

## *The Michigan Update*

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### Medicaid Managed Care Enrollment Activity

As of July 1, 2017, there were **1,820,299 Medicaid beneficiaries, including 553,352 HMP beneficiaries**, enrolled in the 11 Medicaid Health Plans (HMOs). This is an overall **increase of 14,725** since June. The number of HMP enrollees increased by 7,567 and the number of non-HMP enrollees increased by 7,158.

As the enrollment reports ([pdf](#)) ([xls](#)) for July 2017 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 as of July 1, 2017 were Meridian Health Plan of Michigan with 28.1 percent of the total, Molina Healthcare of Michigan with 20.2 percent, UnitedHealthcare Community Plan with 14.3 percent, and McLaren Health Plan with 11.0 percent of the total. Meridian also had the most HMP managed care enrollees in July, with 28.6 percent of the total. Molina placed second, with 17.1 percent; and Blue Cross Complete came in third, with 14.7 percent.

The Michigan Department of Health and Human Services 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

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HMOs. As of July 1, 2017, there were **19,361 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**, an increase of 300 since June. All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. Meridian Health Plan of Michigan has the most CSHCS/Medicaid beneficiaries enrolled (27.5 percent of the total); Molina Healthcare of Michigan has 25.2 percent of the total; and UnitedHealthcare Community Plan has 14.7 percent.

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **37,397 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** for their acute care Medicaid benefits in July 2017, an increase of 524 since June. All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. As of July 1st, Molina Healthcare of Michigan had the most duals receiving Medicaid services from an HMO (27.1 percent of the total); Meridian Health Plan of Michigan had 26.0 percent of the total (but the most voluntary enrollees); and McLaren Health Plan had 15.0 percent of the total enrollees.

There were **34,518 MIChild beneficiaries enrolled in Medicaid HMOs** in July 2017, a decrease of 123 since June. All Medicaid HMOs have MIChild beneficiaries enrolled, although the numbers vary dramatically across plans. As of July 1st, Meridian Health Plan of Michigan had the most MIChild enrollees (26.4 percent of the total); Molina Healthcare of Michigan had 18.1 percent of the total; UnitedHealthcare Community Plan had 13.0 percent; and McLaren Health Plan had 12.8 percent of the total enrollees.

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

## Healthy Michigan Plan Enrollment

The number of Healthy Michigan Plan (HMP) enrollees remained relatively steady for the 20 months ending on August 31, 2016, but has generally increased each month since. According to the Michigan Department of Health and Human Services [website](#), HMP enrollment stood at **677,019 as of July 24, 2017**. (The end of month – July 31 – enrollment figure unfortunately was not available before this newsletter was released but it is expected to set yet another record.) 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. Since August 2016, the declines at the start of each month have been much smaller than in the

past. With growth during each month like prior trends, the result is an expected current month-end enrollment total more than 68,000 higher than at the end of August 2016.

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## 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 Macomb and Wayne Counties 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.

Due to a passive enrollment process implemented June 1, 2016 by the Michigan Department of Health and Human Services (MDHHS), there were 38,767 enrollees that month in the ICOs. This was an increase of almost 8,000 enrollees from the May 2016 enrollment level of 30,813, but still below the 42,757 enrollees in September 2015 when the demonstration was initially implemented. Since June 2016, the number of MI Health Link members has fluctuated, with increases in some months and decreases in others. **As of July 1, 2017, the MI Health Link enrollment was 38,205, an increase of 220 enrollees since June.**

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 July 1, 2017.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,455	844	3,067	7,366
AmeriHealth Michigan			713	2,515	3,228
MI Complete Health / Fidelis			445	1,833	2,278

HAP Midwest Health Plan			993	3,881	4,874
Meridian Health Plan of MI		5,546			5,546
Molina Healthcare of MI			1,836	8,791	10,627
Upper Peninsula Health Plan	4,286				4,286
<b>Total</b>	<b>4,286</b>	<b>9,001</b>	<b>4,831</b>	<b>20,087</b>	<b>38,205</b>

As of July 1, 2017, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (27.8 percent of the combined total); Aetna Better Health of Michigan had 19.3 percent of the total; Meridian Health Plan of Michigan had 14.5 percent; and HAP Midwest Health Plan had 12.8 percent. At this point, about 94.6 percent of the MI Health Link enrollees are living in a community setting, and about 5.4 percent of the enrollees live in a nursing facility. Only 1.8 percent of the total enrollees are receiving home and community-based long-term services and supports through the MI Health Link program waiver; however, a significant number of enrollees are receiving in-home services and supports from the ICOs through the State Plan personal care benefit. While all the plans have enrollees receiving care in nursing facilities, the Upper Peninsula Health Plan had the largest share as of July 1st (23.6 percent of the total enrollees residing in nursing facilities). Molina Healthcare of Michigan placed second, with 17.5 percent; and Aetna Better Health of Michigan came in third, with 17.4 percent (only two fewer enrollees than Molina).

While the majority of MI Health Link enrollees are passively enrolled, 20.0 percent voluntarily joined the demonstration. The voluntary enrollment percentage has more than tripled since September 2015. MDHHS also reports that as of July 1, 2017, more than 51,000 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

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: HAP Midwest Health Plan, Meridian Health Plan of Michigan, and Molina Healthcare of Michigan. As of July 1, 2017, these **three D-SNPs had a combined enrollment of 14,256 duals** for whom they provide Medicare services. About 75 percent of the duals enrolled in a D-SNP are enrolled with Molina Healthcare of Michigan. 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.

### Michigan Medicaid Budget for FY 2018

On July 14, 2017, Governor Rick Snyder approved the State budget for the fiscal year that begins October 1, 2017 (Public Act 107 of 2017). The Governor vetoed a few provisions but none of any consequence to either the Medicaid or behavioral health portions of the Michigan Department of Health and Human Services (MDHHS) budget. He also noted that some of the provisions in the budget may be unenforceable, including the 50-cent per hour raise for direct care workers in the state's mental health system because of the annual budgeting process for Prepaid Inpatient Health Plans, and the provision eliminating the work requirement waiver for able-bodied adults because of provisions in the State Social Welfare Act. For additional information about provisions associated with the MDHHS budget, please see last month's edition of *The Michigan Update*.

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

## **New Mental Health Task Force**

On July 17, 2017, Michigan House of Representatives Speaker Tom Leonard, who has previously identified mental health policies as a priority, appointed House members to a bipartisan task force charged with exploring ways to enable Michigan residents facing mental health challenges to obtain the services they need to improve their lives.

The task force – called C.A.R.E.S. for Community, Access, Resources, Education, and Safety – will be co-chaired by Representatives Klint Kesto and Hank Vaupel, and will also include 12 additional members. Mr. Vaupel said in a statement: “We’re taking a comprehensive approach to address challenges vulnerable people face each and every day. This could include veterans with post-traumatic stress disorder, victims whose lives are forever altered by traumatic crimes, or prisoners who struggle with underlying mental disorders.”

Public hearings will be scheduled over the summer, facilities will be toured to allow the members to gain a better understanding of programs already available for mental health care, rehabilitation programs, and vocational training. The task force hopes to be able to develop more consistency in services available, improve care for veterans, give additional attention to substance use disorders, propose improvements to mental health courts, and give enhanced training for law enforcement.

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

## **Michigan Health Endowment Fund Grants**

On July 26, 2017, the Michigan Health Endowment Fund [announced](#) more than \$6 million in grant awards to 16 organizations through its 2017 Behavioral Health Initiative. Several grants are aimed at addressing opioid addiction. A complete list of the awardees, along with the grant amounts and a description of the projects, is available in the announcement.

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

## **CHRT is New Home of MiCHWA**

On July 26, 2017, the Center for Healthcare Research and Transformation (CHRT), at the University of Michigan,

[announced](#) that it is the new host for the Michigan Community Health Worker Alliance (MiCHWA), an organization that trains community health workers (CHWs) across the state. MiCHWA was previously hosted by the University of Michigan School of Social Work. MiCHWA hopes that its new home will provide additional health-related connections to launch a statewide registry of CHWs as well as offer policy expertise to promote evidence-based policy change.

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

### Medicaid Payment Delay

On July 11, 2017, the Michigan Department of Health and Human Services released a [Medicaid Alert](#) to all providers about a payment delay in October 2017. The State of Michigan's financial system is being transitioned from the Michigan Administrative Information Network (MAIN) to the Statewide Integrated Governmental Management Application (SIGMA). As a result, pay cycle 40 payments (pay date October 5) and Remittance Advices will be delayed and pushed into pay cycle 41 (pay date October 12).

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 three final and four proposed policies that merit mention. They are available for review on the department's [website](#).

- **MSA 17-20** notifies **Nursing Facilities and other Long-Term Care Facilities** of changes to **Home Office, Chain Organization, or Related Party Cost Reporting requirements**.
- **MSA 17-21** clarifies for **All Providers** billing guidelines related to **services that a provider renders for free or for a reduced fee to the general public**.
- **MSA 17-24** advises **Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), Tribal Health Centers (THCs) and Medicaid Health Plans** of a **one-month delay in implementing the change in required billing format** previously announced in MSA 17-10.
- A proposed policy (**1714-MH**) has been issued that would **eliminate the 20-visit maximum limitation**

**for outpatient behavioral health services** in order to provide greater access to necessary care.

Comments are due to MDHHS by August 9, 2017.

- A proposed policy (**1618-MHP**) has been issued that would modify **reporting requirements associated with health plan encounters** for the Medicaid reconciliation report that must be followed **by FQHCs, RHCs, and THCs**. Comments are due to MDHHS by August 10, 2017.
- A proposed policy (**1715-Eligibility**) has been issued that would **increase the guardian/conservator income deduction from \$83 to \$95 per month** as required by Public Act 107 of 2017. Comments are due to MDHHS by August 24, 2017.
- A proposed policy (**1712-HCBS**) has been issued that would require any new Home and Community-Based Services (**HCBS**) **provider to be in immediate compliance with federal requirements around setting of service**. Existing providers must work toward compliance in accordance with the State Transition Plan. Comments are due to MDHHS by August 30, 2017.

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

- **L 17-24** was released on July 13, 2017 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit State Plan and Waiver Amendments required to implement CMS Rule 2348-F and other Home Health related changes**.
- **L 17-25** was released on July 14, 2017 as a notice to certain providers of updated information regarding the **MDHHS-File Transfer application**, which allows **for the secure transfer of files between Medicaid providers and the Hospital & Clinic Reimbursement Division with MDHHS**.
- **L 17-26** was released on July 18, 2017 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment to increase the guardian/conservator income deduction from \$38 to \$95 per month**, as required by Public Act 107 of 2017.
- **L 17-28** was released on July 25, 2017 to **notify providers who render home and community-based services** to waiver participants that CMS has approved an **extension of the deadline to comply with the federal home and community-based settings requirement**. The deadline has been extended from March 17, 2019 to **March 17, 2022**.
- **L 17-29** was released on July 28, 2017 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a renewal application to the**



**federal government for its Section 1915(b)(4) Healthy Kids Dental Waiver.**

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