

The Michigan Update

[Print This Issue](#)

In This Issue

[Medicaid Managed Care Enrollment Activity](#)

[Healthy Michigan Plan](#)

[Duals in Medicaid HMOs](#)

[Integrated Care for Dual Eligibles Delayed](#)

[UnitedHealthcare Community Plan](#)

[CSHCS Children in Medicaid HMOs](#)

[Michigan Medicaid Caseload Changes](#)

[Millions of Children Missing Free Check-ups](#)

[Commercial ACO Products: Market Leaders and Trends](#)

Medicaid Managed Care Enrollment Activity

As of November 1, 2014, there were **1,530,305 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 13 Medicaid Health Plans (HMOs); this is an **increase of 75,342** since October. The enrollment total reflects an increase of 41,130 HMP enrollees since October and an increase of 34,212 non-HMP Medicaid enrollees. This is the first month since June 2014 that the non-HMP Medicaid managed care enrollment number has increased. Even with this increase, the total number of non-HMP Medicaid managed care enrollees in November - 1,178,830 - is well below the June enrollment figure of 1,330,638.

As the enrollment reports ([pdf](#)) ([xls](#)) 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.

Please note that Physicians Health Plan (PHP) Mid-Michigan Family Care has changed its name to Sparrow PHP.

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

Healthy Michigan Plan

Enrollment in the Healthy Michigan Plan (HMP) continues to grow. The Michigan Department of Community Health (DCH) reports that since launching the program on April 1, 2014, enrollment has grown to 469,698 as of November

[MDCH Awards Funds to Local Health Departments](#)

[Medicaid Policies](#)

Quick Links

[About Us](#)

[Expertise](#)

[Services](#)

Contact Us

Phone:
1-800-678-2299

[Email](#)

Locations:

- Atlanta, Georgia
- Austin, Texas
- Boston, Massachusetts
- Chicago, Illinois
- Denver, Colorado
- Harrisburg, Pennsylvania
- Indianapolis, Indiana
- Lansing, Michigan
- New York, New York
- Olympia, Washington
- Sacramento, California
- San Francisco, California
- Southern California
- Tallahassee, Florida
- Washington, DC

[Join Our Mailing List!](#)

24th.

The MDCH 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:

November 24, 2014 Healthy Michigan Plan Enrollment	
Wayne	128,250
Macomb	36,301
Oakland	35,287
Genesee	29,646
Kent	23,326
Five-County Total	253,326
Statewide Total	469,698

With few exceptions, new HMP beneficiaries are required to enroll in the Medicaid Health Plans (HMOs) to receive their health care benefits. As of November 1, 2014, there were a total of 351,475 HMP beneficiaries enrolled in the HMOs. HMP enrollment totals by health plan are expected to increase again in December as individuals continue to choose an HMO or are assigned to an HMO if they do not select a plan.

November 2014 Healthy Michigan Plan Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	24,744	3,835	28,579
CoventryCares of MI	3,339	3,973	7,312
HAP Midwest Health Plan	13,236	8,891	22,127
Harbor Health Plan, Inc.	774	1,985	2,759
HealthPlus Partners	18,571	2,807	21,378
McLaren Health Plan	33,419	8,861	42,280
Meridian Health Plan of MI	59,326	27,514	86,840
Molina Healthcare of MI	29,984	12,263	42,247
Priority Health Choice, Inc.	20,396	4,130	24,526
Sparrow PHP	2,397	1,106	3,503
Total Health Care	8,510	4,671	13,181

UnitedHealthcare Comm. Plan	34,187	12,201	46,388
Upper Peninsula Health Plan	10,348	7	10,355
Total	259,231	92,244	351,475

For more information, contact [Eileen Ellis](#), Managing Principal, 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 **56,557 duals enrolled** in Medicaid HMOs in November, an increase of 2,415 since October. 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, 23.6 percent of the total; UnitedHealthcare Community Plan has 21.0 percent of the total; Meridian Health Plan of Michigan has 18.2 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 37.2 percent.

Eight 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, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan and Upper Peninsula Health Plan. (See also the related article about UnitedHealthcare.) As of November 1, 2014 these eight D-SNPs had a combined enrollment of 23,073 duals for whom they provide Medicare services; 48.7 percent of the duals that are enrolled in a D-SNP are enrolled in the Molina plan, 29.5 percent are enrolled in the UnitedHealthcare plan and the remaining 21.8 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 an Integrated Care Organization in the state's duals demonstration. As of November 1, 2014, Fidelis had 976 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 256 enrollees.

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

Integrated Care for Dual Eligibles Delayed

In previous editions of *The Michigan Update* (most recently in May 2014) 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). Implementation of the "duals demonstration" was targeted to begin January 1, 2015, with the voluntary enrollment process starting in December 2014. The Michigan Department of Community Health (MDCH) has just [announced](#) that implementation will now be delayed until March 1, 2015.

There are four demonstration regions and implementation will occur in phases. The first phase involves the Upper Peninsula region and an eight-county region in southwestern Michigan: Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren. The second phase involves the single-county regions of Macomb and Wayne Counties. Through federal Rural Exception authority, the Upper Peninsula Health Plan will be the only option for enrollment in the Upper Peninsula region. Beneficiaries in the southwestern region will be offered two health plan (Integrated Care Organization) choices - CoventryCares of Michigan and Meridian Health Plan of Michigan. As this demonstration involves "some of the most vulnerable" people in the state, MDCH Director Nick Lyon said it is essential that the program be ready to launch, and by waiting until March "we are continuing on a responsible course to ensure that our residents will receive the best care coordination possible."

For the first phase, individuals will start receiving information about enrollment in January and will begin the enrollment process in February. Individuals targeted for enrollment who do not voluntarily do so will be "passively

enrolled" in May but will have the ability to opt out of the demonstration and receive care either on a fee-for-service basis or through other Medicare and/or Medicaid managed care organizations.

At this time, the timeline for the other two regions is unchanged. The Macomb and Wayne County regions will be served by Amerihealth Michigan, CoventryCares of Michigan, Fidelis SecureCare of Michigan, HAP Midwest Health Plan, and Molina Healthcare of Michigan. (See also the related article about UnitedHealthcare Community Plan.)

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

UnitedHealthcare Community Plan

On November 14, 2014, *Crain's Detroit Business* [reported](#) that UnitedHealthcare Community Plan will close its Medicare Advantage Special Needs Plan for Duals (D-SNP) in Michigan on January 1, 2015. The plan currently has more than 6,800 Michigan enrollees. *Crain's* also reported that the health plan has decided to withdraw from Michigan's integrated care demonstration for Medicaid beneficiaries dually eligible for Medicare. UnitedHealthcare was one of six Integrated Care Organizations approved to enroll these beneficiaries in Wayne and Macomb counties beginning in mid-2015. These decisions apparently do not impact the organization's plans to continue serving the Healthy Michigan Plan (HMP) and non-HMP Medicaid population or to provide care for children enrolled in the state's MICHild program.

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

CSHCS Children in Medicaid HMOs

The Michigan Department of Community Health (DCH) 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 November 1, 2014, there were **17,442 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - an increase of 349 since October. 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, 25.3 percent of the total. Molina Healthcare of Michigan has 17.5 percent of the total; UnitedHealthcare Community Plan has 16.9 percent; and the other nine plans share the remaining 40.3 percent.

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

Michigan Medicaid Caseload Changes

The Michigan Department of Human Services (DHS) reports that from July to October 2014, the non-Healthy Michigan Plan (HMP) Medicaid caseload increased slightly - by about 3,700 - in the Aged, Blind and Disabled categories. At the same time DHS data show a significant reduction - about 38,400 - in the number of enrollees in the non-HMP Family Medicaid category and a very large drop - almost 98,000 - in the Pregnant Women and Children category (in addition to a drop of almost 9,000 women in the *Plan First!* family planning waiver). The Michigan Department of Community Health (MDCH) has stated that the significant decrease in the non-HMP caseload was, in part, because the federal government permitted the state to delay processing Medicaid redeterminations (and case closures) for the first few months of the calendar year. It is also believed that a number of former non-HMP Medicaid beneficiaries may now be enrolled in the HMP program based on family income changes.

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

Millions of Children Missing Free Check-ups

On November 12, 2014, the federal Office of Inspector General (OIG) released a [memorandum report](#) describing steps that the Centers for Medicare and Medicaid Services (CMS) has taken to encourage children's participation in Medicaid's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. The latest study and report follows up on a 2010 OIG audit and report, entitled *CMS Needs To Do More To Improve Medicaid Children's Utilization of Preventive Screening Services* and available at the same site, that found children on Medicaid were not receiving the required EPSDT well child exams and screenings or were receiving incomplete screenings. The

new report acknowledges that CMS has taken some actions toward encouraging participation in and delivery of all components of EPSDT screenings but also notes that participation rates at about 63 percent remain lower than CMS's goal of 80 percent. It makes no new recommendations.

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

Commercial ACO Products: Market Leaders and Trends

On November 14, 2014, the Center for Healthcare Research and Transformation (CHRT) at the University of Michigan released a new policy paper entitled [Commercial ACO Products: Market Leaders and Trends](#). The paper describes activity concerning commercial insurance products based on Accountable Care Organization (ACO) networks and builds off a companion brief, *Emerging Health Insurance Products in an Era of Health Reform*, which CHRT published in 2013. The earlier paper can be accessed via a link in the new publication.

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

MDCH Awards Funds to Local Health Departments

On November 10, 2014, the Michigan Department of Community Health (MDCH) [announced](#) awards totaling more than \$700,000 to 11 local health departments as part of the MDCH Building Healthy Communities Grant Project. The project supports initiatives focused on the prevention of chronic disease by promoting healthy eating and physical activities within Michigan communities.

The awards are intended to assist the health departments in developing, implementing and evaluating evidence-based policy, systems and environmental change interventions. The following health departments received the awards:

- Western Upper Peninsula Health Department
- Marquette County Health Department
- Health Department of Northwest Michigan
- District Health Department #4
- District Health Department #10
- Bay County Health Department

- Barry-Eaton District Health Department
- Oakland County Health Department
- Jackson County Health Department
- Washington County Public Health Department
- Berrien County Health Department

Funded projects include initiatives that increase the number of students that walk or bike to school, promote worksite wellness, provide community-based resources and referrals to have access to healthy food, expand parks and trails for options to increase physical activity and increase healthy food options at restaurants.

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

Medicaid Policies

The Michigan Department of Community Health (DCH) has issued three proposed that merit mention. They are available for review on DCH's [website](#).

- A proposed policy (**1448-Ambulance**) has been issued that would implement new claim submission requirements for **multiple ambulance transports for the same beneficiary on the same date of service**. Comments are due to MDCH by December 7, 2014.
- A proposed policy (**1449-MI Choice**) has been issued that would add a list of **reasons for removing someone from a waiting list** to the **MI Choice** Chapter in the Medicaid Provider Manual. Comments are due to MDCH by December 7, 2014.
- A proposed policy (**1455-Supplies**) has been issued that would **exclude** Medicaid and Healthy Michigan Plan beneficiaries from **managed care enrollment** if they have been diagnosed with **inherited diseases of metabolism** that require specified metabolic formulas. Comments are due to MDCH by December 24, 2014.

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

- **L 14-53** was released on November 6, 2014 and relates to **preadmission diagnostic services rendered in the three-day payment window prior to hospitalization** and notifies providers that **certain claims may be rebilled**.
- **L 14-54** was released on November 5, 2014 to give notice of MDCH's intent to submit an **1115 waiver**

amendment to expand Medicaid to include MICHild.

- **L 14-57** was released on November 18, 2014 to give notice of MDCH's intent to submit a **State Plan Amendment** to increase the **copayment amount for non-emergency use of the outpatient hospital emergency room from \$3 per visit to \$8 per visit** effective April 1, 2015.
- **L 14-60** was released on November 24, 2014 to give notice of MDCH's intent to submit an amendment and transition plan for the **Waiver for Children with Serious Emotional Disturbance to add an adjustor payment**. The adjustor payment, if approved by the federal government **would allow Community Mental Health Services Programs to earn additional federal dollars** to partially cover the cost of waiver services currently funded with non-Medicaid resources.
- **L 14-61** was released on November 24, 2014 to **invite public comments through December 24, 2014** on MDCH's Draft **Statewide Transition Plan for Home and Community-Based Settings**. MDCH currently has five waivers impacted by the new federal rule necessitating the transition plan. The letter provides a link to the draft document.

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.