

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of June 1, 2012, there were **1,229,778 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), a **decrease of 3,355** since May 1, 2012. The number of Medicaid beneficiaries eligible for managed care enrollment increased in June however - there were 1,290,085 eligible beneficiaries, up from 1,288,540 in May. There was also an increase in the number of Medicaid beneficiaries dually eligible for Medicare ("duals") enrolled in Medicaid HMOs to receive their Medicaid benefits - there were **23,232 duals enrolled in June, up from 20,790 in May**, an increase of 2,442.

The June enrollment reflects a decrease of nearly 6,000 in the number of non-dual enroll Medicaid managed care enrollees. This decrease reflects a continued decline in Medicaid enrollment, especially in the number of families with children enrolled in Medicaid. As the enrollment reports ([.pdf](#)) ([.xls](#)) for June reflect, every county in the state is served by at least one Medicaid Health Plan. The reports also reflect a name change for one of the health plans. **OmniCare Health Plan is now called CoventryCares of MI**, reflecting the parent company name. Auto-assignment of beneficiaries into Medicaid Health Plans is now in place in every county of the state. Fee-for-service care is an option in only one county - Barry - which is also the only remaining "Preferred Option" county. Beneficiaries in Barry County who do not specifically choose the fee-for-service option are auto-assigned to a contracted health plan but may return to fee-for-service at any time. Beneficiaries in all 15 counties in the Upper Peninsula are auto-assigned through federal "Rural Exception" authority to the one health plan serving the counties.

Medicaid Policies

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

DMC to Purchase Pro Care Health Plan

On June 28, 2012, the Detroit Medical Center (DMC) announced plans to purchase Pro Care Health Plan. Michael Duggan, president and chief executive officer of DMC, was quoted as saying that the DMC wants to make sure there are "primary access points where patients can get care" instead of expensive hospital emergency rooms. The purchase must be approved by the State.

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

Duals in Medicaid HMOs

The number of Medicaid beneficiaries dually eligible for Medicare (duals) who were enrolled in Medicaid HMOs through auto-assignment in June was 13,170; the number of duals enrolled on a voluntary basis was 10,062. 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 Special Needs Plan (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.

As the table below reflects, Molina Healthcare of Michigan has the most dual enrollees receiving their Medicaid services from an HMO, about 35 percent of the total; UnitedHealthcare Community Plan has about 24 percent of the total; Meridian Health Plan of Michigan has 13 percent of the total (but the most voluntary enrollees); and the other 11 plans share the remaining 23 percent.

June 2012 Medicaid Dual Eligible Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	185	254	439

CareSource MI	254	418	672
CoventryCares of MI	298	70	368
HealthPlus Partners	505	119	624
McLaren Health Plan	803	105	908
Meridian Health Plan of MI	2,480	557	3,037
Midwest Health Plan	591	580	1,171
Molina Healthcare of MI	1,531	6,604	8,135
PHP Mid-MI Family Care	134	28	162
Priority Health Govt. Programs	576	584	1,160
Pro Care Health Plan	13	15	28
Total Health Care	407	118	525
UnitedHealthcare Comm. Plan	2,015	3,521	5,536
Upper Peninsula Health Plan	270	197	467
Total	10,062	13,170	23,232

Six of the 14 Medicaid HMOs in Michigan are also federally contracted as Medicare Advantage SNPs to provide *Medicare* benefits for duals: CareSource, Meridian, Midwest, Molina, UnitedHealthcare and Upper Peninsula Health Plan. As of June 1, 2012 these six SNPs have a combined enrollment of 12,849 duals for whom they provide Medicare services; almost 59 percent of the duals enrolled in SNPs for Medicare services are enrolled in the Molina plan, 29 percent are enrolled in the UnitedHealthcare plan and the remaining 12 percent are spread across the other four plans.

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

CSHCS Children in Medicaid HMOs

In the April 2012 edition of *The Michigan Update* we reported on the plan of the Department of Community Health (DCH) plan to enroll children receiving services from both Medicaid and the Children's Special Health Care Services (CSHCS) program in Medicaid HMOs. DCH now advises that all of the HMOs are expected to be in compliance with CSHCS core competency requirements by August 31, 2012 and that enrollment of the approximately 20,000 children will occur in October 2012.

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

MiChild

According to MAXIMUS, the DCH contractor for MiChild enrollment, there were **37,879 children enrolled** in the MiChild program as of June 1, 2012. This is a decrease of 182 since May 1, 2012.

As the enrollment report ([.pdf](#)) ([.xls](#)) for June shows, enrollment is dispersed between 10 plans, with almost 77 percent of the children enrolled with Blue Cross Blue Shield of Michigan (BCBSM). MiChild-enrolled children receive their dental care through contracted dental plans. Of the three available plans, more than 95 percent of the children are enrolled with either BCBSM (48.1 percent) or Delta Dental Plan (47.3 percent).

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

Adult Benefits Waiver (ABW)

As of the middle of June 2012, DCH reports there were **38,094 ABW beneficiaries enrolled** in the program, a **decrease of 1,345** since the middle of May. Enrollment in the program one year ago this month stood at 77,881.

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of June 1, 2012, the combined ABW **enrollment in the 28 CHPs was 34,713**, a **decrease of 1,095** since May. The enrollment level one year ago this month stood at 70,362.

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

DCH Budget

On June 26, 2012, Governor Rick Snyder signed the Fiscal Year (FY) 2012-13 DCH appropriation (Public Act 200, 2012) into law, with no vetoes. Please see the May 2012 edition of *The Michigan Update* for details about the appropriation measure.

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

4 X 4 Plan

DCH Director Olga Dazzo has launched a new healthy lifestyle program in Michigan to combat obesity. The program encourages state residents to take four (4) actions and follow four (4) measures, hence the name "4 X 4 Plan". The four activities are: eating a proper and healthy diet, exercising regularly, getting an annual physical exam and avoiding tobacco use. The four measures are: blood pressure, blood sugar, cholesterol and body mass index (BMI). Information about the plan is available at: www.michigan.gov/healthymichigan.

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

HMA Webinar on ACA Supreme Court Decision

HMA will host a webinar on what the Court did and what's next for Health Reform at noon EDT on July 17. This post-Supreme Court decision webinar will be moderated by Jennifer Kent, a Principal in our Sacramento office, and will feature Joan Henneberry, a Principal in the Denver office, Jack Meyer, a Managing Principal in our Washington, DC office, and Kathy Gifford, a Principal in our Indianapolis office. The three panelists will briefly share thoughts on the outcome of the decision, the expected timing for changes to current reform planning, and discuss the connections between the court ruling, elections, and 2013 legislation. Webinar participants will be invited to ask questions, share their perspectives and engage in a dialogue with the panelists.

Registration is limited so [register now](#) to reserve your seat.

For more information, contact [Eileen Ellis](#), Managing Principal, at (517) 482-9236, or visit the HMA website at www.healthmanagement.com.

HHS Announces Additional Health Care Innovation Awards

On June 15, 2012, US Secretary of Health and Human Services (HHS) Kathleen Sebelius announced recipients of 81 new Health Care Innovation awards made possible by the Affordable Care Act (ACA - the health care reform law). The awards will support innovative projects nationwide designed to deliver high quality medical care,

enhance the healthcare workforce and save money. These new recipients, along with 26 recipients announced in May, will share awards totaling approximately \$1.9 billion over a three-year period. Six of the recipients will implement projects affecting Michigan communities.

Three of the award recipients are based in and limiting their projects to Michigan while three recipients are implementing projects in multiple states, including Michigan. Brief overviews of the three Michigan-based recipients' projects follow.

- **Altarum Institute** was awarded \$8,366,178 and estimates saving more than \$33 million over a three-year period. Partnering with United Physicians (IPA) and Detroit Medical Center Physician Hospital Organization (PHO), Altarum will implement a comprehensive community-based approach to reducing inappropriate imaging services.
- **Henry Ford Health System** was awarded \$3,773,539 and estimates saving almost \$9 million over a three-year period. Henry Ford will implement an innovative care model that will encourage and support patient mobility during acute inpatient hospitalizations and include interventions addressing the hazards of immobility, including dehydration, malnutrition, delirium, sensory deprivation, isolation, shearing forces on skin, pressure ulcers and respiratory complications.
- **Michigan Public Health Institute** was awarded \$14,145,784 and estimates saving more than \$17 million over a three-year period. Partnering with DCH and the Community Health Access Project, MPHI will integrate community health workers (CHWs) in primary care teams in Ingham County and the cities of Saginaw and Muskegon. The CHWs will coach patients on self-management of conditions and encourage regular primary care visits.

The other three award recipients with projects including Michigan are **Dartmouth College**, for a project called "engaging patients through shared decision making - using patient and family activators to meet the triple aim"; the **Institute for Clinical Systems Improvement** in Bloomington, Minnesota, for a project called "care management of mental and physical co-morbidities - a triple aim bulls-eye" and the **Feinstein Institute for Medical Research**, for a project called "using care managers and technology to improve the care of patients with schizophrenia."

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.

Community Health Centers Receive Federal Grants

On June 20, 2012, Secretary Sebelius announced awards of new grants made possible by ACA to expand community health centers. Grants totaling \$128.6 million were awarded to 219 health centers, including six in Michigan. They will help expand access to care for more than 1.25 million additional patients and create approximately 5,640 jobs by establishing new service delivery sites.

The six health centers in Michigan include:

Health Center	Site Location	Award Amount
Cherry Street Services	Wyoming	\$566,667
Covenant Community Care	Detroit	\$868,750
Genesee Co. Comm. Mental Health	Flint	\$608,333
MidMichigan Health Services	Beaverton	\$319,271
Wellness Plan Medical Centers	Detroit	\$650,000
Wayne Co. Health & Human Serv.	Hamtramck	\$650,000

More information regarding these and other grant awards is available with the [HHS press release](#).

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

Welfare Cuts

In previous editions of *The Michigan Update*, most recently in April 2012, we have reported on litigation filed against the Department of Human Services (DHS) related to the department's termination of cash assistance benefits for many Michigan families last fall. Plaintiffs have alleged that DHS has been deliberately slow in reinstating benefits to thousands of recipients whose benefits were terminated, as ordered by Genesee Circuit Court Judge Geoffrey Neithercut, and file a motion asking that DHS be found in contempt of the earlier order. Whether that motion will be heard is in question because the core issue of the case -

whether DHS had authority to terminate benefits under a five-year federal limit even if recipients still could qualify for cash assistance under State law - was decided in the State's favor on June 27, 2012.

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

Medicaid Policies

DCH has issued seven final policies and two proposed policies that merit mention. The policies are available for review on [DCH's web site](#).

- **MSA 12-16** advises **Physicians, Nurses, Clinics and Others** of the availability of new **Online Oral Health Training**, required in order to bill for fluoride varnish application.
- **MSA 12-18** informs **Prepaid Inpatient Health Plans** of changes in the Mental Health/Substance Abuse Chapter of the Medicaid Provider Manual related to **waiver and wraparound services**.
- **MSA 12-19** advises **Hospice Providers and Practitioners** that Hospice-employed **physician assistants may perform face-to-face encounters**.
- **MSA 12-20** informs **Hospitals, Physicians, Health Departments and Others** that individuals participating in the **CSHCS** program who are **age 18 or older, uninsured and have hemophilia or cystic fibrosis** are required to apply for enrollment in the **Health Insurance Program (HIP) of Michigan**.
- **MSA 12-21** advises **All Providers** of **updates to the Medicaid Provider Manual** effective July 1, 2012. The bulletin also advises providers of DCH's progress in **ICD-10 coding implementation** and notes that DCH is now targeting **October 1, 2014** for implementation. DCH also has a [web page](#) dedicated to ICD-10 coding implementation.
- **MSA 12-22** clarifies for **Nursing Facilities** how **Quality Assurance Supplement (QAS)** payments will be reconciled.
- **MSA 12-23** informs **Hospitals** that **inpatient payment reductions totaling \$45,872,360** will be initiated for the current fiscal year. The reductions, required by State law and executive orders of the Governor issued in 2001, 2002 and 2005, will be made through **gross adjustment**.
- A proposed policy (**1221-Hospice**) has been issued to clarify Medicaid policy the provision of **hospice**

and home health services in Michigan by out-of-state providers. Comments were due to DCH by June 29, 2012.

- A proposed policy (**1219-NF**) has been issued to clarify Medicaid policy for **Nursing Facilities** on the **penalty for use of beds in areas designated non-available for occupancy.** Comments are due to DCH by July 19, 2012.
- A proposed policy (**1220-NF**) has been issued to clarify Medicaid policy for **Nursing Facilities** regarding the cost of **Power Air Flotation Beds and Air Fluidized Beds**, and specifically that such costs are **not to be included in cost reports.** Comments are due to DCH by July 20, 2012.

For more 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.