

The Michigan Update

In This Issue

[Medicaid Managed Care Enrollment Activity](#)

[Healthy Michigan Plan](#)

[MI Health Link](#)

[Michigan D-SNPs](#)

[Michigan Medicaid Budget for FY 2016-2017](#)

[Health Insurance Claims Assessment \(HICA\)](#)

[MDHHS Chief Deputy Director](#)

[MAHP Executive Director to Retire](#)

[2016 Kids Count Data Book[®]](#)

[Healthy Michigan Plan Did Not Reduce Access to Care](#)

Medicaid Managed Care Enrollment Activity

After resolving some systems issues affecting production of the reports, the Michigan Department of Health and Human Services (MDHHS) recently released managed care enrollment reports for May, June and July 2016. Note however that for May the breakdown between Healthy Michigan Plan (HMP) and non-HMP enrollment, as well as the count of mandated but not enrolled along with the percentage enrolled statistics, are not available at this time.

As of July 1, 2016, there were **1,698,888 Medicaid beneficiaries, including 484,937 HMP beneficiaries and 31,806 MICHild beneficiaries**, enrolled in 11 Medicaid Health Plans (HMOs). The MICHild enrollees are included in the non-HMP category.

MDHHS reports that enrollment in *Plan First!* has now dropped to almost zero. To the extent possible, women formerly enrolled in this single benefit family planning program have been moved to other Medicaid categories – both HMP and non-HMP – depending on their income and other eligibility characteristics. (Refer to the January edition of *The Michigan Update* for additional information related to termination of this program.)

As the enrollment reports for May ([pdf](#)) ([xls](#)), June ([pdf](#)) ([xls](#)) and July ([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,

[ACA Impact on Health Coverage and Safety Net](#)

[Michigan Dental Program](#)

[Medicaid Policies](#)

Quick Links

[Who We Are](#)

[What We Do](#)

[Who We Help](#)

Contact Us

Phone:
1-800-678-2299

[Email](#)

Locations:

Atlanta, Georgia
Austin, Texas
Boston, Massachusetts
Chicago, Illinois
Columbus, Ohio
Denver, Colorado
Harrisburg, Pennsylvania
Indianapolis, Indiana
Lansing, Michigan
New York, New York
Phoenix, Arizona
Portland, Oregon
Sacramento, California
San Francisco, California
Seattle, Washington
Southern California
Tallahassee, Florida
Washington, DC

[Join Our Mailing List!](#)

through federal "Rural Exception" authority, to the one HMO serving the counties, Upper Peninsula Health Plan.

The plans with the highest enrollment as of July 1, 2016 were Meridian Health Plan of Michigan (with 28.1 percent of the total), Molina Healthcare of Michigan (with 21.5 percent), United Healthcare Community Plan (with 15.0 percent), and McLaren Health Plan has 11.0 percent of the total.

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. As of July 1, 2016, there were **17,921 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**. All Medicaid HMOs except Harbor Health Plan have CSHCS/Medicaid enrollees, although the numbers vary across plans. Molina Healthcare of Michigan has the most CSHCS/Medicaid beneficiaries enrolled (26.2 percent of the total); Meridian Health Plan of Michigan also has 26.2 percent of the total enrollees (four fewer enrollees than Molina); UnitedHealthcare Community Plan has 15.8 percent; and McLaren Health Plan has 10.3 percent of the total.

There were **34,483 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** to receive acute care Medicaid benefits in July 2016. All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. Molina Healthcare of Michigan has the most duals receiving Medicaid services from an HMO (28.7 percent of the total); Meridian Health Plan of Michigan has 25.1 percent of the total (but the most voluntary enrollees); and McLaren Health Plan has 15.3 percent of the total enrollees.

There were **30,311 MICHild beneficiaries enrolled in Medicaid HMOs** in July 2016. All Medicaid HMOs have MICHild beneficiaries enrolled, although the numbers vary dramatically across plans. Molina Healthcare of Michigan has the most MICHild enrollees (21.3 percent of the total); Meridian Health Plan of Michigan has 21.0 percent of the total; McLaren Health Plan has 14.2 percent; Priority Health Choice has 13.0 percent; and UnitedHealthcare Community Plan has 12.6 percent of the total enrollees.

The enrollment breakdown by category of enrollees over the April to July span is perhaps best illustrated in a table.

	April 2016	May 2016	June 2016	July 2016
--	-----------------------	---------------------	----------------------	----------------------

Total Enrollees	1,688,620	1,703,778	1,705,235	1,698,888
HMP Enrollees	482,647	N/A	488,374	484,937
Non-HMP Enrollees	1,205,973	N/A	1,216,861	1,213,951
Duals	30,050	34,234	33,969	34,483
CSHCS	17,729	18,136	17,812	17,921
MiChild	31,766	30,813	38,767	37,781

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

Healthy Michigan Plan

Healthy Michigan Plan (HMP) enrollment levels have continued to climb and, according to the Michigan Department of Health and Human Services (MDHHS) [website](#), stood at **608,705 as of July 25, 2016**. Although the HMP caseload drops by about 25,000 at the beginning of each month as a result of an annual eligibility redetermination requirement, it generally rebounds by the end of the month.

For additional information, contact [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 to last for five years (through 2019) and operate in four regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state form another region (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren); and Wayne and Macomb Counties are two single-county regions.

As of June 1, 2016, due to a passive enrollment process implemented by the Michigan Department of Health and Human Services (MDHHS), **there were 38,767 enrollees** in these health plans. (Read more about this passive enrollment process in the June 2016 edition of *The Michigan Update*.) This is an increase of almost 8,000 enrollees from the May enrollment level of 30,813, but still below the 42,757 enrollees in September 2015 when the demonstration was initially implemented. Enrollment dropped to **37,781 enrollees as of July 1, 2016**, likely

due to passive enrollees who were assigned to a health plan but chose to opt out from (not participate in) MI Health Link.

There are seven ICOs serving one or more of the demonstration regions. The table below provides enrollment information by region for each ICO and both for June and July 2016.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI June 2016 July 2016		3,538 3,489	821 785	2,884 2,836	7,243 7,110
AmeriHealth Michigan June 2016 July 2016			864 815	2,959 2,811	3,823 3,626
MI Complete Health / Fidelis June 2016 July 2016			372 355	1,819 1,764	2,191 2,119
HAP Midwest Health Plan June 2016 July 2016			1,165 1,089	4,618 4,341	5,783 5,430
Meridian Health Plan of MI June 2016 July 2016		5,427 5,407			5,427 5,407
Molina Healthcare of MI June 2016 July 2016			1,725 1,674	8,532 8,397	10,257 10,071
Upper Peninsula Health Plan June 2016 July 2016	4,043 4,018				4,043 4,018
Total June 2016 July 2016	4,043 4,018	8,965 8,896	4,947 4,718	20,812 20,149	38,767 37,781

As of July 1st, Molina Healthcare of Michigan has the most enrollees, both voluntarily and passively enrolled (26.7 percent of the combined total); Aetna Better Health of Michigan has 18.8 percent of the total; HAP Midwest Health Plan has 14.4 percent; and Meridian Health Plan of Michigan

has 14.3 percent. At this point, almost 94 percent of the MI Health Link enrollees are living at home, and about 5.8 percent of the enrollees live in a nursing facility. Less than one percent of the enrollees are receiving home and community-based long-term services and supports. Although all of the plans have enrollees receiving care in nursing facilities, Molina Healthcare of Michigan has the largest share, almost 22 percent of the total.

While the majority of MI Health Link enrollees are passively enrolled, about 14 percent of them voluntarily joined the demonstration, and this percentage has more than doubled since September 2015. MDHHS reports that as of July 1st, more than 50,000 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 a later time.

The MDHHS has established an [enrollment dashboard](#) on the MI Health Link page on its website. According to the MI Health Link website, 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

Four 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 for duals in Michigan: HAP Midwest Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, and Upper Peninsula Health Plan. As of July 1, 2016 these four D-SNPs had a combined enrollment of 12,133 duals for whom they provide Medicare services. More than 82 percent of the duals enrolled in a D-SNP are enrolled in the Molina plan. (As of June 1st, the combined enrollment total was 11,924, and the Molina plan had almost 82 percent of the total.) None of these duals are participating in the MI Health Link demonstration.

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 their Medicare coinsurance and deductible payments and/or monthly Medicare premiums.

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

Michigan Medicaid Budget for FY 2016-2017

In our Special Edition of *The Michigan Update*, released on June 13, 2016, we provided highlights of the Medicaid and mental health provisions in the state's budget for the fiscal year beginning October 1, 2016. Governor Rick Snyder approved and signed the entire state budget into law on June 29, 2016 (Public Act 268). His approval was without line item vetoes, the first time in 42 years the state budget has not included at least one veto.

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

Health Insurance Claims Assessment (HICA)

In our Special Edition of *The Michigan Update*, released on June 13, 2016, we reported on four bills introduced in and passed by the Michigan Senate that would eliminate the HICA tax and replace it with a revised Use Tax on Medicaid HMOs and Prepaid Inpatient Health Plans. The bills are awaiting action by the House of Representatives. Although the Legislature appears poised to end the HICA, in part because it did not produce the level of revenues expected, on July 1, 2016, the 6th US Circuit Court of Appeals ruled, in a case brought against the state by the Self Insurance Institute of America, that the HICA does not violate federal pre-emption under the provisions of the Employee Retirement Income Security Act (ERISA).

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

MDHHS Chief Deputy Director

On July 7, 2016, Michigan Department of Health and Human Services Director Nick Lyon announced that Nancy Vreibel is succeeding Tim Becker as Chief Deputy Director of the department. Ms. Vreibel most recently served as director of appropriations for the Michigan Senate Appropriations Committee but had previously worked in the former Department of Community Health as budget director. She assumed her new position on July 18th.

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

MAHP Executive Director to Retire

At the annual meeting of the Michigan Association of Health Plans (MAHP) held in Traverse City in late July, it was announced that Rick Murdock would be retiring in January 2017. Mr. Murdock joined MAHP in 2002 after leaving state government and has led the organization as its executive director since 2004. It was also announced that Dominick Pallone, MAHP's deputy director since mid-2014, would succeed him.

In addition, MAHP announced that Cheryl Bupp, current Medicaid Policy Director at the association and former long-time director of the Managed Care Division at the Medicaid agency, will retire at the end of September. She will be replaced by Tiffany Stone, current Manager of Government Contracts for Molina Healthcare of Michigan.

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

2016 Kids Count Data Book®

The [2016 Kids Count Data Book](#), published by the Annie E. Casey Foundation, was released on June 20, 2016. The annual publication provides information and rankings for all states on key indicators of child well-being. The 2016 report ranked Michigan 31st in the nation in overall child well-being, up from 33rd in 2015 but still well behind the other Great Lakes states. The Michigan League for Public Policy, an advocacy group for low-income children and families works with the Foundation to provide additional Michigan-specific statistics, which are available on the League's [website](#) and highlighted below.

Health indicators for Michigan improved in the 2016 report, moving the state up to 14th nationally from 23rd in 2015. Health indicators include the percentage of low birth weight babies, children without health insurance, child and teen deaths, and teens abusing alcohol or drugs.

Economic well-being indicators for Michigan also improved, placing the state at 28th nationally, five places higher than in 2015. These indicators include the percentage of children living in poverty, children whose parents lack secure employment, children living in households with a high

housing cost burden, and teens not in school and not working.

Family and Community indicators for Michigan did not change the state's national ranking; Michigan remained at 29th in 2016. These indicators include the percentage of children in single-parent families, children in families where the household head lacks a high school diploma, children living in high-poverty areas, and teen births per 1,000.

Michigan has dropped to 40th in the country for children's education (down from 37th in 2015). The report notes that more than half of the state's young children are not in preschool, 71 percent of fourth-graders are not proficient in reading, 71 percent of eighth-graders are not proficient in math, and 22 percent of high school students are not graduating on time.

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

Healthy Michigan Plan Did Not Reduce Access to Care

A recent study published in *The American Journal of Managed Care* – [“Primary Care Appointment Availability and Nonphysician Providers One Year After Medicaid Expansion”](#) – notes that despite early predictions of new Healthy Michigan Plan (HMP) enrollees crowding patients with commercial insurance coverage out of primary care physicians' offices, evidence does not support that assertion. In fact, the study reported that access for HMP enrollees has increased without jeopardizing access for the commercially insured. The study was conducted by researchers from the University of Michigan's Institute for Healthcare Policy and Innovation who are faculty in the university's Medical School and School of Public Health.

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

ACA Impact on Health Coverage and Safety Net

On July 13, 2016, the Center for Healthcare Research and Transformation (CHRT) at the University of Michigan released [two new publications](#): *Effects of the Affordable Care Act on Health Insurance Coverage in Southeast Michigan* and *Effects of the Affordable Care Act on the Health Care Safety Net in Detroit*.

Among the findings of the CHRT reports:

- Detroit-based organizations received more than \$100 million in federal grant funding supported by the ACA and subsequent legislation to expand delivery capacity, train new health care workers, and develop other programs.
- The number of patients and patient visits at FQHCs in Detroit increased by over 6% from 2013 to 2014; the number of uninsured patients decreased by over 30% as the ACA's coverage expansion took effect.
- The number of health care providers (physicians, nurses, physician assistants, etc.) employed directly by FQHCs grew by over 21% from 2013 to 2014 as FQHCs prepared to serve more patients.
- Every county in southeast Michigan experienced a decrease in uninsured residents from 2013 to 2014. Wayne County experienced the sharpest decrease, from 16.4% to 12.5%.
- Within the City of Detroit, the uninsured rate fell from 22.5% to 17.1% in 2014 as both public and private coverage increased.

Both reports were produced for the Altarum Institute's Center for Sustainable Health Spending with funding from the National Institute for Health Care Reform.

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

Michigan Dental Program

The Michigan Dental Program provides dental services for residents living with HIV/AIDS, is federally funded through the Ryan White CARE (Comprehensive AIDS Resource Emergency) Act, and currently serves more than 2,200 individuals statewide. On July 26, 2016, the Michigan Department of Health and Human Services [announced](#) a partnership with Delta Dental of Michigan for the administration of this program.

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

Medicaid Policies

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

- A proposed policy (**1609-Vision**) has been re-issued to establish **parameters for eyeglass repairs and reimbursement**. Comments are due to MDHHS by August 5, 2016.
- A proposed policy (**1618-MHP**) has been issued to modify how Medicaid **reconciliation report settlements for Federally Qualified Health Centers and Rural Health Clinics** are processed. The policy proposes to use Medicaid Health Plan encounter data from the MDHHS Community Health Automated Medicaid Processing System (CHAMPS) to process settlements related to managed care enrollees. Comments are due to MDHHS by August 9, 2016.
- A proposed policy (**1603-DSME**) has been issued to expand coverage of **diabetes self-management education programs** consistent with Medicare's accreditation criteria. Comments are due to MDHHS by August 11, 2016.
- A proposed policy (**1621-Dental**) has been issued to change the **Healthy Kids Dental** program **from a prospective enrollment to a modified full-month prospective enrollment**, with coverage retroactive to the first day of the month in which the eligibility transaction is processed. The policy also notes that **effective October 1, 2016**, this program will be **expanded to include children ages 13 through 20 in Kent, Oakland and Wayne Counties**, resulting in statewide coverage for all children under this program. Comments are due to MDHHS by August 18, 2016.
- A proposed policy (**1622-MI Choice**) has been issued to inform MI Choice waiver agencies that MI Choice enrollees will begin receiving their **Non-Emergency Medical Transportation (NEMT) services through the waiver agents**. The policy would be implemented in two geographic phases beginning October 1, 2016. Comments are due to MDHHS by August 25, 2016.
- A proposed policy (**1620-HH**) has been issued to change and clarify **Medicaid Home Health policies** for better **alignment with Medicare** conditions of participation and federal regulations. Comments are due to MDHHS by August 31, 2016.

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

- **L 16-32 and L-16-33** were released on May 31, 2016, the first as a notice of intent to Tribal Chairs and Health Directors and the second to solicit comments from other Interested Parties. Both relate to the department's intent to submit **an amendment to the state's Section 1915(b) MI Choice waiver** to the Centers for Medicare & Medicaid Services (CMS). The purpose of the

amendment is **to add NEMT as a MI Choice waiver service.**

- **L 16-34** was released on July 7, 2016 to provide information for **Home Help Agencies** regarding **criminal history screening and reporting** services.
- **L 16-35 and L-16-36** were released on July 7, 2016, the first to **Nursing Facilities** and the second to **Instructors for Nurse Aide Training and Competency Evaluation Programs**, to share a **Frequently Asked Questions** document about the rules and MDHHS' expectations for this program.
- **L-16-37** was released on July 7, 2016 to remind **Medicaid Home Health Agencies** of their obligation to **keep informed of Medicaid policy updates** available on the MDHHS website and through the department's listserv and to **maintain current contact information** in the department's computer system (CHAMPS).
- **L 16-42** was released on July 7, 2016 to explain a **new beneficiary enrollment process for the MI Health Link program that utilizes "deeming"**.
- **L 16-39** was released on July 11, 2016 to notify providers about **Medicaid covered services important to address the Zika virus** and associated health conditions.
- **L 16-27 and L-16-43** were released on July 12, 2016, the first as a notice of intent to Tribal Chairs and Health Directors and the second to solicit comments from Stakeholders and other Interested Parties. Both relate to the department's intent to seek approval from CMS for a **new Section 1115 Demonstration Waiver** to provide necessary **services and supports to persons suffering qualifying brain injuries** who, but for the provision of these services, would otherwise be served in an institutional setting.
- **L 16-38** was released on July 21, 2016 as a notice to Tribal Chairs and Health Directors of the department's intent to submit a **State Plan Amendment to update current language** for the Early and Periodic Screening, Diagnosis and Treatment program related to the provision of **Private Duty Nursing**.
- **L 16-23** was released on July 25, 2016 to clarify for providers the department's expectations related to **screenings and covered services for children and pregnant women impacted by the Flint water system**.
- **L 16-41** was released on July 26, 2016 to notify providers that, as required in the state's appropriation language for the upcoming fiscal year, reimbursement rates for **Private Duty Nursing services provided to children will be increased by 15 percent** effective October 1, 2016.

- **L 16-44** was released on July 29, 2016 as a notice to Tribal Chairs and Health Directors of the department's intent to submit a **State Plan Amendment** to **update current language** regarding the **reimbursement methodology for targeted case management** services.

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

Health Management Associates is an independent national research and consulting firm specializing in complex health care program and policy issues. Founded in 1985, in Lansing, Michigan, Health Management Associates provides leadership, experience, and technical expertise to local, state, and federal governmental agencies, regional and national foundations, investors, multi-state health system organizations and single site health care providers, as well as employers and other purchasers in the public and private sectors.