

# HEALTH MANAGEMENT ASSOCIATES

## THE **MICHIGAN UPDATE** 2018

NOVEMBER



[WWW.HEALTHMANAGEMENT.COM](http://WWW.HEALTHMANAGEMENT.COM)



### Table of Contents

MEDICAID MANAGED CARE ENROLLMENT ACTIVITY ..... 3

MI HEALTH LINK ..... 5

MICHIGAN D-SNPS..... 7

HEALTHY MICHIGAN PLAN ENROLLMENT..... 7

MATERNAL MORTALITY REPORT..... 8

SECTION 298 INITIATIVE PROGRESS REPORT ..... 8

MEDICAID DRUG PRICES TO BE NEGOTIATED ..... 8

NEW OPIOID RULES ..... 9

NEW PSYCHIATRIC HOSPITAL..... 9

NURSING HOME INSPECTIONS TO CATCH UNDERSTAFFING..... 9

MEDICAID POLICIES ..... 10





### MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of November 1, 2018, there were **1,755,709 Medicaid beneficiaries, including 540,098 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Michigan Medicaid Health Plans (HMOs). As the table below shows, this is an overall **decrease of 21,772** since October. The number of HMP beneficiaries enrolled in HMOs decreased by 3,472, and the number of non-HMP enrollees decreased by 18,300.

	June 2018	July 2018	August 2018	Sept. 2018	Oct. 2018	Nov. 2018
<b>All Medicaid Beneficiaries Enrolled</b>	<b>1,781,878</b>	<b>1,783,640</b>	<b>1,773,908</b>	<b>1,789,450</b>	<b>1,777,481</b>	<b>1,755,709</b>
• Total HMP Enrollees	551,337	554,203	544,167	550,742	543,570	540,098
• Total CSHCS/Medicaid Enrollees	17,501	18,687	21,056	21,416	19,683	19,040
• Total Medicare/Medicaid Enrollees (Duals)	38,815	39,166	39,273	39,563	39,445	38,965
• Total MIChild Enrollees	33,962	34,434	34,319	34,873	35,043	34,847

The number of individuals identified as mandatory managed care enrollees but not yet enrolled in a Medicaid HMO has fluctuated significantly in recent months, from a low of 45,305 in July 2018 to 50,755 as of October 1, 2018, and a high of 66,859 as of November 1, 2018. This increase in the number of individuals not yet assigned to a health plan has contributed to a drop in total Medicaid HMO enrollment.

As the enrollment reports for November ([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 November were Meridian Health Plan of Michigan with just over 28 percent of the total, Molina Healthcare of Michigan with almost 20 percent, and UnitedHealthcare Community Plan with 14 percent of the total number of enrollees.



*Healthy Michigan Plan (HMP)*

**There were 540,098 HMP beneficiaries enrolled as of November 1, 2018** in the Medicaid HMOs. This is **a decrease of 3,472 since October 1, 2018**. As the table above reflects, HMP enrollment totals have been fluctuating over the last few months, with increases in some months and decreases in others. All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in November were Meridian Health Plan of Michigan with more than 27 percent of the total, Molina Healthcare of Michigan with almost 17 percent, and Blue Cross Complete with almost 16 percent of the total enrollees.

*CSHCS/Medicaid*

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. **There were 19,040 joint CSHCS/Medicaid beneficiaries enrolled as of November 1, 2018** in the Medicaid HMOs, **a decrease of 643 since October 1, 2018**.

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in November were Meridian Health Plan of Michigan with almost 25 percent of the total, Molina Healthcare of Michigan with almost 23 percent, and UnitedHealthcare Community Plan with more than 13 percent of the total enrollees.

*MiChild*

There were **34,847 MiChild beneficiaries enrolled as of November 1, 2018** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **decreased by 196 between October 1, 2018 and November 1, 2018**.

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in November were Meridian Health Plan of Michigan with almost 30 percent of the total, Molina Healthcare of Michigan with almost 17 percent, and UnitedHealthcare Community Plan with 13 percent of the total enrollees.

*Medicare/Medicaid*

Aside from Michigan’s Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **38,965 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of November 1, 2018** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 480 between October 1, 2018 and November 1, 2018**.



All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in November were Meridian Health Plan of Michigan with 30 percent of the total, Molina Healthcare of Michigan with almost 25 percent, and McLaren Health Plan with almost 16 percent of the total enrollees.

For additional information, contact Eileen Ellis, Senior Advisor, or 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 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 County and Wayne County 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.

Over the last year, the number of MI Health Link enrollees has fluctuated, with increases in some months and decreases in others. The Michigan Department of Health and Human Services (MDHHS) reports that **as of November 1, 2018, the MI Health Link enrollment total was 34,827, a decrease of 824 enrollees since October.**

The table below illustrates the MI Health Link enrollment fluctuation by month between January 2018 and November 2018. Note that the enrollment total for November is the lowest for the year, more than 4,000 below the total for May, which was the highest monthly total for the year.

Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.
38,045	38,571	38,562	37,798	39,021	38,327	37,518	37,103	36,394	35,651	34,827



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 **November 1, 2018**.

<b>MI Health Link Enrollment</b>	<b>Upper Pen. Region</b>	<b>SW MI Region</b>	<b>Macomb Region</b>	<b>Wayne Region</b>	<b>Total</b>
Aetna Better Health of MI		3,147	739	2,736	6,622
AmeriHealth Michigan			573	2,148	2,721
HAP Midwest Health Plan			910	3,498	4,408
Meridian Health Plan of MI		4,898			4,898
MI Complete Health / Fidelis			439	1,784	2,223
Molina Healthcare of MI			1,700	8,272	9,972
Upper Peninsula Health Plan	3,983				3,983
<b>Total</b>	<b>3,983</b>	<b>8,045</b>	<b>4,361</b>	<b>18,438</b>	<b>34,827</b>

As of November 1, 2018, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (almost 29 percent of the combined total); Aetna Better Health of Michigan came in second with 19 percent; and Meridian Health Plan of Michigan was third with just over 14 percent of the total enrollees.

At present, almost 95 percent of the MI Health Link enrollees are living in a community setting, and a little more than 5 percent of the enrollees live in a nursing facility. About 5 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 the enrollees living in a community setting receive in-home services and supports from the ICOs through the Medicaid State Plan personal care benefit.

While all plans have enrollees receiving care in nursing facilities, the Upper Peninsula Health Plan (UPHP) had the largest share during November 2018; more than 21 percent of the total enrollees residing in nursing facilities were part of UPHP. Aetna Better Health of Michigan ranked second, with 19 percent of the total. Molina Healthcare of Michigan was in third place, with almost 18 percent of the total enrollees residing in nursing facilities.

Although the majority of MI Health Link enrollees are passively enrolled, the percentage that voluntarily joined the demonstration has grown significantly over time. As of November 1, 2018, the voluntary enrollment percentage was 26.6.



MDHHS also reports that more than 58,000 duals eligible for participation in the demonstration have chosen to opt out. 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 November 1, 2018, these three D-SNPs had a combined enrollment of 20,301 duals** for whom they provide Medicare services.

Almost 61 percent of the duals enrolled in a Michigan D-SNP (12,274 individuals) are enrolled with Molina; more than 36 percent (7,388 duals) are enrolled with Meridian; and 639 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 more information, contact Esther Reagan, Senior Consultant, at (517) 482-9236.**

## HEALTHY MICHIGAN PLAN ENROLLMENT

The Michigan Department of Health and Human Services reports enrollment counts for the Healthy Michigan Plan (HMP), its Medicaid expansion program for low-income non-elderly adults who do not meet eligibility criteria for traditional program coverage, at the beginning of each week on its [website](#). Enrollment stood at **674,603 as of November 26, 2018**, the last Monday of the month.

Although the HMP caseload drops at the beginning of each month because of an annual eligibility redetermination requirement, it generally rebounds by the end of the month.

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



## MATERNAL MORTALITY REPORT

On November 8, 2018, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that it had recently issued a new maternal mortality report and is in the final stages of developing an improvement plan that will help the state achieve its vision of zero preventable deaths and zero disparities. To help continue addressing the state's maternal deaths, MDHHS, the Maternal Infant Strategy Group, the Michigan Alliance for Innovation on Maternal Health, and local partners have collaborated to develop the 2019-2022 Mother Infant Health Improvement Plan (MIHIP). The MIHIP is currently being finalized and focuses on several interventions, including early prenatal care, tobacco/substance cessation, mental/ behavioral health screening and treatment access, and recommended birth spacing.

A link to the report is included in the announcement.

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

## SECTION 298 INITIATIVE PROGRESS REPORT

On November 2, 2018, the Michigan Department of Health and Human Services [announced](#) that it had submitted a progress report to the Michigan Legislature on implementation of the Section 298 Initiative. The report, which can be accessed via the MDHHS announcement, notes that department staff continue to work toward implementing by October 1, 2019 both a demonstration project and three pilot sites for integration of mental health and physical health care services.

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

## MEDICAID DRUG PRICES TO BE NEGOTIATED

On November 14, 2018, the Michigan Department of Health and Human Services (MDHHS) [announced](#) its receipt of federal approval to begin negotiating contracts with drug manufacturers that are based on patient outcomes. Michigan is the second state in the country to gain such approval; Oklahoma was the first. MDHHS is hopeful that this new arrangement will improve the quality, value, and efficiency of drug-based treatments covered by Medicaid.

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



## NEW OPIOID RULES

On October 26, 2018, Governor Rick Snyder's office [announced](#) that Lieutenant Governor Brian Calley had signed emergency rules requiring health care providers to report drug overdoses, including deaths, to the Michigan Department of Health and Human Services (MDHHS). The new reporting requirements will hopefully give MDHHS more accurate information to track the opioid epidemic and target programs and interventions to areas at most risk. The emergency rules will be in effect for six months, with permanent rules to be promulgated during that period. The announcement also includes links to other important information.

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

## NEW PSYCHIATRIC HOSPITAL

On November 5, 2018, Beaumont Health [announced](#) a joint venture with Pennsylvania-based Universal Health Services (UHS), to increase access to mental health services in Southeast Michigan. Included in this mental health partnership strategy will be construction of a new 150-bed freestanding mental health hospital in Dearborn, across the street from Beaumont Hospital. The new hospital will be operated and managed by UHS, the majority owner. Construction is expected to begin in early 2019, and the facility is expected to open in 2021.

UHS operates / manages more than 350 facilities across the country. Four of those facilities are in Michigan: Cedar Creek Hospital in St. Johns, Forest View Hospital in Grand Rapids, Havenwyck Hospital in Auburn Hills, and Skywood Recovery in Augusta.

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

## NURSING HOME INSPECTIONS TO CATCH UNDERSTAFFING

On November 30, 2018, the Centers for Medicare & Medicaid Services (CMS) released a [memorandum](#) to its State Survey Agency Directors with instructions to implement more surprise inspections of nursing facilities on Saturdays and Sundays. As the memorandum notes, "since nurse staffing is directly related to the quality of care that residents experience, CMS is very concerned about the risk to resident health and safety that these situations may present," so the department will identify nursing homes for which payroll records indicate low weekend staffing or that operate without a registered nurse. Medicare will instruct state inspectors to focus on those potential violations during visits.

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



## MEDICAID POLICIES

The Michigan Department of Health and Human Services (MDHHS) has released 11 final and 3 proposed policies that merit mention. They are available for review on the department's [website](#).

- **MSA 18-40** notifies **Hospitals** of new **Graduate Medical Education Innovations Agreements**.
- **MSA 18-41** clarifies for **Local Health Departments** the requirements for **administrative claiming for Medicaid outreach activity costs**.
- **MSA 18-42** informs **All Providers** that the **MI Marketplace Option benefit** described in Bulletin MSA 18-05 is rescinded.
- **MSA 18-43** advises **Home Health Agencies, Health Plans and Practitioners** of policy changes required for compliance with federal Conditions of Participation around developing a more **integrated process based on a person-centered assessment**.
- **MSA 18-44** informs **All Providers** of a **Standard Consent Form** that will enable providers and organizations to share certain types of **behavioral health and substance use disorder information**.
- **MSA 18-45** informs **All Providers** of **Quarterly Updates** to the **Medicaid Provider Manual**.
- **MSA 18-46** advises **Hearing and Speech Centers, Practitioners, Hospitals, Clinics** and others of updates to **audiology supply and device reimbursement rates and bone-anchored hearing device coverage**.
- **MSA 18-47** provides for **All Providers** updated information about enforcement of **Medicaid provider enrollment requirements**.
- **MSA 18-48** notifies **Nursing Facilities, County Medical Care Facilities, MI Choice Waiver Agencies** and others of new requirements intended to provide a **consistent application of the Medicaid Nursing Facility Level of Care Determination** instrument and process.
- **MSA-18-49** informs **Prepaid Inpatient Health Plans** of **federally required network adequacy standards** that will be incorporated into their contracts.
- **MSA 18-50** advises **All Providers** of new program policies related to **payment for services** provided to **Medicaid beneficiaries eligible based on age for Medicare benefits but not enrolled in the Medicare program**.
- A proposed policy (**1845-ERP**) has been issued that would **establish policy in the Medicaid Provider Manual** for the **Estate Recovery Program**. Comments are due to MDHHS by December 14, 2018.
- A proposed policy (**1846-NF**) has been issued that would **revise Medicaid policy** to specify that the **costs of provider donations for outstationed state staff** are non-allowable costs on the **Medicaid Nursing Facility Cost Report**. Comments are due to MDHHS by December 26, 2018.
- A proposed policy (**1833-DME**) has been issued that would initiate **coverage for continuous glucose monitoring systems** for persons with Type I diabetes on multiple dose insulin injections or using insulin pumps. Comments are due to MDHHS by January 3, 2019.



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

- **L 18-61** was released on November 7, 2018 to **clarify previously published policy regarding Home Help Agency Provider Standards.**
- **L 18-65** was released on November 16, 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 regarding coverage of services provided by certified nurse midwives.**
- **L 18-69** was released on November 21, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit an amendment to the Section 1915(c) MI Health Link Waiver** to the federal Centers for Medicare & Medicaid Services. The letter clarifies the purpose of the amendment.
- **L 18-67** was released on November 30, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to establish both a **per home monetary cap and a match amount for rental properties enrolled in the Lead Safe Home Program.**

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



# HMA HEALTH MANAGEMENT ASSOCIATES

Health Management Associates (HMA) is an independent, national research and consulting firm specializing in publicly funded healthcare reform, policy, and programs. We serve government, public and private providers, health systems, health plans, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With over 20 offices and more than 200 multidisciplinary consultants coast to coast, our expertise, our services, and our team are always within client reach.