

## *The Michigan Update*

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### Medicaid Managed Care Enrollment Activity

As of March 1, 2014, there were **1,271,741 Medicaid beneficiaries enrolled** in 13 Medicaid Health Plans (HMOs), **an increase of 165** since February. The number of Medicaid beneficiaries eligible for managed care enrollment also increased in March - there were 1,314,235 eligible beneficiaries, up from 1,308,049 in February.

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 now in place in every county of the state 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.

### Duals in Medicaid HMOs

The number of Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive their Medicaid benefits continues to grow - there were **46,746 duals enrolled** in a Medicaid HMO in March, **up from 46,003** in February, an increase of 743. 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

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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 (eight of the 13 Medicaid HMOs are D-SNPs) but receiving Medicaid on a fee-for-service basis are auto-assigned to the related Medicaid HMO. 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 their Medicaid services from an HMO, 25.8 percent of the total; UnitedHealthcare Community Plan has 22.2 percent of the total; Meridian Health Plan of Michigan has 17.0 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 35.0 percent.

As noted above, eight of the 13 Medicaid HMOs in Michigan (or their parent organizations) are also federally contracted as Medicare Advantage D-SNPs to provide *Medicare* benefits for duals in Michigan: HealthPlus Partners, McLaren Health Plan, Meridian Health Plan of Michigan, Midwest Health Plan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan and Upper Peninsula Health Plan. As of March 1, 2014 these eight D-SNPs have a combined enrollment of 19,710 duals for whom they provide Medicare services; 53.3 percent of the duals that are enrolled in a D-SNP are enrolled in the Molina plan, 28.6 percent are enrolled in the UnitedHealthcare plan and the remaining 18.1 percent are spread across the other six 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, Inc., which does not hold a Medicaid contract but has been approved by the state as a potential Integrated Care Organization (ICO) in the state's duals demonstration. As of March 1, 2014, Fidelis has 823 enrollees in its D-SNP and is also an approved institutional SNP (I-SNP) with 291 enrollees.

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

## CSHCS Children in Medicaid HMOs

The Michigan Department of Community Health (DCH) changed its policy in October 2012 to require 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 March 1, 2014, there were **18,670 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**; this is an increase of 149 since February. All Medicaid HMOs except Harbor Health Plan, Inc. 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, 26.3 percent of the total. Molina Healthcare of Michigan has 17.0 percent of the total; UnitedHealthcare Community Plan has 16.0 percent; and the other nine plans share the remaining 40.7 percent.

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

## Adult Benefits Waiver (ABW)

As of the middle of March 2014, the Michigan Department of Community Health (DCH) reports there were **59,907 ABW beneficiaries enrolled** in the program, a decrease of **1,219** since the middle of February and a decrease of more than 19,000 since enrollment peaked in June 2013 following the most recent open enrollment period.

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of March 1, 2014, the combined ABW **enrollment in the 28 CHPs was 54,347**, a **decrease of 1,534** since February. As explained further in the Healthy Michigan Plan article in the January edition of *The Michigan Update*, the ABW population will be transitioned to the Healthy Michigan Plan on April 1, 2014, which will provide a broader scope of benefits for these individuals.

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

## Healthy Michigan Plan

In previous editions of *The Michigan Update*, most recently in January 2014, we have provided information about the Healthy Michigan Plan (HMP), a Medicaid expansion initiative to provide health care coverage to as many as 320,000 individuals in 2014. Implementation of the HMP will occur on April 1, 2014 and the Michigan Department of

Community Health (DCH) has included a number of informative materials on its [website](#).

Individuals enrolled in the state's Adult Benefits Waiver (ABW) program - approximately 60,000 individuals - have already been contacted and will be enrolled in one of the Medicaid Health Plans effective April 1, 2014. Beginning April 1, 2014, applications will be accepted electronically through Michigan's [MI Bridges](#) portal and eligibility decisions made almost instantaneously. Electronic applications are preferred, and there are numerous organizations trained and available to assist applicants. It is also possible to apply for coverage in person by visiting a local Department of Human Services office. Due to problems with Healthcare.gov, the federal health insurance marketplace, individuals who applied for *Medicaid coverage* through that portal since October 2013 will need to reapply as the application information forwarded to the state was incomplete.

Applications submitted in April, if approved, will have effective dates of April 1, 2014. Applications submitted during May or later will have as effective dates the first day of the month of application or as many as 90 days earlier (but not before April 1, 2014) if unpaid medical expenses so warrant; this is consistent with longstanding Michigan Medicaid eligibility policy.

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

## Integrated Care for Dual Eligibles

In previous editions of *The Michigan Update* we have written about Michigan's plan to implement an integrated delivery system of health care for persons dually eligible for Medicare and Medicaid (duals) beginning in July 1, 2014. The state is finalizing a Memorandum of Understanding (MOU) with the federal Centers for Medicare and Medicaid Services (CMS), working with CMS to develop the Medicare and Medicaid capitation rates for the ICOs and PIHPs, and preparing necessary waiver documents in order to implement the demonstration.

The Michigan Department of Community Health (DCH) has held two quarterly forums around the state (on June 25, 2013 in Detroit and on October 23, 2013 in Marquette) as part of an ongoing stakeholder engagement process. DCH recently [announced](#) the date and location for a **third forum - April 8, 2014** - in downtown Kalamazoo. (The forum was to have been held in January but was cancelled

due to inclement weather.) The forum will be held at the Radisson Plaza Hotel and Suites from 10 a.m. to noon and a conference line will be provided for interested stakeholders to participate by phone. The announcement provides a link to directions to the hotel and call-in information.

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

### **Michael Leavitt to Keynote Michigan Health Policy Forum**

The spring Michigan Health Policy Forum will be held May 12, 2014 at the Kellogg Center on the campus of Michigan State University in East Lansing and will focus on how states can bring about transformation in the health care delivery system. The keynote speaker will be Michael Leavitt, former Governor of Utah and Secretary of the US Department of Health and Human Services under President George W. Bush. He will speak on the unique opportunities that state governments have to transform the health care delivery system. [Registration](#) is required and seating is limited for this event but still available.

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

### **Pathways to Better Health**

In 2012 the Michigan Public Health Institute (MPHI), in collaboration with the Michigan Department of Community Health (DCH) and local community agencies, received a grant from the federal Centers for Medicare and Medicaid Services (CMS) to implement the *Michigan Pathways to Better Health* initiative for individuals residing in three counties (Ingham, Muskegon and Saginaw) and in selected adjacent counties. The Pathways model was designed to deploy Community Health Workers (CHWs) to assist adult Medicaid and Medicare beneficiaries with two or more chronic conditions in their access to and navigation of both health care and social services delivery systems.

The three major principles of the Pathways model are: *Find* those at greatest risk; *Treat* individuals at greatest risk, using CHWs to provide access to social services and health services when needed; and *Measure* and evaluate benchmarks and final outcomes. In other states this approach has been shown to improve health outcomes and result in fewer hospital admissions and emergency

department visits.

Michigan's Pathways project has a three-year term, through June 2015. Since implementation, each county's Community Pathways Hub agency has coordinated community resources and worked with community service agencies (CSAs). The Hub agency works with the several CSAs within the county to identify, recruit, and train CHWs using an established curriculum. The CHWs meet with clients in their homes to identify social and health care needs, i.e., needs that influence their health status, such as transportation, housing, and food; the CHWs also receive clinical supervision by a nurse or social worker. They do not provide direct health care or human services but link clients with those services needed.

The Hub agency accepts client referrals, determines client eligibility, processes enrollments and assigns clients to a CSA. The Hub agency also serves as an information clearinghouse, with quality monitoring functions, and provides outcome reports to the community.

In a recent [presentation](#), Pathways project managers provided an overview of the project and its achievements to date. The last page of the presentation document also provides contact information for the lead staff at MPHI and the three county Hub agencies.

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

## Hospital Merger

On March 21, 2014, the potential merger of three Metropolitan Detroit hospital systems was announced. Beaumont Health System (Royal Oak), Botsford Health Care (Farmington Hills) and Oakwood Healthcare (Dearborn) have approved a letter of intent for the formation of a new, \$3.8 billion health system that would combine assets, liabilities and operations under unified executive and board leadership. The new system would integrate their combined eight separate hospitals and 153 other patient care facilities and cover a broad geographic expanse in Wayne and Oakland Counties. State approval of the corporate merger is not required, however any change in ownership of health care devices and systems could require review and approval by the state's Certificate of Need (CON) Commission.

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

## New CON Standards

The Michigan Department of Community Health (DCH) has released new Certificate of Need (CON) [standards](#) regarding neonatal intensive care beds and special care nurseries. The new standards require CON application and approval for hospitals not presently designated as NICUs that will be providing special care nursery services, which are defined in the standards.

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

## Elizabeth Hertel Appointment

On March 4, 2014, the Michigan Department of Community Health (DCH) announced the appointment of Elizabeth Hertel as the new Director of Health Policy and Innovation for the department. In this capacity she will be responsible for coordinating and developing all state and federal policy issues impacting DCH programs both within the department and with stakeholders. Before joining DCH in early 2013, Ms. Hertel was a Senior Policy Advisor for the Michigan House of Representatives Republican Policy Office.

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

## Medicaid Policies

The Michigan Department of Community Health (DCH) has issued three final and five proposed policies that merit mention. One of the final policies was released simultaneously for public comment. The policies are available for review on DCH's [website](#).

- **MSA 14-09** clarifies for **School Based Services Providers and Billing Agents** Medicaid policy related to **reimbursement for transportation** provided via taxi or a family-owned vehicle.
- **MSA 14-12** advises **All Providers and Bridges Eligibility Manual Holders** that, subject to approval by the federal Centers for Medicare and Medicaid Services (CMS), the **Plan First! Family Planning Waiver will be phased out**. The waiver, implemented in 2006, is set to expire June 30, 2014 and DCH does not plan to renew it.

Current Plan First! enrollees will need to apply for comprehensive health care coverage through the Healthy Michigan Plan or other options on the Health Insurance Marketplace.

- **MSA 14-13** is a **correction to MSA 14-09** and provides **School Based Services Providers and Billing Agents** with **additional information** related to **Medicaid transportation** policy.
- A proposed policy (**1405-GME**) has been issued that would **increase** the Graduate Medical Education (**GME**) **Innovations Grant to include \$2.8 million for Pine Rest Mental Health Services**. Comments are due to DCH by April 11, 2014.
- A proposed policy (**1406-DSH**) has been issued that would implement a **one-time increase** in the **Outpatient Uncompensated Care Disproportionate Share Hospital (DSH) Pool from \$60 million to \$79 million**. Comments are due to DCH by April 11, 2014.
- A proposed policy (**1408-CHIP**) has been issued that would convert the **Michigan Regional Poison Control Center (MRPCC)** payment from a Medicaid-funded payment to a CHIP-funded payment. The **MRPCC is operated through Children's Hospital of Michigan** and **provides emergency telephone treatment advice, referral assistance, and information to manage exposures to poisonous and hazardous substances**. Comments are due to DCH by April 12, 2014.
- A proposed policy (**1404-ACT**) has been issued that would revise the **Mental Health/Substance Abuse** Chapter of the **Medicaid Provider Manual** as it relate to the **Assertive Community Treatment (ACT)** Program. Comments are due to DCH by April 17, 2014.
- A proposed policy (**1410-CSHCS**) has been issued that would **standardize** the manner in which **effective dates** are applied for Children's Special Health Care Services (**CSHCS**) cases and change the timeframe for which **retroactive eligibility** may be approved. Comments are due to DCH by April 30, 2014.

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

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