a project entitled *Michigan Surgical and Health Optimization Program (MSHOP): A Multiplex Patient Risk Stratification and Intervention Program*. The project will implement the MSHOP, which focuses on real-time risk stratification and peri-operative optimization for patients undergoing abdominal surgery to improve surgical outcomes.

To learn more about these initiatives, view the [HHS press release](#) and click on the included links.

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

2014 Kids Count Data Book

The *2014 Kids Count Data Book*, published through the Annie E. Casey Foundation, was released on July 22, 2014. The annual publication provides information and rankings on all states on key indicators of child well-being. The 2014 report ranked Michigan 32nd in the nation (down from 31st in 2013) across all indicators of childhood wellbeing. Michigan ranked 34th in a composite measure of economic well-being, 38th in education metrics, 29th in measures of health, and 29th as well in measures related to family and community.

Michigan has made progress in the rate of births to teen mothers; the report notes a reduction from 59 births per 1,000 teens in 1990 to 26 births per 1,000 teens in 2012. Other progress includes improvement in the child and teen death rate, in children living in families where the head of the household lacks a diploma, and in the share of 3- and 4-year-olds not attending preschool. Consistent with previous years, the Data Book identified Michigan as one of the most effective states in providing access to health coverage for children, with 96 percent of Michigan children insured.

The state's declining trends since 1990 include an increase in the share of children living in poverty (one in every four); an increase in the share of children living in unaffordable housing, where the cost of housing consumes 30 percent or more of the household income (one in every three); and the rate of children living in single-parent families, which has increased by 30 percent since 1990.

The Michigan League for Public Policy, an advocacy group for low-income children and families produced the Kids Count in Michigan data with funding from the Annie E. Casey Foundation. The Kids Count Data Book (and a data center) is available on the Foundation's [website](#). National, state-specific and state comparison data are available.

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

CMS Extends and Expands Provider Enrollment Moratorium

Using authority in the federal Affordable Care Act, on July 29, 2014, the Centers for Medicare and Medicaid Services

(CMS) [announced](#) an extension and expansion of a provider enrollment moratorium implemented a year ago and impacting the Medicare, Medicaid, and the Children's Health Insurance Program (CHIP) in several states, including Michigan. The moratorium will now impact Ambulance providers in metropolitan Philadelphia, including some counties in New Jersey, as well as several counties surrounding Houston, Texas; previously only Texas was impacted. The moratorium will now impact Home Health Agencies in and around Miami, Florida, Chicago, Illinois, and Dallas and Houston, Texas; it will also impact five counties in southeast Michigan - Macomb, Monroe, Oakland, Washtenaw and Wayne. This is an expansion in Texas and newly impacts Michigan. The enrollment moratorium prohibits providers (Ambulance or Home Health Agencies, as specified) located in these areas from newly enrolling in the referenced programs for approximately the next six months, unless the moratorium is again extended. CMS has noted that these areas are health care fraud "hot spots" and the action is being taken to continue strong anti-fraud efforts underway across the country.

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Jean Chabut

Former Deputy Director of the Public Health Administration in the Michigan Department of Community Health (DCH), Jean Chabut, has died following a very brief illness. Ms. Chabut served as Deputy Director from 2003 to 2012 when she retired and held other leadership positions within the Department for many years previously. DCH Director James Haveman noted on her passing that she "was a champion of public health for Michigan residents for more than 30 years ... and an absolutely invaluable resource and trusted colleague with the Department." A memorial service is planned for mid-August.

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

Medicaid Policies

The Michigan Department of Community Health (DCH) has issued five final and six proposed policies that merit mention. The policies are available for review on DCH's [website](#).

- **MSA 14-24** advises **Practitioners, Pharmacies, Medicaid Health Plans and Others** of changes to the **Beneficiary Monitoring Program**.
- **MSA 14-25** notifies **Medical Suppliers, Practitioners and Medicaid Health Plans** of

revised coverage policy relative to **Wearable Cardioverter Defibrillators**.

- **MSA 14-26** informs **Home and Community-Based Services Waiver and other Long-Term Care Providers** of revisions to the **MI Choice** Chapter of the Medicaid Provider Manual required as a result of the MI Choice waiver renewal.
- **MSA 14-27** informs **Home and Community-Based Services Waiver and other Long-Term Care Providers** of new **Telephonic Intake Guidelines** for the **MI Choice** program.
- **MSA 14-28** advises **All Providers** that the **Plan First! Family Planning Program**, previously announced as ending June 30, 2014, will be **extended until further notice** for certain beneficiaries.
- A proposed policy (**1430-Hospital**) has been issued that would require both fee-for-service and managed care plan providers to adhere to **National Uniform Billing Committee** guidelines for **reporting newborn priority (type of) admission or visit, newborn birth weight, and cesarean sections/inductions related to gestational age on all inpatient hospital claims**. Comments are due to DCH by August 20, 2014.
- A proposed policy (**1432-Dental**) has been issued that would **expand the Healthy Kids Dental program into Kalamazoo and Macomb Counties**, as required in the DCH budget appropriation for fiscal year 2014-2015. Comments are due to DCH by August 20, 2014.
- A proposed policy (**1431-Billing**) has been issued that would provide guidance related to **rebilling inappropriate or unnecessary inpatient admissions** identified through internal or external review as well as a clarification on DCH's alignment with the "two-midnight rule". Comments are due to DCH by August 22, 2014.
- A proposed policy (**1434-Payment**) has been issued that would provide information describing the **rate increase for obstetrical services** for dates of service on and after October 1, 2014, as required in the DCH budget appropriation for fiscal year 2014-2015. Comments are due to DCH by August 22, 2014.
- A proposed policy (**1427-HMP**) has been issued that would provide additional information about the **Healthy Michigan Plan**, specifically related to **healthy behaviors, cost sharing requirements, and special coverage provisions**. Comments are due to DCH by August 27, 2014.
- A proposed policy (**1433-DME**) has been issued that would change **diabetic testing supply limits for adults based on insulin usage**, to align with Medicare and other payers. **Limits for children will**

increase based on industry standards. Comments are due to DCH by August 29, 2014.

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

- **L 14-25** was released to notify providers of **claims processing edits** recently implemented to align with a policy bulletin issued in 2010 related to **preadmission diagnostic and other services rendered within the three days prior to a hospital admission**. The letter indicates that outpatient hospital claims reviewed and determined to have been paid inappropriately will be subject to **recovery**.
- **L 14-26** was released to indicate that DCH plans to submit a state plan amendment to the Centers for Medicare and Medicaid Services (CMS) to **terminate the use of contract employees** (1099 subcontractors) in the **Home Help** program.
- **L 14-32** was released to indicate that DCH plans to submit a state plan amendment to CMS to modify reimbursement methodology and enable **increased payment rates for primary care services rendered by physicians with specialty designations of family medicine, general internal medicine, or pediatric medicine** beginning January 1, 2015.
- **L 14-33** was released to indicate that DCH plans to amend the **MI Choice** home and community-based services waiver to **increase the number of slots** available for the program.
- **L 14-39** was released to indicate that DCH plans to amend the **Habilitation Supports Waiver** to **expand participant access** and eligibility to qualified individuals enrolled in the **Healthy Michigan Plan**.

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