

The Michigan Update

In This Issue

Medicaid Managed Care Enrollment Activity

Healthy Michigan Plan

MI Health Link

Michigan D-SNPs

16th Annual Medicaid Budget Survey

Snyder Vetoes HICA Repeal/Replacement

MDHHS Issues RFPs

CMS Awards \$300,000 for Flint

CMS Awards \$25.5 Million for Consumer Protections

HIV Consultation Program

Publicly Reported Hospital Quality Rankings

Matt Lori Replacing Elizabeth Hertel

New CEO at Health Alliance Plan

Medicaid Policies

Medicaid Managed Care Enrollment Activity

As of October 1, 2016, there were **1,727,941 Medicaid beneficiaries, including 502,428 HMP beneficiaries**, enrolled in the 11 Medicaid Health Plans (HMOs). This is an overall **increase of 26,444** since September (10,713 additional HMP enrollees and 15,731 additional non-HMP enrollees).

As the enrollment reports ([pdf](#)) ([xls](#)) for October 2016 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 enrollment as of October 1, 2016 were Meridian Health Plan of Michigan with 28.1 percent of the total, Molina Healthcare of Michigan with 21.1 percent, United Healthcare Community Plan with 14.7 percent, and McLaren Health Plan with 10.8 percent of the total.

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. As of October 1, 2016, there were **18,051 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**, an increase of 360 since September. All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. Meridian Health Plan of

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Michigan has the most CSHCS/Medicaid beneficiaries enrolled (26.6 percent of the total); Molina Healthcare of Michigan has 26.0 percent of the total; UnitedHealthcare Community Plan has 15.6 percent; and McLaren Health Plan has 10.0 percent of the total.

There were **34,313 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** to receive acute care Medicaid benefits in October 2016, an increase of 423 since September. All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. Molina Healthcare of Michigan has the most duals receiving Medicaid services from an HMO (28.9 percent of the total); Meridian Health Plan of Michigan has 25.1 percent of the total (but the most voluntary enrollees); and McLaren Health Plan has 15.5 percent of the total enrollees.

There were **36,136 MICHild beneficiaries enrolled in Medicaid HMOs** in October 2016, an increase of 1,633 since September. All Medicaid HMOs have MICHild beneficiaries enrolled, although the numbers vary dramatically across plans. Meridian Health Plan of Michigan has the most MICHild enrollees (24.5 percent of the total); Molina Healthcare of Michigan has 19.8 percent of the total; McLaren Health Plan has 13.6 percent; UnitedHealthcare Community Plan has 12.7 percent; and Priority Health Choice has 12.6 percent of the total enrollees.

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

Healthy Michigan Plan

Healthy Michigan Plan (HMP) enrollment levels have remained steady for the past eighteen months and, according to the Michigan Department of Health and Human Services (MDHHS) [website](#), stood at **624,215 as of October 24, 2016**. Although the HMP caseload drops by about 25,000 at the beginning of each month as a result of an annual eligibility redetermination requirement, it generally rebounds by the end of the month.

For additional information, contact [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 operate in four regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state form another region (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren); and Wayne and Macomb 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 of June 1, 2016, due to a passive enrollment process implemented by the Michigan Department of Health and Human Services (MDHHS), there were **38,767 enrollees** in the ICOs. (Read more about this passive enrollment process in the June 2016 edition of *The Michigan Update*.) This was an increase of almost 8,000 enrollees from the May enrollment level of 30,813, but still below the 42,757 enrollees in September 2015 when the demonstration was initially implemented. Enrollment dropped to **37,781 enrollees as of July 1, 2016, to 37,087 as of August 1, 2016, and to 36,892 as of September 1, 2016**, with the decreases likely due to individuals who were passively assigned to a health plan but have since chosen to opt out from (not participate in) MI Health Link. **As of October 1, 2016, however, enrollment in MI Health Link saw a modest increase, to 37,005.**

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 October 1, 2016.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,390	781	2,882	7,053
AmeriHealth Michigan			750	2,660	3,410
MI Complete Health / Fidelis			338	1,641	1,979
HAP Midwest Health Plan			1,034	4,151	5,185
Meridian Health Plan of MI		5,334			5,334

Molina Healthcare of MI			1,676	8,378	10,054
Upper Peninsula Health Plan	3,990				3,990
Total	3,990	8,724	4,579	19,712	37,005

As of October 1st, Molina Healthcare of Michigan has the most enrollees, both voluntarily and passively enrolled (27.2 percent of the combined total); Aetna Better Health of Michigan has 19.1 percent of the total; Meridian Health Plan of Michigan has 14.4 percent; and HAP Midwest Health Plan has 14.0 percent. At this point, more than 93 percent of the MI Health Link enrollees are living at home, and about 5.6 percent of the enrollees live in a nursing facility. Only one percent of the enrollees are receiving home and community-based long-term services and supports through the MI Health Link program waiver; however a significant number of enrollees are receiving in-home services and supports from the ICOs through the State Plan personal care benefit. While all of the plans have enrollees receiving care in nursing facilities, the Upper Peninsula Health Plan has the largest share as of October 1st, 21.1 percent of the total. Molina Healthcare of Michigan follows very closely with 20.8 percent of the total enrollees receiving care in nursing facilities (and only six fewer enrollees receiving such care than the Upper Peninsula Health Plan).

While the majority of MI Health Link enrollees are passively enrolled, almost 16 percent of them voluntarily joined the demonstration. This percentage has more than doubled since September 2015. MDHHS reports that as of October 1, 2016, more than 50,300 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 a later time.

On October 10, 2016, MDHHS [announced](#) a MI Health Link Provider Summit, at which Michigan health care providers will have the opportunity to learn about and discuss the integrated care program. The Summit will be held on November 9, 2016, from 8:00 am to 4:30 pm, at the Kellogg Hotel & Conference Center located in East Lansing. The Summit's Keynote Speaker will be Tim Engelhardt from the Centers for Medicare & Medicaid Services. The Summit will also feature presentations and discussions related to coordinating physical and behavioral health care, engaging enrollees and planning for transitions between health care settings. Additional information, including the online registration, is available on the MDHHS [website](#).

The MDHHS has established an [enrollment dashboard](#) on the MI Health Link page on its website. According to the MI Health Link website, 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

Four 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 for duals in Michigan: HAP Midwest Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, and Upper Peninsula Health Plan. As of October 1, 2016 these **four D-SNPs had a combined enrollment of 12,612 duals** for whom they provide Medicare services. More than 83 percent of the duals enrolled in a D-SNP are enrolled with Molina Healthcare of Michigan. None of these duals are participating in the MI Health Link demonstration.

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 their Medicare coinsurance and deductible payments and/or monthly Medicare premiums.

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

16th Annual Medicaid Budget Survey

On October 13, 2016, the Kaiser Commission on Medicaid and the Uninsured (KCMU) released three reports on state Medicaid budgets and policies: "**Medicaid Enrollment & Spending Growth: FY 2016 & 2017**," "**Implementing Coverage and Payment Initiatives: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2016 and 2017**," and "**Putting Medicaid in the Larger Budget Context: An In-Depth Look at Four States in FY 2016 and FY 2017**." The reports were the result of a survey of Medicaid directors across the country, conducted by Health Management Associates (HMA) and KCMU staff in collaboration with the National Association of Medicaid Directors. The reports address trends in Medicaid spending,

enrollment, and policy initiatives for fiscal years (FY) 2016 and 2017, and highlight changes implemented in FY 2016 and planned for FY 2017.

The reports were authored by HMA staff Vernon Smith, Kathleen Gifford, Eileen Ellis, and Barbara Edwards, with Robin Rudowitz, Elizabeth Hinton, Larisa Antonisse, and Allison Valentine from the Kaiser Family Foundation. HMA's Pat Casanova, Sarah Jagger, and Dennis Roberts also contributed.

The reports are available on either the [KCMU website](#) or the [HMA website](#). In addition, the [HMA Weekly Roundup](#) published October 19, 2016 included an "In Focus" article highlighting some of the report's key findings.

For additional information, contact [Eileen Ellis](#), Senior Fellow, at (517) 482-9236.

Snyder Vetoes HICA Repeal/Replacement

In previous editions of *The Michigan Update*, most recently in July, we reported on four bills introduced in the Michigan Senate (SB 987 – 990) that would eliminate the Health Insurance Claims Assessment (HICA) tax – a one percent tax on health insurance claims – and replace it with a revised Use Tax on Medicaid HMOs and Prepaid Inpatient Health Plans. The HICA tax has been very controversial since its inception, and very much disliked by business groups. On October 20, 2016, the Michigan Legislature approved the four bills and sent them to Governor Rick Snyder for signature. On October 27th, the Governor vetoed them. "This legislation would sunset HICA 18 months earlier than the extension that just passed the Legislature earlier this year," Mr. Snyder said in a statement. "I am very concerned that the federal government would not recognize this tax structure as an eligible Medicaid matching fund source, putting at risk federal funding for critical state health programs and leaving our state budget out of balance."

For additional information, contact [Eileen Ellis](#), Senior Fellow, at (517) 482-9236.

MDHHS Issues RFPs

On October 17, 2016, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that it is issuing two Requests for Proposals (RFPs) to support individuals with intellectual and developmental disabilities (I/DD) and their families. The *Leadership Development Opportunities*

RFP seeks an organization to create leadership development opportunities for individuals with I/DD, and the Self-Determination in Michigan RFP seeks an organization to establish a statewide effort to address availability and access to tools and supports that people with I/DD need to control the services they receive and to live self-directed lives. Each RFP is open to private non-profit organizations, institutions of higher education, and governmental agencies and will result in five-year grant awards of \$650,000. Applications are due to MDHHS by November 15, 2016. Full RFP details are available through a link in the announcement.

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

CMS Awards \$300,000 for Flint

On October 3, 2016, the Centers for Medicare & Medicaid Services announced an award of \$300,000 to the Greater Flint Health Coalition in an effort to get more eligible children in Flint enrolled in Medicaid and the Children's Health Insurance Program (CHIP). The award will be used to support an outreach and enrollment coordinator to educate families about the availability of Medicaid and CHIP benefits for children impacted by exposure to lead in the Flint water system, to identify children likely eligible for program enrollment, and to assist families with applications and renewals for coverage.

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

CMS Awards \$25.5 Million for Consumer Protections

On October 31, 2016, the Centers for Medicare & Medicaid Services [announced](#) awards totaling \$25.5 million to 22 states and the District of Columbia for enforcement and oversight of issuer compliance with select Affordable Care Act key consumer protections. The announcement states that the awards are intended to fund activities related to planning and implementing selected Federal market reforms and consumer protections including: essential health benefits, preventive services, parity in mental health and substance use disorder benefits, appeals processes, and bringing down the cost of health care coverage (also known as the medical loss ratio [MLR] provision). The bulk of the funds will go to state departments of insurance. The state-specific awards are included in the announcement; Michigan will receive a little more than one million dollars.

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

HIV Consultation Program

On October 4, 2016, the Michigan Department of Health and Human Services and the Henry Ford Health System [announced](#) a new Michigan HIV Consultation Program to address questions from health care professionals about HIV-related issues. The program will accept and respond to questions both via online submission and telephone. Information related to the scope of the program and how to submit questions is included in the announcement.

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

Publicly Reported Hospital Quality Rankings

On October 6, 2016, the Center for Healthcare Research & Transformation at the University of Michigan released an Issue Brief entitled [Publicly Reported Hospital Quality Rankings](#). According to this publication, “hospital ranking systems produce widely reported yet conflicting lists of top-performing hospitals and fail to meet consumers’ needs in assessing hospital quality.” The brief provides examples of the variance in scoring across several ranking systems currently in use.

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

Matt Lori Replacing Elizabeth Hertel

On October 31, 2016, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that Matt Lori will serve as Acting Senior Deputy Director of the Policy, Planning and Legislative Services Administration, effective immediately. Mr. Lori is assuming the position vacated by Elizabeth Hertel, who recently left the department to join Trinity Health as director of state advocacy. A former state representative and most recently the health care administrator at MDHHS, in his new role Mr. Lori will oversee Michigan Rehabilitation Services, Health Policy and Innovation, Legislative and Constituent Services, and the Office of Planning which includes the Pathways to Potential program and Certificate of Need.

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

New CEO at Health Alliance Plan

In early October 2016, Crain's Detroit Business reported that Health Alliance Plan of Michigan has hired a new Chief Executive Officer who will assume her position effective November 21, 2016. Teresa Kline is a native Michigander who most recently was a health care consultant in Georgia. She has also served in leadership positions at Health Care Service Corporation in Chicago (a multi-state Blue Cross plan), Aetna Health Plans, CHA Health and UnitedHealthcare of Georgia. She replaces Jim Connelly, who retired in August 2015.

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

Medicaid Policies

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

- A proposed policy (**1630-Billing**) has been issued to update the **billing limitation** policy and to require that all **fee-for-service Medicaid claims** be submitted **within one calendar year from the date of service**. Comments are due to MDHHS by November 18, 2016.
- A proposed policy (**1631-Dental**) has been issued to add a **new dental procedure code – D1354-Interim Caries Arresting Medicament Application**. Comments are due to MDHHS by November 18, 2016.
- A proposed policy (**1624-EHR**) has been issued to modify elements of the **Medicaid EHR Incentive Program** eligibility verification and timing of operation. Comments are due to MDHHS by November 18, 2016.
- A proposed policy (**1638-Eligibility**) has been issued to further clarify the **impact of transferring annuities on Medicaid financial eligibility**. Comments are due to MDHHS by November 30, 2016.
- A proposed policy (**1632-Supplies**) has been issued to clarify **documentation requirements and the**

parameters of coverage for pull-on briefs.

Comments are due to MDHHS by December 2, 2016.

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

- **L 16-57** was released on October 7, 2016 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** regarding changes required in the **Federal Covered Outpatient Drugs Rule**, which directs state Medicaid agencies to adopt payment policies designed to **pay pharmacies for the actual acquisition cost of drugs plus a professional dispensing fee.**
- **L 16-55** was released on October 10, 2016 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to incorporate current **Institutional Status** policy in the plan. The policy relates to **Medicaid benefits during a period of incarceration.**
- **L 16-56** was released on October 10, 2016 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to **remove Washtenaw County as one of the chronic care management health home pilot sites for individuals with serious and persistent mental health conditions.** The County has communicated its intent to withdraw as a pilot site.
- **L 16-58** was released on October 21, 2016 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to **increase the current Medicaid eligibility income disregard for a court-ordered guardian or conservator.**
- **L 16-59** was released on October 25, 2016 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to increase the fixed **fee schedule rate** amount for **Behavioral Health Treatment/Applied Behavior Analysis** services for children with **Autism Spectrum Disorder.**

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

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