

HEALTH MANAGEMENT ASSOCIATES

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MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As reported in the April edition of *The Michigan Update*, the Michigan Department of Health and Human Services (MDHHS) experienced some computer system issues that precluded timely release of the Medicaid managed care enrollment reports for April 2018. Enrollment numbers for both April and May are provided in the table below. The enrollment numbers for March 2018 are provided as well, for comparison purposes.

Medicaid and Healthy Michigan Plan Managed Care Enrollment Snapshot

| | March 2018 | April 2018 | May 2018 |
|---|------------------|------------------|------------------|
| All Medicaid Beneficiaries Enrolled | 1,713,029 | 1,720,558 | 1,780,969 |
| • Total HMP Enrollees | 521,349 | 520,846 | 549,786 |
| • Total CSHCS/Medicaid Enrollees | 19,092 | 18,823 | 17,960 |
| • Total Medicare/Medicaid Enrollees (Duals) | 37,779 | 37,652 | 38,620 |
| • Total MICHild Enrollees | 32,016 | 32,784 | 33,721 |

As noted in the above table, **total Medicaid managed care enrollment increased by 7,529 between March and April and jumped by 60,411 between April and May.** While the number of individuals targeted for managed care enrollment decreased between March and May, there was a significant decline in the number of individuals not yet enrolled in managed care. Between March and May, the number of individuals who were identified as mandatory managed care enrollees but not yet enrolled in a Medicaid Health Plan (HMO) declined from 149,213 to just 63,322.

As the enrollment reports for April ([pdf](#), [xls](#)) and May 2018 ([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 both April and May were Meridian Health Plan of Michigan with about 28 percent of the total each month, Molina Healthcare of Michigan with about 20 percent, and UnitedHealthcare Community Plan with about 14 percent of the total each month.

CSHCS/Medicaid

The 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 19,092 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs as of March 1, 2018. As the table above reflects, total **CSHCS/Medicaid enrollment decreased by 269 between March and April and dropped by another 863 between April and May.**

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in both April and May were Meridian Health Plan of Michigan with more than 26 percent of the total each month, Molina Healthcare of Michigan with more than 23 percent, and UnitedHealthcare Community Plan with about 14 percent of the total each month.

Medicare/Medicaid

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional 37,779 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs as of March 1, 2018 for their acute care Medicaid benefits. As the table above reflects, the **number of enrolled duals decreased by 127 between March and April and increased by 968 between April and May.**

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in both April and May were Meridian Health Plan of Michigan with about 28 percent of the total each month, Molina Healthcare of Michigan with about 26 percent, and McLaren Health Plan with more than 15 percent of the total enrollees each month.

MiChild

There were 32,016 MiChild beneficiaries enrolled in Medicaid HMOs as of March 1, 2018. As the table above reflects, the **number of enrolled MiChild beneficiaries increased by 768 between March and April and increased by 937 between April and May.**

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in both April and May were Meridian Health Plan of Michigan with about 28 percent of the total each month, Molina Healthcare of Michigan with about 17 percent, and UnitedHealthcare Community Plan with about 13 percent of the total enrollees each month.

For additional information, contact [Eileen Ellis](#), Senior Advisor, or [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 **689,661 as of May 29, 2018**, the last counting day of the month.

The Michigan Department of Health and Human Services (MDHHS) reports enrollment counts each Monday on its [website](#), unless Monday is a holiday, in which case the count is reported on Tuesday. Although the HMP caseload drops at the beginning of each month because of an annual eligibility redetermination requirement, it generally rebounds by the last Monday of the month.

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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.

As with the other managed care reports, systems issues delayed release of the MI Health Link enrollment report for April 2018. Enrollment information from the Michigan Department of Health and Human Services (MDHHS) for both April and May 2018 appears in the tables below. **To summarize, total MI Health Link enrollment in March 2018 was 38,562; the enrollment total in April dropped to 37,798; and total enrollment as of May 1, 2018 increased to 39,021.**

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 **April 1, 2018**.

| MI Health Link Enrollment | Upper Pen. Region | SW MI Region | Macomb Region | Wayne Region | Total |
|------------------------------|-------------------|--------------|---------------|---------------|---------------|
| Aetna Better Health of MI | | 3,397 | 813 | 3,019 | 7,229 |
| AmeriHealth Michigan | | | 676 | 2,473 | 3,149 |
| HAP Midwest Health Plan | | | 976 | 3,792 | 4,768 |
| Meridian Health Plan of MI | | 5,444 | | | 5,444 |
| MI Complete Health / Fidelis | | | 492 | 2,059 | 2,551 |
| Molina Healthcare of MI | | | 1,786 | 8,622 | 10,408 |
| Upper Peninsula Health Plan | 4,249 | | | | 4,249 |
| Total | 4,249 | 8,841 | 4,743 | 19,965 | 37,798 |

The table below provides enrollment information by region for each ICO as of **May 1, 2018**.

| MI Health Link Enrollment | Upper Pen. Region | SW MI Region | Macomb Region | Wayne Region | Total |
|------------------------------|-------------------|--------------|---------------|---------------|---------------|
| Aetna Better Health of MI | | 3,687 | 893 | 3,211 | 7,791 |
| AmeriHealth Michigan | | | 714 | 2,592 | 3,306 |
| HAP Midwest Health Plan | | | 1,016 | 3,934 | 4,950 |
| Meridian Health Plan of MI | | 5,357 | | | 5,357 |
| MI Complete Health / Fidelis | | | 562 | 2,258 | 2,820 |
| Molina Healthcare of MI | | | 1,777 | 8,567 | 10,344 |
| Upper Peninsula Health Plan | 4,453 | | | | 4,453 |
| Total | 4,453 | 9,044 | 4,962 | 20,562 | 39,021 |

For both April and May 2018, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (about 27 percent of the combined total) each month; Aetna Better Health of Michigan had more than 19 percent; and Meridian Health Plan of Michigan had about 14 percent of the total each month.

At this point, about 94.6 percent of the MI Health Link enrollees are living in a community setting, and about 5.4 percent of the enrollees live in a nursing facility. A little more than 3 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 the plans have enrollees receiving care in nursing facilities, the Upper Peninsula Health Plan had the largest share during April 2018, about 22 percent of the total enrollees residing in nursing facilities. Aetna Better Health of Michigan ranked second during April, with about 19 percent of the total. In May, these two health plans had the same number of enrollees residing in nursing facilities (479 each), about 22 percent of the total for each health plan. In third place each month, Molina Healthcare of Michigan's percentage of the total enrollees residing in nursing facilities was 16 percent in April and just over 14 percent in May.

Although the majority of MI Health Link enrollees are passively enrolled, the percentage that voluntarily joined the demonstration has more than tripled in the last two years. As of April 1, 2018, the voluntary enrollment percentage was 23.1 percent; and as of May 1, 2018, the percentage of voluntary enrollees was 22.7 percent.

MDHHS also reports that more than 59,000 duals eligible for participation in the demonstration have chosen to opt out; this number has been inching up in recent months. 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 May 1, 2018, these **three D-SNPs had a combined enrollment of 17,626 duals** for whom they provide Medicare services.

Almost 65 percent of the duals enrolled in a Michigan D-SNP (11,399 individuals) are enrolled with Molina; 5,790 duals (almost 33 percent) are enrolled with Meridian; and 437 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.

MICHIGAN BUDGET

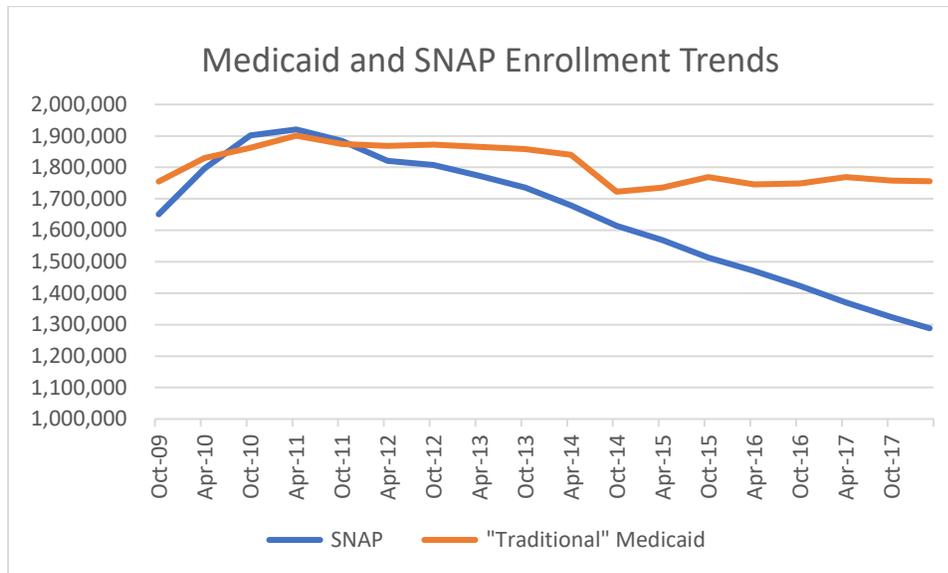
Action on the Michigan Budget for fiscal year (FY) 2018-19 is moving toward conclusion in early June. Conference committee meetings have already been scheduled for four of the smaller budgets. HMA will provide a detailed report on the Medicaid budget for FY 2018-19 when items of difference between the House and Senate have been resolved.

For additional information, contact [Eileen Ellis](#), Senior Advisor, or [Esther Reagan](#), Senior Consultant, at 517-482-9236.

MEDICAID AND FOOD STAMPS ENROLLMENT TRENDS

Both the Medicaid program and the Supplemental Nutrition Assistance Program (SNAP or Food Stamps) are part of the social safety net for individuals that experience a loss or reduction of employment. As a result of the “great recession”, there was a period from July 2010 through October 2011 when there were more Michigan residents enrolled in SNAP than in Medicaid. Michigan’s SNAP enrollment peaked at 1,948,044 in March 2011 and has declined almost continuously since then. As of March 2018, there were 1,288,365 SNAP enrollees in Michigan. Enrollment in “traditional” Medicaid peaked in April 2011 at 1,900,879.

While improvements in the Michigan economy since 2011 resulted in reductions in enrollment in both programs, SNAP enrollment has declined more dramatically than Medicaid enrollment, without considering addition of the Healthy Michigan Plan or MICHild.



In some Michigan counties there is now a work requirement for the SNAP program. The work requirement was first introduced in January 2017 in the four Michigan counties that had the lowest unemployment rates: Kent, Oakland, Ottawa, and Washtenaw. From December 2016 to December 2017, total SNAP enrollment decreased by 12.4 percent in these counties, compared to a decrease of 5.7 percent in the other 79 Michigan counties. Since these counties were selected based on low unemployment rates, it is likely that these results reflect the impacts of both the favorable local economies and the SNAP work requirement policy.

In January 2018, the work requirement was extended to ten additional counties with the lowest unemployment rates: Allegan, Barry, Berrien, Clinton, Eaton, Grand Traverse, Ingham, Ionia, Kalamazoo, and Livingston counties. Between December 2017 and March 2018, SNAP enrollment decreased by 4.5 percent in these ten counties, by 2.0 percent in the four initial work requirement counties, and by only 1.0 percent in the remaining 69 counties with no work requirement.

Many Michigan Medicaid enrollees are already participating in the workforce. While it is likely that SNAP enrollment is tied to economic conditions more than Medicaid enrollment, a Medicaid work requirement may also have an impact on Medicaid enrollment.

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MI MARKETPLACE OPTION

Both the March and April editions of *The Michigan Update* included information about implementation of the MI Marketplace Option, which targeted Healthy Michigan Plan enrollees with income above 100 percent of the federal poverty level. Implementation of this initiative is still on hold, pending finalization of the Medicaid budget for next fiscal year. As previously noted, the fiscal year 2018-19 budget may include proposed modifications to the MI Marketplace Option.

For additional information, contact [Eileen Ellis](#), Senior Advisor, or [Esther Reagan](#), Senior Consultant, at 517-482-9236.

INSURANCE PROVIDER ASSESSMENT

A set of three bills has been sent to Governor Rick Snyder that would, pending approval by the federal Centers for Medicare & Medicaid Services (CMS) replace the current Health Insurance Claims Assessment (HICA) tax. The current HICA tax is assessed on all claims for health insurance, including services funded by self-insured employers. The HICA tax was designed to replace the revenues lost when Michigan's Use Tax on Medicaid HMOs and Prepaid Inpatient Health Plans (PIHPs providing Medicaid behavioral health services) ended. The federal government notified Medicaid in 2016 that Michigan's Medicaid Use Tax was not an acceptable revenue source to be matched with federal Medicaid dollars.

Enrolled Senate Bill 994 is the Insurance Provider Assessment Act. The new assessment is not a premium tax. It is based on models already implemented in California and Ohio that have received federal approval. The assessment only applies to commercial health insurers, Medicaid contracted HMOs and specialty prepaid health plans (the PIHPs). Limited benefit plans and non-Medicaid government plans are excluded. The legislation specifies that the amount of the tax will be \$2.40 per member month for members not funded by Medicaid. For the PIHPs the tax will be \$1.20 per member month. For the Medicaid HMOs, the amount of the tax rate will be set such that it meets the federal statistical test for approvable managed care taxes. It is likely that there will be a very large tax on a considerable number of Medicaid member months for each health plan. The legislation states that for the rest of the Medicaid member months the tax will be \$1.20 per member month.

The new tax will be effective October 1, 2018, or the beginning of the first calendar quarter after receipt of federal approval, whichever is later. Senate Bill 992 which repeals the HICA tax, only becomes effective if CMS approves the proposed Insurance Provider Assessment as a source of matching funds for the Medicaid program.

For additional information, contact [Eileen Ellis](#), Senior Advisor, or [Esther Reagan](#), Senior Consultant, at 517-482-9236.

WELLCARE TO ACQUIRE MERIDIAN

On May 29, 2018, WellCare Health Plans, Inc. [announced](#) a definitive agreement to acquire Meridian Health Plan of Michigan, Inc., Meridian Health Plan of Illinois, Inc., and MeridianRx, a pharmacy benefit manager, (collectively, "Meridian"), in a deal valued at \$2.5 billion in cash and stock. The transaction is expected to close by the end of 2018, subject to customary closing conditions, including regulatory approvals. According to the announcement, as of May 1, Meridian had an estimated 508,000 Medicaid members in Michigan and 565,000 in Illinois in its Medicaid contracts and in demonstration contracts for integrated care for persons dually eligible for Medicare and Medicaid.

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

SECTION 298 INITIATIVE PILOT SITES

In past issues of *The Michigan Update*, most recently last month, we have reported on the Michigan Department of Health and Human Services' (MDHHS) plan to implement pilots to test the integration of publicly funded physical and behavioral health services as required in Section 298 of Public Act 268 of 2016 and revised in Public Act 107 of 2017. Originally targeted for implementation October 1, 2018, it now appears that the pilots may not begin until October 2019. In a Weekly Update for the week of May 21, 2018 posted on the MDHHS [website](#), the department points to outstanding issues and notes that staff "will be engaging the members of the Leadership Group and other stakeholders in a discussion about the impact of the amended timeline on the pilots."

For additional information, contact [Eileen Ellis](#), Senior Advisor, or [Esther Reagan](#), Senior Consultant, at 517-482-9236.

MEDICAID POLICIES

The Michigan Department of Health and Human Services (MDHHS) has issued three final policies and five proposed policies (three of which were released simultaneously with final policies) that merit mention. They are available for review on the department's [website](#).

- **MSA 18-12** notifies **Home Health Agencies** that **home health aide services** provided to beneficiaries receiving care on a fee-for-service basis will **require prior authorization** after the initial 90 days of care and every 90 days thereafter for continuation of services. This bulletin was **simultaneously released for public comment (1812-HHA)**, with comments due to MDHHS by June 29, 2018.
- **MSA 18-13** notifies **Home Health Agencies, Medicaid Health Plans, Practitioners, and Others** of final policies related to **face-to-face encounter requirements for home health nursing, home health therapy, and home health aide services** to align with similar regulatory requirements for Medicare. The bulletin also clarifies policies around location of service and notes that such **services may not be subject to a "homebound" requirement**. Implementation of this policy is contingent upon federal approval of a State Plan Amendment. This bulletin was **simultaneously released for public comment (1813-HHA)**, with comments due to MDHHS by June 29, 2018.
- **MSA 18-17** informs **Durable Medical Equipment Providers, Medicaid Health Plans, Integrated Care Organizations, Home Health Agencies, Practitioners and Others** of final policies required to implement provisions in federal law specifying that a beneficiary have a **face-to-face visit with a physician or non-physician practitioner within six months prior to a written order for identified durable medical equipment and supplies**. Implementation of this policy is contingent upon federal approval of a State Plan Amendment. This bulletin was **simultaneously released for public comment (1811-DMEPOS)**, with comments due to MDHHS by June 29, 2018.
- A proposed policy (**1806-Hospital**) has been issued that would, contingent upon federal approval of a State Plan Amendment, establish **reimbursement separate from the Diagnosis Related Group (DRG) payment for immediate postpartum Long-Acting Reversible Contraceptive (LARC) device insertion**. Comments are due to MDHHS by June 21, 2018. (See also L 18-30, below.)



- A proposed policy (**1807-BHDDA**) has been issued that would implement an **Opioid Health Home pilot program in Michigan's Prepaid Inpatient Health Plan Region 2** (a 21-county area in the Northern Lower Peninsula. Implementation of this policy is contingent upon federal approval of a State Plan Amendment. Comments are due to MDHHS by June 26, 2018.

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

- **L 18-29** was released on May 7, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to allow MDHHS to enter into outcomes-based contract arrangements with drug manufacturers to obtain supplemental rebates.
- **L 18-30** was released on May 15, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to provide reimbursement, separate from the maternity DRG payment for immediate postpartum LARC device insertion in the inpatient hospital setting. (See also proposed policy 1806-Hospital, above.)
- **L 18-33** was released on May 29, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment and an Alternative Benefit Plan Amendment** to permit licensed advanced practice nurses granted the specialty certification of clinical nurse specialist by the Michigan Board of Nursing to enroll with Michigan Medicaid and be reimbursed for their services.

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