

The Michigan Update

In This Issue

[Medicaid Managed Care Enrollment Activity](#)

[Duals in Medicaid HMOs](#)

[MIChild](#)

[Adult Benefits Waiver](#)

[Michigan Budget - Next Year](#)

[Rate Increases for Primary Care Physicians](#)

[More Low Birth Weight Babies](#)

[Abbott Agrees to \\$1.6 Billion Settlement](#)

[Medicaid Policies](#)

Quick Links

[About Us](#)

[Expertise](#)

[Services](#)

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Medicaid Managed Care Enrollment Activity

As of May 1, 2012, there were **1,233,133 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), a **decrease of 1,681** since April 1, 2012. The number of Medicaid beneficiaries eligible for managed care enrollment decreased in May as well - there were 1,288,540 eligible beneficiaries, down from 1,293,173 in April. There was an increase in the number of Medicaid beneficiaries dually eligible for Medicare ("duals") enrolled in Medicaid HMOs to receive their Medicaid benefits - there were **20,790 duals enrolled in May, up from 19,704 in April**, an increase of 1,086.

As the enrollment reports ([.xls](#)) ([.pdf](#)) for May reflect, every county in the state is served by at least one Medicaid Health Plan. 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.

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

[Email](#)

Locations:

Atlanta, Georgia
Austin, Texas
Boston, Massachusetts
Chicago, Illinois
Columbus, Ohio
Denver, Colorado
Harrisburg, Pennsylvania
Indianapolis, Indiana
Lansing, Michigan
New York, New York
Bay Area, California
Sacramento, California
Southern California
Tallahassee, Florida
Washington, DC

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through auto-assignment in April was 11,551; the number of duals enrolled on a voluntary basis was 9,239. 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, about 35 percent of the total; UnitedHealthcare Community Plan has about 24 percent of the total; Meridian Health Plan of Michigan has almost 14 percent of the total (but the most voluntary enrollees); and the other 11 plans share the remaining 27 percent.

May 2012 Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	145	244	396
CareSource MI	239	332	571
HealthPlus Partners	454	106	560
McLaren Health Plan	737	99	836
Meridian Health Plan of MI	2,320	500	2,820
Midwest Health Plan	543	511	1,054
Molina Healthcare of MI	1,401	5,798	7,199
OmniCare Health Plan	287	65	352
PHP Mid-MI Family Care	126	27	153
Priority Health Govt. Programs	540	451	991
Pro Care Health Plan	12	14	26
Total Health Care	360	111	471
UnitedHealthcare Comm. Plan	1,823	3,121	4,944
Upper Peninsula Health Plan	245	172	417
Total	9,239	11,551	20,790

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 May 1, 2012 these six SNPs have a combined enrollment of 12,849 duals for whom they provide Medicare services; almost 60 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 11 percent are spread across the other four plans.

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MIChild

According to MAXIMUS, the DCH contractor for MICHild enrollment, there were **38,061 children enrolled** in the MICHild program as of May 1, 2012. This is a decrease of 366 since April 1, 2012.

As the enrollment report ([.xls](#)) ([.pdf](#)) for April 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 (48.2 percent) or Delta Dental Plan (47.2 percent).

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

Adult Benefits Waiver (ABW)

As of the middle of May 2012, DCH reports there were **39,439 ABW beneficiaries enrolled** in the program, a **decrease of 1,844** since the middle of April. Enrollment in the program one year ago this month stood at 81,392.

There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of May 1, 2012, the combined ABW **enrollment in the 28 CHPs was 35,808**, a **decrease of 1,629** since April. The enrollment level one year ago this month stood at 73,507.

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

Michigan Budget - Next Year

This week the conference committee appointed to finalize

the Fiscal Year (FY) 2012-13 Department of Community Health (DCH) appropriation reported Senate Bill (SB) 950 to the Senate and House for final approval. SB 950 appropriates \$15.0 billion Gross / \$2.8 billion General Fund / General Purpose (GF/GP) for the operation of Michigan's Medicaid program and the provision of publicly supported mental health and public health services.

The FY 2012-13 appropriation recognizes assumed changes in Medicaid caseload, adjusts rates to Medicaid Managed Care Organizations to ensure actuarial soundness and funds several new initiatives including an expansion of Medicaid services to eligible children with autism, new programs to address public health and infant mortality and targeted increases in Medicaid reimbursement to some providers. The major elements of SB 950 are detailed in the table below.

Major Adjustments Senate Bill 950: FY 2012-13 DCH Appropriation

PROPOSED CHANGE	ASSUMED CHANGE IN PROGRAM SPENDING
<i>MEDICAID CHANGES</i>	
Medicaid Expansion to Children with Autism: The budget assumes new costs associated with the expansion of covered therapeutic services available to Medicaid and MI-Child eligible children up to age 18 with autism.	\$21.3 million Gross / \$7.1 million General Fund
Healthy Kids Dental Expansion: The budget assumes costs associated with expansion of the Healthy Kids Dental program to additional, unspecified counties. It appears that funding is sufficient to support an additional 120,000 enrollees.	\$16.7 million Gross / \$5.6 million General Fund
Integrated Care for Dual Eligibles: The budget assumes savings through implementation of a new waiver that will allow those dually eligible for Medicare and Medicaid services to have their supports and care administered through a contracted Managed Care Organization. The Budget includes funding for 6 staff positions for this initiative.	Savings of \$29.8 million Gross / \$10.0 million General Fund carried forward from FY 2011-12
Home and Community-Based	\$11.8 million

<p>Services Waiver (MI Choice): The budget provides an additional \$11.8 million to reduce the number of individuals on the waiting list to receive services through Michigan's MIChoice program.</p>	<p>Gross / \$4.0 million General Fund</p>
<p>Medicaid Rate and Service Adjustments: The budget funds a 20.0% increase in Medicaid reimbursement for OB/GYN services (\$11.9 million), increases the mileage reimbursement rate for non-emergency transportation (\$2.0 million), restores coverage for adult vision services (\$4.5 million) and restores coverage for adult chiropractic services (\$900,000).</p>	<p>\$19.2 million Gross / \$6,790,500 General Fund</p>
<p>Hospital Reimbursement: The budget increases funding available to hospitals for Graduate Medical Education (an increase of \$8.6 million) and continues and increases "one-time" funding for targeted payments to Sole and Rural Community hospitals (an increase of \$6.0 million).</p>	<p>\$14.6 million Gross / \$4.9 million General Fund</p>
<p>OTHER MAJOR CHANGES</p>	
<p>Healthy Michigan Fund: The appropriation increased support for Healthy Michigan Fund programs by \$4.0 million. This includes \$2.0 million for new wellness programs and \$2.0 million in "one-time" funding for existing efforts.</p>	<p>\$2.0 million Gross / \$0.0 General Fund</p>
<p>Pregnancy Support Services: The appropriation funds a new pregnancy and parenting home support program (\$2.0 million) and expands support for the Nurse Family Partnership program (\$1.0 million).</p>	<p>\$3.0 million Gross / \$0.0 General Fund</p>
<p>Information Systems: The appropriation includes funding for updating and supporting the Medicaid data warehouse (\$1.0 million) and needed updates to the CHAMPS Medicaid claims processing system (\$43.4 million)</p>	<p>\$44.4 million Gross / \$9.9 million General Fund</p>

The conference report must be approved, without amendment by the full House of Representatives and Senate before transmission to the Governor for final approval.

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

Rate Increases for Primary Care Physicians

On May 9, 2012, US Health and Human Services Secretary Kathleen Sebelius announced the release of proposed rules that would bring Medicaid primary care service reimbursement rates in line with those paid by Medicare beginning in 2013. The federal Affordable Care Act, passed in 2010, authorized the increase and allocation of \$11 billion in new funds to states. The [proposed rules](#) appeared in the Federal Register on May 11, 2012 and indicate that comments are welcome on or before June 11, 2012.

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

More Low Birth Weight Babies

A recent report shows that the percentage of babies born in Michigan with low birth weight continues to rise. Advocates believe additional attention should be given to this issue.

The report - "Right Start in Michigan and its Counties - 2012" - was released by the Michigan League for Human Services (MLHS) in late April 2012 and notes that the percentage of low birth weight babies (defined as 5.5 pounds or less) in Michigan has increased 7 percent over the last ten years. Overall, 8.5 percent of births in Michigan during 2010 were considered low birth weight. The rate for White and Hispanic mothers is about 7 percent and rising; and the rate for African American mothers is 14 percent, very high but starting to drop. The report also notes an increase in unmarried women giving birth; about 40 percent of births in 2010 were to unmarried women compared to about 33 percent a decade ago. On a brighter note, the report indicates that infant health is improved in three of five measures; there were fewer pre-term births, fewer teen births and fewer multiple births to teens.

According to the report, Michigan's infant mortality rate ranks 37th in the country and has increased each of the last three years. The report states that the 10 best counties (with the lowest percentage of low birth weight births) are Houghton, Ottawa, Livingston, Leelanau, Midland, Grand Traverse, Oakland, Emmet, Clinton and Washtenaw. The 10 worst counties are Berrien. Calhoun.

Alcona, Genesee, Clare, Lake, Saginaw, Wayne, Crawford and Luce. The report notes that socio-economic factors have a direct bearing on the ranking of counties. The complete report is available on the MLHS web site at www.milhs.org/kids-count/right-start-in-michigan-2011.

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Abbott Agrees to \$1.6 Billion Settlement

Abbott Laboratories will pay the federal government and 45 state Medicaid programs, including Michigan's, a total of \$1.6 billion after admitting to marketing its anti-seizure drug Depakote for off-label uses for more than ten years. The company also entered into a five-year probationary "Corporate Integrity Agreement" with the federal government.

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Medicaid Policies

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

- **MSA 12-13** advises **Dentists and Dental Clinics** of revisions to **Dental Radiograph Policy**.
- **MSA 12-14** informs **Chiropractors and Medicaid Health Plans** that **Chiropractic Services for adult Medicaid beneficiaries** will be reinstated effective June 1, 2012, as required by Public Act 89 of 2012. This bulletin was **simultaneously issued for comment (1217-Chiropractic)**. Comments are due to DCH by May 31, 2012.
- **1218-TPL** clarifies Michigan Medicaid's Third Party Liability requirements for reporting indemnity policies. Comments are due to DCH by June 25, 2012
- **1211-Telemedicine** updates rules for using telemedicine to serve enrollees in the State's Children's Special Health Care Services program. Comments are due to DCH by June 25, 2012
- **L 12-16** issued to Hospice providers and MI Choice waiver agents details state policy surrounding services provided to those accessing both Home and Community Based waiver and Hospice services.

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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.