HEALTH MANAGEMENT ASSOCIATES

THE MICHIGAN UPDATE 2018

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MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of July 1, 2018, there were **1,783,640 Medicaid beneficiaries, including 554,203 Healthy Michigan Plan (HMP) beneficiaries,** enrolled in the 11 Medicaid Health Plans (HMOs). This is an overall **increase of 1,762** since June. The number of HMP beneficiaries enrolled in HMOs increased by 2,866, but the number of non-HMP enrollees decreased by 1,104.

	April 2018	May 2018	June 2018	July 2018
All Medicaid Beneficiaries Enrolled	**1,720,558**	**1,780,969**	**1,781,878**	**1,783,640**
• Total HMP Enrollees	520,846	549,786	551,337	554,203
• Total CSHCS/Medicaid Enrollees	18,823	17,960	17,501	18,687
• Total Medicare/Medicaid Enrollees (Duals)	37,652	38,620	38,815	39,166
• Total MIChild Enrollees	32,784	33,721	33,962	34,434

As noted in the table above, **total Medicaid managed care enrollment increased by 2,866 between June and July; and enrollment has grown by 63,082 since April**. The number of individuals identified as mandatory managed care enrollees but not yet enrolled in a Medicaid Health Plan (HMO) dropped significantly between June and July. As of June 1, 2018, the number not yet enrolled was 58,125, and it dropped to 45,305 as of July 1, 2018.

As the enrollment reports for June (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 July were Meridian Health Plan of Michigan with 28 percent of the total, Molina Healthcare of Michigan with almost 20 percent, and UnitedHealthcare Community Plan with about 14 percent of the total number of enrollees.

Healthy Michigan Plan (HMP)

There were 554,203 HMP beneficiaries enrolled as of July 1, 2018 in the Medicaid HMOs. This is **an increase of 2,866 since June 1, 2018 and an increase of 33,357 since April**. All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in July 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 almost 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 **18,687 joint CSHCS/Medicaid beneficiaries enrolled as of July 1, 2018** in the Medicaid HMOs. As the table above reflects, total CSHCS/Medicaid enrollment **decreased by 1,322 between April and June but rebounded significantly by July 1 and is now only 136 enrollees below the April figure.**

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in July were Meridian Health Plan of Michigan with 25 percent of the total, Molina Healthcare of Michigan with almost 23 percent, and UnitedHealthcare Community Plan with 13 percent of the total number of enrollees.

MIChild

There were **34,434 MIChild beneficiaries enrolled as of July 1, 2018** in Medicaid HMOs. As the table above reflects, the number of enrolled MIChild beneficiaries **increased by 472 between June and July and by a total of 1,650 since April.**

All Medicaid HMOs have MIChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in July were Meridian Health Plan of Michigan with more than 28 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 **39,166 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of July 1, 2018** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **increased by 351 between June and July and by a total of 1,514 since April.**

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in July were Meridian Health Plan of Michigan with 29 percent of the total, Molina Healthcare of Michigan with more than 25 percent, and McLaren Health Plan with more than 15 percent of the total enrollees.

For additional information, contact Eileen Ellis, Senior Advisor, 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 to last 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 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.

Over the last year, the number of MI Health Link enrollees has fluctuated, with increases in some months and decreases in others. The Michigan Department of Health and Human Services (MDHHS) reports that as of July 1, 2018, the MI Health Link enrollment was 37,518, a decrease of 809 enrollees since June.

The table below illustrates the MI Health Link enrollment fluctuation by month between January 2018 and July 2018.

January	February	March	April	May	June	July
38,045	38,571	38,562	37,798	39,021	38,327	37,518

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, 2018.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,496	812	3,049	7,357
AmeriHealth Michigan			645	2,408	3,053
HAP Midwest Health Plan			965	3,768	4,733
Meridian Health Plan of MI		5,229			5,229
MI Complete Health / Fidelis			504	2,039	2,543
Molina Healthcare of MI			1,765	8,554	10,319
Upper Peninsula Health Plan	4,284				4,284
Total	4,284	8,725	4,691	19,818	37,518

As of July 1, 2018, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (almost 28 percent of the combined total); Aetna Better Health of Michigan had almost 20 percent; and Meridian Health Plan of Michigan had almost 14 percent of the total enrollees.

At present, about 94.5 percent of the MI Health Link enrollees are living in a community setting, and about 5.5 percent of the enrollees live in a nursing facility. About 4.2 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 these enrollees 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 had the largest share during July 2018, almost 22 percent of the total enrollees residing in nursing facilities. Aetna Better Health of Michigan ranked second, with more than 20 percent of the total. Molina Healthcare of Michigan was in third place, with almost 16 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 almost quadrupled since the fall of 2015. As of July 1, 2018, the voluntary enrollment percentage was 24.4 percent.

MDHHS also reports that more than 59,000 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 July 1, 2018, these three D-SNPs had a combined enrollment of 18,482 duals** for whom they provide Medicare services.

Almost 63 percent of the duals enrolled in a Michigan D-SNP (11,625 individuals) are enrolled with Molina; more than 34 percent (6,319 duals) are enrolled with Meridian; and 538 duals are enrolled with United. 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 additional information, contact Esther Reagan, Senior Consultant, at (517) 482-9236.

HEALTHY MICHIGAN PLAN ENROLLMENT

Healthy Michigan Plan (HMP) enrollment has continued to climb almost every month. It stood at **683,250 as of July 31, 2018**.

The Michigan Department of Health and Human Services (MDHHS) reports enrollment counts at the beginning of each week on its website. 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.

For additional information, contact Eileen Ellis, Senior Advisor, or Esther Reagan, Senior Consultant, at 517-482-9236.

WORKFORCE ENGAGEMENT REQUIREMENT

In prior editions of *The Michigan Update*, most recently last month, we reported on Public Act 208 of 2018, the new Michigan law that will add a workforce or other community engagement requirement for able-bodied adults enrolled in the Healthy Michigan Plan (HMP) as a condition of eligibility for health care benefits under Medicaid. The law does not apply to beneficiaries enrolled in traditional Medicaid program categories.

The law requires the Michigan Department of Health and Human Services (MDHHS) to submit a waiver application to the federal Centers for Medicare & Medicaid Services by October 1, 2018. MDHHS released a draft waiver application package for review and public comment in early July and has posted the material on its website. This material provides significant detail regarding qualifying activities and about the circumstances that might allow an HMP beneficiary to be exempted from the requirement. Public hearings to obtain comment were scheduled for July 31 in Lansing and August 1 in Detroit. Written comments must be received by August 12, 2018.

The draft waiver application also changes the healthy behavior and cost sharing provisions of HMP for individuals with income between 100 percent and 133 percent of the Federal Poverty Level, consistent with the provisions of Public Act 208. Individuals in this income range who have had 48 months of cumulative HMP coverage must pay a premium of 5 percent of their income (with no copayments required) and must also meet specified healthy behavior requirements. If these requirements are not met, HMP coverage will be suspended. (See Attachments C and D of the waiver amendment.) Individuals who are medically frail and certain other individuals are exempt from this requirement, as specified in Attachment L of the waiver.

It is important to note that the new law includes a "trigger" ending the HMP if MDHHS is not successful in obtaining a federal waiver to support the workforce engagement requirement.

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PATIENT-CENTERED MEDICAL HOME (PCMH) INITIATIVE

In collaboration with Medicaid HMOs, the Michigan Department of Health and Human Services (MDHHS) has established a state-preferred PCMH model designed to sustain primary care capacity through care management, health information technology, and enhanced access. The model Is also designed to encourage continued transformation through alternative payment models. This collaborative effort to design common PCMH requirements began with the PCMH model developed through the State Innovation Model (SIM) initiative and is intended to sustain and expand the model in the Medicaid managed care program. In June 2018, MDHHS released an informal application seeking provider interest in participation in the state-preferred PCMH model. Additional information about the MDHHS SIM initiative and its PCMH initiative is available on the department's website.

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

PRENATAL SERVICES

The Michigan Department of Health and Human Services (MDHHS) released an L-letter (L-18-42) on July 24, 2018 to inform providers that render prenatal services of a retroactive change in Medicaid payment policy. Effective immediately, as required by provisions in the Bipartisan Budget Act of 2018 and federal guidance, any claims submitted for prenatal services rendered on or after February 9, 2018 will be subject to Medicaid's standard coordination of benefits cost avoidance requirements. In the past, the law required that state Medicaid agencies make payments under the usual payment schedule for prenatal services without regard to third party liability. If a third party was found to be liable, Medicaid would seek reimbursement after payment was made. This practice is no longer allowed. The letter is available on the state's website and includes a link to the CMS Informational Bulletin regarding the requirement.

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

MEDICAID COMMON FORMULARY

On July 31, 2018, the Michigan Department of Health and Human Services (MDHHS) announced a common formulary stakeholder meeting, scheduled for October 8, 2018, at 9:30 a.m. in Lansing. In 2016, MDHHS developed and implemented a list of prescription drugs – a common formulary – to streamline drug coverage policies for Medicaid and Healthy Michigan Plan enrollees in the Medicaid Health Plans (HMOs). The intent of the policy was, and still is, to reduce interruptions in a member's drug therapy due to a change in health plan and provide some administrative efficiencies for Medicaid providers. The list of covered drugs is common across all Medicaid HMOs and although the HMOs may be less restrictive in their coverage parameters for the drugs, they cannot be more restrictive. The purpose of the stakeholder meeting in October is to provide an in-person forum for the public to comment on the formulary. Additional information is included in the department's announcement.

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 eight proposed policies that merit mention. They are available for review on the department's website.

- A proposed policy (**1818-Eligibility**) has been issued that would clarify policy regarding the **length of time between the negative action notice** sent by MDHHS and the **last date that a hearing can be requested while maintaining benefits**. Comments are due to MDHHS by August 1, 2018.
- A proposed policy (**1821-Lab**) has been issued that would **allow licensed Physician Assistants, Nurse Practitioners, and Certified Nurse Midwives to order covered genetic and molecular tests**. Comments are due to MDHHS by August 7, 2018.
- A proposed policy (**1822-Pharmacy**) has been issued that would, **contingent upon federal approval**, ensure that **no copayments** are charged to Medicaid beneficiaries **for drugs needed to treat mental health conditions or substance use disorders**. Comments are due to MDHHS by August 13, 2018.
- A proposed policy (**1825-HKD**) has been issued to inform **Dentists** and other providers of **new dental plan choices for Healthy Kids Dental** beneficiaries. Comments are due to MDHHS by August 16, 2018. (See also L 18-45, below.)
- A proposed policy (**1819-LOCD**) has been issued to inform **Nursing Facilities** and other providers and organizations of **new Level of Care Determination policies and process improvements.** Comments are due to MDHHS by August 22, 2018.
- A proposed policy (**1829-DME**) has been issued that would inform **Durable Medical Equipment** providers of **claim requirements for equipment requiring a face-to-face visit**. It would also inform **Home Health Agencies** of **provider enrollment requirements** when the agencies provide DME and supplies. Comments are due to MDHHS by August 27, 2018.
- A proposed policy (**1820-Dental**) has been issued that would modify policy related to the **return of radiographs submitted with dental prior authorization requests** and to **remove the requirement of six sound teeth for placement of a maxillary partial denture**. Comments are due to MDHHS by August 29, 2018.
- A proposed policy (**1824-Eligibility**) has been issued that would establish a new policy for the **calculation of potential divestment penalties for MI Choice waiver applicants** as well as to **update policy for the Initial Asset Assessment**. Comments are due to MDHHS by August 31, 2018.

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

- **L 18-38** was released on July 3, 2018 to **Pharmacy** Providers to provide information about **federal Medicaid provider screening requirements** and to ask their **assistance in contacting prescribers that are not yet enrolled** in the Michigan Medicaid program.
- **L 18-39** was released on July 3, 2018 to **Nursing Facility** providers to clarify how the facilities should **report days for residents enrolled in Medicaid HMOs on their cost report**.
- **L 18-40** was released on July 3, 2018 to **Nursing Facility** providers to clarify the allowability of **costs associated with a Property Assessed Clean Energy program** on the annual Medicaid cost report.
- **L 18-45** was released on July 9, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit an amendment to the Healthy Michigan Plan Section 1115 Waiver Extension Application** to comply with provisions outlined in **Public Act 208 of 2018.** (See also the Workforce Engagement Requirement article in this newsletter.)
- **L 18-43** was released on July 10, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** that will describe the **methodology for establishing rates associated with neonatal services.**
- **L 18-42** was released on July 24, 2018 to advise providers of a **change in payment requirements** as a result of federal guidance following passage of the Bipartisan Budget Act of 2018. **Previously, Medicaid paid for prenatal services without regard to third party liability.** Based on this new guidance, **the policy will change and**, beginning July 24, 2018, the **standard coordination of benefits cost avoidance requirements will be applied** when processing prenatal services with dates of service on or after February 9, 2018.
- **L 18-44** was released on July 24, 2018 to **notify all providers that MDHHS will be holding a public hearing and comment period** seeking input on the submission of its **Healthy Michigan Plan Section 1115 Waiver Extension Application Amendment.** Information about the public hearing and comment period are included in the letter. (See also the Workforce Engagement Requirement article in this newsletter.)

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

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