

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of October 1, 2017, there were **1,783,087 Medicaid beneficiaries, including 539,179 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Medicaid Health Plans (HMOs). This is an overall **increase of 9,659** since September. The number of HMP beneficiaries enrolled in HMOs increased by 4,600, and the number of non-HMP enrollees increased by 5,059. Although an increase over September, the enrollment total is still considerably below the record managed care enrollment total in July 2017 of 1,820,299.

As the enrollment reports ([pdf](#)) ([xls](#)) for October 2017 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 as of October 1, 2017 were Meridian Health Plan of Michigan with 27.9 percent of the total, Molina Healthcare of Michigan with 19.9 percent, and UnitedHealthcare Community Plan with 14.3 percent of the total.

The Michigan Department of Health and Human Services 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

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HMOs. As of October 1, 2017, there were **19,638 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**, an increase of 128 enrollees since September. All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. As of October 1st, Meridian Health Plan of Michigan had the most CSHCS/Medicaid beneficiaries enrolled (27.4 percent of the total); Molina Healthcare of Michigan had 24.6 percent; and UnitedHealthcare Community Plan had 14.4 percent of the total.

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **38,752 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** for their acute care Medicaid benefits in October 2017, an increase of 270 since September. All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. As of October 1st, Meridian Health Plan of Michigan and Molina Healthcare of Michigan each had 26.5 percent of the total enrollees; however, Meridian had the most voluntary enrollees. McLaren Health Plan followed with 15.0 percent of the total enrollees.

There were **35,138 MIChild beneficiaries enrolled in Medicaid HMOs** in October 2017, an increase of 2,363 since September. All Medicaid HMOs have MIChild beneficiaries enrolled, although the numbers vary dramatically across plans. As of October 1st, Meridian Health Plan of Michigan had the most MIChild enrollees (26.9 percent of the total); Molina Healthcare of Michigan had 17.6 percent; UnitedHealthcare Community Plan had 13.1 percent; and Priority Health Choice had 12.3 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 Enrollment

The number of Healthy Michigan Plan (HMP) enrollees increased each month from September 2016 through August 2017. However, according to the Michigan Department of Health and Human Services (MDHHS) [website](#), HMP enrollment stood at **673,036 as of October 30, 2017**, the last Monday in October. This is an **increase of 8,661** from the count on the last Monday in September but a **decrease of 8,326** from the count on the last Monday in August 2017. The enrollment number for the last Monday of October 2017 is more than 42,400 higher than one year ago, on the last Monday of October 2016. 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.

For additional information, contact [Eileen Ellis](#), Senior Fellow, 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 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.

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 October 1, 2017, the MI Health Link enrollment was 38,430, an increase of 55 enrollees since September.**

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, 2017.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,482	851	3,046	7,379
AmeriHealth Michigan			703	2,532	3,235
MI Complete Health / Fidelis			474	1,924	2,398
HAP Midwest Health Plan			980	3,786	4,766

Meridian Health Plan of MI		5,553			5,553
Molina Healthcare of MI			1,844	8,970	10,814
Upper Peninsula Health Plan	4,285				4,285
Total	4,285	9,035	4,852	20,258	38,430

As of October 1, 2017, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (28.1 percent of the combined total); Aetna Better Health of Michigan had 19.2 percent; Meridian Health Plan of Michigan had 14.4 percent; and HAP Midwest Health Plan had 12.4 percent of the total.

At this point, about 94.7 percent of the MI Health Link enrollees are living in a community setting, and about 5.3 percent of the enrollees live in a nursing facility. Only 2.3 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 are receiving in-home services and supports from the ICOs through the 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 as of October 1st (23.5 percent of the total enrollees residing in nursing facilities). Aetna Better Health of Michigan had 18.0 percent; and Molina Healthcare of Michigan had 17.8 percent of the total.

Although the majority of MI Health Link enrollees are passively enrolled, 21.0 percent voluntarily joined the demonstration. The voluntary enrollment percentage has more than tripled in the last two years.

MDHHS also reports that as of October 1, 2017, more than 51,000 duals eligible for participation in the demonstration have chosen to opt out; this number has remained quite stable for several 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. About 51 percent of the duals in the Upper Peninsula eligible to participate in the demonstration are doing so. In the eight-county region in the southwest corner of the state, about 47 percent of those eligible are participating. In the Wayne county region, the participation rate is almost 34

percent; and in the Macomb county region, the participation rate is a little more than 20 percent.

On a statewide basis, 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: HAP Midwest Health Plan, Meridian Health Plan of Michigan, and Molina Healthcare of Michigan. As of October 1, 2017, these **three D-SNPs had a combined enrollment of 15,141 duals** for whom they provide Medicare services.

Almost 72 percent of the duals enrolled in a Michigan D-SNP (10,859 individuals) are enrolled with Molina; 3,797 duals are enrolled with Meridian but, according to federal enrollment reports, some reside in northern Ohio; and 485 duals are enrolled with HAP. 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.

MI Marketplace Option

On October 23, 2017, the Michigan Department of Health and Human Services (MDHHS) issued a [letter \(L 17-49\)](#) to providers to share information about the planned implementation of the Healthy Michigan Plan (HMP) Section 1115 Demonstration Waiver amendment approved by CMS in 2015. This amendment provides the framework for a new health care coverage program called the MI Marketplace Option.

To comply with this waiver amendment, eligible beneficiaries will be transitioned from the HMP, and a Medicaid health plan (HMO), to a MI Marketplace Option health plan beginning in April 2018. The letter explains that MI Marketplace Option health plans are not Medicaid health plans and their benefit packages are more limited. Some services not available from the MI Marketplace Option health plans will be available from Medicaid on a fee-for-service basis.

The transition will not apply to every HMP beneficiary. Only adults age 21 and older with income above 100 percent of the Federal Poverty Level who have been enrolled in the HMP for at least one year without choosing a healthy behavior through a Health Risk Assessment (HRA) may be required to move to the MI Marketplace Option. MDHHS will also exempt some beneficiaries from the MI Marketplace Option if they have serious health conditions or complex needs. MDHHS will begin notifying eligible beneficiaries in November 2017 via a beneficiary letter. The letter will encourage the beneficiaries to complete an HRA and choose a healthy behavior if they wish to continue their enrollment in a Medicaid health plan rather than transitioning to a MI Marketplace Option health plan.

Primary care providers are encouraged to assist HMP beneficiaries with completing the HRA and choosing a healthy behavior. To help providers better understand the requirements around HRAs and healthy behaviors, **MDHHS has scheduled an informational webinar on November 7, 2017 from 2:00 pm to 3:00 pm.** The link for the webinar is included in the letter mentioned above, and the letter also identifies where a recorded version of the webinar will be available for individuals unable to attend the live webinar.

Additional information regarding the medical exemption process and the policies and guidance around the MI Marketplace Option will be shared in the coming months.

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

Healthy Kids Dental Program

In the June 2017 edition of *The Michigan Update*, we reported that the State of Michigan had released a Request for Proposals associated with the Michigan Department of Health and Human Services (MDHHS) Healthy Kids Dental program for the almost one million children enrolled in Medicaid and the Children's Health Insurance Program. On

October 17, 2017, MDHHS [announced](#) that two dental plans were being recommended for statewide contracts to begin October 1, 2018. The two plans are Blue Cross Blue Shield of Michigan and Delta Dental of Michigan, Inc.

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

Section 298 Behavioral Health Initiative

In previous editions of *The Michigan Update*, most recently in the June 2017 newsletter, we have reported on the state's efforts to improve the coordination of physical health and behavioral health services for Michigan Medicaid beneficiaries. The "Section 298 Initiative" got its name from the section of boilerplate in the Michigan Department of Health and Human Services (MDHHS) appropriation measures for the last two years, i.e., Public Act 268 of 2016 and Public Act 107 of 2017.

The boilerplate language requires MDHHS to develop and implement up to three pilots and one demonstration model to test the integration of physical health and behavioral health services. As the next step in implementing the requirements in boilerplate, MDHHS [announced](#) on October 9, 2017 that both a project facilitator and an evaluator have been chosen. The Michigan Public Health Institute will serve as the project facilitator, and the Institute for Healthcare Policy and Innovation at the University of Michigan will serve as the project evaluator.

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

17th Annual Medicaid Budget Survey

On October 19, 2017, the Kaiser Family Foundation (KFF) released three reports on state Medicaid budgets and policies: "Medicaid Enrollment & Spending Growth: FY 2017 & 2018," "Medicaid Moving Ahead in Uncertain Times: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2017 and 2018," and "Putting Medicaid in the Larger Budget Context: An In-Depth Look at Three States in FY 2017 and 2018." The reports were the result of a survey of Medicaid directors across the country, conducted by Health Management Associates (HMA) and KFF 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) 2017

and 2018, and highlight changes implemented in FY 2017 and planned for FY 2018.

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

The reports are available on either [the KFF website](#) or [the HMA website](#). In addition, the [HMA Weekly Roundup](#) published October 25, 2017 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.

Michigan Receives Grant for Home Visiting Program

On October 19, 2017, the Michigan Department of Health and Human Services (MDHHS) issued a [press release](#) to announce that the state has received a two-year grant totaling \$7.9 million from the US Department of Health and Human Services. The grant funding goes to the Michigan Home Visiting Initiative, a collaborative effort between MDHHS and the Michigan Department of Education, that promotes maternal, infant and early childhood health, development, and safety; school readiness; and strong parent-child relationships to improve health outcomes.

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

Trauma Recovery Center at Hurley

On October 27, 2017, the Michigan Department of Health and Human Services (MDHHS) issued a [press release](#) to announce that it had awarded \$365,927 to Hurley Medical Center in Flint to help support its development of a Trauma Recovery Center (TRC). The first in Michigan, the TRC at Hurley will provide crisis intervention services to hospitalized victims of violent crimes. It is modeled on the California TRC network and is being developed in collaboration and with the support of such national partners as the Alliance for Safety and Justice and the University of California San Francisco TRC, along with local partners in Michigan. During the first year of this multi-year initiative funded by MDHHS, Hurley will hire staff and refine the TRC's scope of services while

solidifying collaborative partnerships with other local service organizations.

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

2017 Race for Results

On October 24, 2017, the Michigan League for Public Policy (MLPP) [reported](#) that a “new national report on child well-being shows that Michigan has the lowest index score in the country for African-American kids.” The *2017 Race for Results: Building A Path to Opportunity for All Children* report was produced by the Annie E. Casey Foundation and measured 12 indicators across education, health, family and community, and economic security.

The report shows that Michigan’s overall index score for Non-Hispanic White children, at 667 out of a possible score of 1,000, is lower than the national average of 713 for this group. The index score for African-American children in Michigan was 260, while the national average score was 369. The score for Hispanic/Latino children in Michigan was 446, slightly higher than the national average score of 429. The score for American Indian/Alaska Native children in Michigan, at 511, was higher than the national average score of 413. The Asian and Pacific Islander children in Michigan scored 804 overall compared to 783 nationally.

The MLPP prepared a Michigan-specific fact sheet with information extracted from the national report and with details related to the scores across all 12 indicators. Both the national report and the fact sheet are available through the link in this article.

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

HIV/AIDS Statewide Annual Analysis

The Michigan Department of Health and Human Services (MDHHS) recently released a [set of reports](#) that provide statistical information regarding the prevalence of HIV infections in Michigan. The reports indicate that 748 cases of HIV infection were newly diagnosed during 2016, that 140 infected people died during the year, and that 15,629 individuals lived with the disease in Michigan during 2016.

The number of new cases diagnosed in 2016 was slightly higher than the previous year but far below the numbers

reported in the 1990s; in 1992, for example, there were 1,533 new HIV cases reported in Michigan. Similarly, the number of people dying from the disease each year has continued to drop; the number of reported deaths in 2016 was almost 100 less than the previous year and well under the numbers from two decades ago; in 1995, for example, there were 981 HIV-AIDS related deaths.

While these improved numbers are encouraging, there are still issues of concern. More than 10,000 of the people in Michigan living with the HIV infection reside in the Detroit Metropolitan area, and almost half of that number reside in the City of Detroit. The reports show that the percentage of people living with HIV and not receiving HIV care is very low in most of the counties in the Upper Peninsula and many of the counties in the northern Lower Peninsula. The reports show that Mecosta County had the highest rate of infected people not linked to care in 2016 (50 percent), and Berrien County came in second, at 42 percent.

The reports also show that men are more likely to be diagnosed with HIV than women, and African-American men, especially those between the ages of 20 and 29, have the highest rate of new diagnosis. About 34 percent of foreign-born residents diagnosed with the HIV infection had not yet been linked to health care in 2016; the statewide rate for HIV-infected African-American people not receiving care was 21 percent, and the rate for people of Hispanic/Latino descent was about 25 percent.

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

Autism Therapy Provider Receives \$8 million Grant

On October 24, 2017, local media [reported](#) that the Michigan Strategic Fund approved a grant totaling \$8 million to Centria Healthcare, a provider of applied behavior analysis for children with autism and in-home nursing for people with brain and spinal cord injuries. Centria is headquartered in Novi, Michigan and has locations in other states as well. Choosing to keep their headquarters in Michigan rather than moving out of state, the company has stated that it plans to re-locate to a larger site in Farmington Hills, adding 1,200 jobs over five years.

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 four proposed policies that merit mention. They are available for review on the department's [website](#).

- A proposed policy (**1722-HH**) has been issued that would **allow Home Help providers approved to provide shopping and laundry services to receive payment for travel time** to perform those tasks. Comments are due to MDHHS by November 9, 2017.
- A proposed policy (**1726-Practitioner**) has been issued that would **increase Medicaid reimbursement rates for neonatal and pediatric critical care and intensive care services to 64 percent of the Medicare annual rate**. This increase was included in the department's appropriation for fiscal year 2017-2018, and implementation is **contingent upon federal approval** of a State Plan Amendment. Comments are due to MDHHS by November 9, 2017.
- A proposed policy (**1635-PE**) has been issued that would **define Medicaid provider enrollment fitness criteria**, outlining federal and state **felonies and misdemeanors that would prohibit a provider from participating in the state's Medicaid programs**. Comments are due to MDHHS by November 20, 2017.
- A proposed policy (**1704-NEMT**) has been issued that would revise Non-Emergency Medical Transportation (**NEMT**) **provider enrollment requirements** and **update policies for Maternal Infant Health Program (MIHP) transportation providers**. Comments are due to MDHHS by November 27, 2017.

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

- **L 17-41** was released on September 29, 2017 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to reflect federal guidance related to the **Medicaid eligibility redetermination process**. The letter **requested stakeholder input** by letter or via email on or before November 13, 2017.
- **L 17-46** was released on October 4, 2017 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a renewal application** to the federal Centers for Medicare & Medicaid Services (CMS) **to request an extension**

- of the Healthy Michigan Plan Section 1115 Demonstration Waiver.** The letter noted that a conference call and a public hearing would be held in mid-October and **requested stakeholder input** by letter or via email on or before November 20, 2017.
- **L 17-42** was released on October 9, 2017 to expand on **methods for obtaining a prescription for naloxone** to be dispensed to Medicaid beneficiaries at risk of opioid overdose. In addition to the methods described in L 16-40, released in August 2016, this letter explains that a **“standing order” is now an additional allowable method.** The letter also provides **guidance on billing** for claims dispensed through a standing order.
 - **L 17-47** was released on October 10, 2017 as a notice to Tribal Chairs and Health Directors of the department’s **intent to submit a State Plan Amendment** to include the **general practitioner as a physician eligible to qualify for increased payment as a primary care provider.** The letter **requested stakeholder input** by letter or via email on or before November 27, 2017.
 - **L 17-49** was released on October 23, 2017 to provide information about **implementation of the Healthy Michigan Plan Section 1115 Demonstration Waiver amendment** approved by CMS in 2015. This amendment provides the framework for a **new health care coverage program called the MI Marketplace Option.** The letter announced an **informational webinar scheduled for November 7, 2017** from 2:00 pm to 3:00 pm. (Additional information about this letter is provided in a separate article in this newsletter.)
 - **L 17-48** was released on October 25, 2017 to clarify **how Nursing Facility days should be included on the Medicaid cost report for residents participating in PACE,** the Program of All-Inclusive Care for the Elderly.
 - **L 17-45** was released on October 30, 2017 to alert **Home Help** agency providers that the new Michigan Adult Integrated Management System (**MiAIMS**) has now been **implemented statewide** and is used **to record Home Help case management activities and to process payment authorizations.**

For additional 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

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