

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of June 1, 2015, there were **1,659,671 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 13 Medicaid Health Plans (HMOs); this is an **increase of 13,851** since May. The enrollment total reflects an increase of 8,044 HMP enrollees since May and an increase of 5,807 non-HMP Medicaid enrollees. The increase in non-HMP enrollees is consistent with the growth in non-HMP Medicaid enrollment since a low point in January 2015.

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 available in every county, 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.

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

Healthy Michigan Plan Enrollment

Healthy Michigan Plan (HMP) enrollment remains high, far exceeding original expectations. HMP enrollees are required to report any changes in their economic or health care coverage circumstance as those changes occur. They are also subject to an annual redetermination of eligibility; those that entered the program in April and May 2014 were recently subject to redetermination of eligibility. This requirement resulted in a caseload decrease of about 30,500

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in early April, about 17,800 in early May, and almost 22,000 in early June, but the caseload rebounded throughout each month and stood at **599,454 as of June 22, 2015**.

The Michigan Department of Health and Human Services (MDHHS) 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:

June 22, 2015 Healthy Michigan Plan Enrollment	
Wayne	161,641
Oakland	48,460
Macomb	48,316
Genesee	35,060
Kent	31,622
Five-County Total	325,099
Statewide Total	599,454

The vast majority of these enrollees (nearly 500,000) have income below poverty and more than 51 percent of the enrollees are women. About 47 percent of the enrollees are between the ages of 19 and 34; more than 39 percent are between the ages of 35 and 54; and almost 14 percent are between the ages of 55 and 64.

Most of these enrollees are already or soon will be enrolled in the state's Medicaid managed care organizations for their health care services. As of June 1, 2015, there were a total of **472,869 HMP beneficiaries enrolled in the HMOs**. HMP enrollment totals by health plan are expected to increase again in July as newly eligible individuals continue to enroll in the program and choose an HMO or are assigned to an HMO if they do not select a plan.

Meridian Health Plan of Michigan, which has the largest Medicaid enrollment of any Medicaid HMO, also has the most HMP enrollees, 27.5 percent of the total. UnitedHealthcare Community Plan has 12.9 percent; McLaren Health Plan and Molina Healthcare of Michigan each have 11.4 percent of the total; and the other nine plans share the remaining 36.8 percent.

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

Duals in Medicaid HMOs

There were **51,816** Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive Medicaid benefits in June 2015, a **decrease of 1,920** since May. This reduction may in part be due to implementation of Michigan's dual eligibles pilot program. Some individuals have transitioned to enrollment in one of the state's Integrated Care Organizations (ICO). Others that are eligible for enrollment in an ICO have opted out of the demonstration and thereafter receive their Medicaid services on a fee for service basis. (See the Integrated Care for Dual Eligibles article in last month's edition of *The Michigan Update* for more information.) 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 Medicaid services from an HMO, 26.0 percent of the total; Meridian Health Plan of Michigan has 18.1 percent of the total (but the most voluntary enrollees); UnitedHealthcare Community Plan has 17.7 percent of the total; and the other 10 plans share the remaining 38.2 percent.

Six of the 13 Medicaid HMOs in Michigan (or their parent organizations) are also federally contracted as D-SNPs to provide *Medicare* benefits for duals in Michigan: HAP Midwest Health Plan, HealthPlus Partners, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, and Upper Peninsula Health Plan. As of June 1, 2015 these six D-SNPs had a combined enrollment of 17,736 duals for whom they provide Medicare services; almost 73 percent of the duals enrolled in a D-SNP are enrolled in the Molina plan, almost 11 percent are enrolled in the Meridian plan (although some of the members may reside in northern Ohio), and the remaining 16 percent is spread across the other four 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, which does not hold a Medicaid HMO contract but has been approved by the state as an Integrated Care Organization in the state's duals demonstration. As of June 1, 2015, Fidelis had 1,113 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 229 enrollees.

Two of the Medicaid HMOs - McLaren Health Plan and UnitedHealthcare Community Plan - discontinued their D-SNP products as of December 31, 2014.

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

CSHCS Children in Medicaid HMOs

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. As of June 1, 2015, there were **18,007 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - an increase of 11 since May. All Medicaid HMOs except Harbor Health Plan, 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, 25.0 percent of the total. Molina Healthcare of Michigan has 17.5 percent of the total; UnitedHealthcare Community Plan has 16.3 percent; and the other nine plans share the remaining 41.2 percent.

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MiChild

According to MAXIMUS, the Michigan Department of Health and Human Services (MDHHS) contractor for MiChild

enrollment, there were **42,830 children enrolled in the MICHild program as of June 1, 2015**. The June enrollment total reflects a **decrease of 1,678** from the 44,508 children enrolled as of May 1, 2015. Of the total number of children enrolled, 920 enrollees are dually eligible for Children's Special Health Care Services (CSHCS) and MICHild.

As the enrollment reports for June([pdf](#)) ([xls](#)) show, enrollment is dispersed between 13 plans. The plans with the highest enrollment are Priority Health (with 16.3 percent of the total enrollees), Molina Healthcare of Michigan (with 15.2 percent), HealthPlus of Michigan (with 14.1 percent), and McLaren Health Plan (with 14.0 percent). Blue Cross Blue Shield of Michigan (BCBSM) had 6.8 percent of the enrollees as of June 1, 2015. The BCBSM market share has gradually dropped from about 75 percent in late 2013 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 will remain enrolled with that plan until other plans expand their service areas to these counties. There are now only seven counties where BCBSM is the only available plan.

As previously reported in *The Michigan Update*, MDHHS has proposed that MICHild become part of Medicaid as of January 1, 2016. If the federal government approves of this change, there will no longer be separate MICHild contracts in 2016.

MICHild-enrolled children receive their dental care through contracted dental plans. Of the two available plans, 87 percent of the children were enrolled with Delta Dental Plan as of June 1, 2015. Delta Dental has a statewide service area. The remaining 13 percent of children were 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 when BCBSM terminated in full its participation in the MICHild dental program.

For more 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 delivery

system of health care for adults dually eligible for Medicare and Medicaid (duals). The demonstration, called MI Health Link, will last for three years and operate in four regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state are another region; and Wayne and Macomb Counties are two single-county regions. As of June 1, 2015, there are 15,643 enrollees in these health plans.

Enrollment in the demonstration began in the Upper Peninsula and Southwest regions in February with first enrollments (all voluntary) effective on March 1, 2015. As of May 1st, eligible beneficiaries in these two regions who had not voluntarily enrolled were "passively" enrolled but with the ability to opt out (disenroll). There is one Integrated Care Organization (ICO) serving the Upper Peninsula, the Upper Peninsula Health Plan, and two ICOs serving the eight southwest counties: Aetna Better Health (CoventryCares) of Michigan and Meridian Health Plan of Michigan. The vast majority of current enrollees in these two regions (more than 97 percent) have been passively enrolled.

There are five ICOs serving the Macomb and Wayne single county regions: Aetna Better Health, AmeriHealth Michigan, Fidelis SecureCares of Michigan, HAP Midwest Health Plan, and Molina Healthcare of Michigan. Current (June) enrollment numbers reflect the voluntary process; results of the passive enrollment process in these regions should be reflected in the July numbers. The table below provides enrollment information by region for each ICO.

MI Health Link Enrollment June 1, 2015	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health		4,215	11	51	4,277
AmeriHealth Michigan			4	13	17
Fidelis SecureCares of MI			3	12	15
HAP Midwest Health Plan			60	287	347
Meridian Health Plan of MI		6,124			6,124
Molina Healthcare of MI			68	265	333

Upper Peninsula Health Plan	4,530				4,530
Total	4,530	10,339	146	628	15,643

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

Future of the Healthy Michigan Plan

The future of the Healthy Michigan Plan (HMP) is dependent on federal approval of additional changes to the program. In particular the Michigan legislation authorizing the creation of HMP required that the Michigan Department of Health and Human Services (MDHHS) submit a second waiver request by September 1, 2015 that would affect cost sharing for higher income individuals that had 48 cumulative months of enrollment in HMP.

The original waiver caps cost-sharing at five percent of income with a two percent contribution toward "premiums". The revised waiver would increase the cap to seven percent of income with a 3.5 percent contribution for those individuals with income above 100 percent of the federal poverty guidelines (FPG) who choose to stay in HMP after they have had 48 months of cumulative HMP enrollment. The waiver also proposes allowing individuals with income above 100 percent FPG the choice of staying in HMP or going to the Marketplace to purchase insurance. State legislation ends HMP as of April 30, 2016 if MDHHS is unable to secure the necessary waiver(s) by December 31, 2015.

On June 24th MDHHS held a public hearing on the two potential waivers that would accomplish the legislative requirements. A concept paper was submitted to the Centers for Medicare & Medicaid Services (CMS) on May 27, 2015 and is available for review and comment on the MDHHS [website](#). One uncertainty about the potential success of the proposed waiver was removed when the U.S. Supreme Court ruled on June 25th in its King v. Burwell decision on the legality of tax subsidies through the Marketplace. If the Court had struck down the subsidies, the option for higher income HMP enrollees to move to subsidized coverage through the Marketplace would not have been possible. Now that the Court has ruled, CMS and MDHHS can begin negotiations on the waiver(s) for HMP.

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

Steve Fitton

Health Management Associates is pleased to announce that Steve Fitton, recently retired as Michigan's Medicaid Director, has joined the firm as a Principal effective June 30, 2015.

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

Reducing Health Disparities for Adults of Arab Descent

On June 15, 2015, the Michigan Department of Health and Human Services released a [report](#) providing the results of an Arab behavioral risk factor survey conducted in 2013. The report, entitled *Health Risk Behaviors among Arab Adults within the State of Michigan 2013*, provides state-specific, population-based estimates for various health behaviors, medical conditions, and preventive health care practices.

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

Factors Influencing Choice of Health Insurance

On May 18, 2015, the Center for Healthcare Research & Transformation (CHRT) released a [report](#) addressing the factors influencing individual choice of health coverage in Michigan. The report, *Health Plan Selection: Factors Influencing Michiganders' Choice of Health Insurance*, notes that in 2014 consumers purchasing individual health insurance coverage were more than twice as likely to base their choice on premium cost than on the number of in-network physicians. About 20 percent of those with individual coverage changed primary care physicians as a result of their plan choice.<

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

- **MSA 15-14** informs **Bridges Eligibility and Administrative Manual Holders** as well as **Medicaid Health Plans** of changes in **Non-Emergency Medical Transportation** policy.
- **MSA 15-15** clarifies for **Pharmacies** requirements related to **maintenance of all records necessary for audit** to support drug cost and payment, inventory transfer, and the size and quantity of goods paid for by Medicaid.
- **MSA 15-16** advises **Practitioners, Hospitals, Clinics, Pharmacies and Medicaid Health Plans** of changes in **coverage and billing** requirements for **sterilization procedures** involving hysteroscopic placement of intra-tubal occlusion devices.
- **MSA 15-18** notifies **Bridges Eligibility Manual Holders** of policy changes related to **treatment of pension and other payments to veterans**.
- **MSA 15-19** advises **All Providers** that **pharmacy claims will be allowed for certain physician-administered injectable drugs administered on an outpatient basis**. The change in policy will be effective July 1, 2015 if the federal government approves a State Plan Amendment.
- **MSA 15-20** updates the **Nursing Facility Certification, Survey & Enforcement** Appendix of the Medicaid Provider Manual.
- **MSA 15-21** provides more specificity to the **requirements for Children's Multi-Disciplinary Specialty Clinics** released in MSA 14-49.
- **MSA 15-22** advises **School Based Services Providers and Billing Agents** of policy regarding **telepractice for speech-language and audiology services**.
- **MSA 15-23** notifies **All Providers** of **Quarterly Updates to the Medicaid Provider Manual**, shares an **ICD-10 Project Update** and makes other announcements.
- A proposed policy (**1521-CMH**) has been issued that would establish prescription prior authorization and reimbursement requirements for **Office-Based Opioid Treatment**. Comments are due to MDHHS by July 16, 2015.

- A proposed policy (**1528-CSHCS**) has been issued that would revise the **CSHCS Chapter of the Medicaid Provider Manual** due to new **insurance premium assistance requirements**. Comments are due to MDHHS by July 23, 2015.
- A proposed policy (**1529-DRG**) has been issued that would **change the inpatient hospital reimbursement system**, including a conversion to the All Patient Refined Diagnosis Related Group (**APR-DRG**) system, **statewide per discharge rates**, and updated policies for special circumstances. Comments are due to MDHHS by July 27, 2015.

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

- **L 15-35** was released on June 1, 2015 as a notice of the department's intent to submit a **Section 1115 waiver amendment** to the Centers for Medicare & Medicaid Services (CMS) regarding the **Healthy Michigan Plan (HMP)**, to implement provisions in Michigan state law (MCL 400.105d) regarding **changes in beneficiary cost sharing requirements following 48 cumulative months of HMP enrollment**.
- **L 15-36** was simultaneously released on June 1, 2015 as a notice of the department's intent to submit a **Section 1332 waiver** to CMS regarding the **Healthy Michigan Plan**, to permit individuals to elect **Marketplace coverage following 48 cumulative months of HMP enrollment**, with the 1332 waiver potentially implemented in conjunction with the 1115 waiver.
- **L 15-38** was released on June 4, 2015 as a notice of the department's intent to submit a **State Plan Amendment** to make **changes to the state's inpatient hospital reimbursement methodology**, including a conversion from the current Medicare Severity Diagnosis Related Group (MS-DRG) system to the All Payer Refined (APR) DRG system, with additional policy modifications as well.
- **L 15-40** was released on June 10, 2015 as a notice of the department's intent to submit a **State Plan Amendment** to allow for reimbursement to the state's **Veterans Homes** for **providing nursing facility care**.
- **L 15-41** was released on June 11, 2015 to address some **Frequently Asked Questions** related to the **Nurse Aide Training and Competency Evaluation Program**.

- **L 15-37** was released on June 18, 2015 as a notice of the department's intent to submit **renewal applications** for the Section 1915(b) **Comprehensive Health Care Program Waiver** and Section 1915(b) **Healthy Kids Dental Waiver**, as well as a request to waive Section 1902(e) of the Social Security Act, which is necessary to **transition children from the existing MICHild program into a proposed MICHild Medicaid expansion program.**
- **L 15-39** was released on June 23, 2015 to provide further clarification to Tribal Chairs and Health Directors regarding the potential **impact on enrolled Native American/Alaska Natives** of moving the **MICHild program to a Medicaid expansion program** from a **cost sharing** perspective.
- **L 15-43** was released on June 23, 2015 as a notice of the department's intent to submit a **State Plan Amendment** to require all **non-emergency medical transportation (NEMT) providers to enroll in CHAMPS** (the Community Health Automated Medicaid Processing System) in order **to promote program integrity** and to comply with federal screening, oversight, disclosure and reporting requirements.

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[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.