

# HEALTH MANAGEMENT ASSOCIATES

## THE **MICHIGAN UPDATE** 2018

October



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### MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of October 1, 2018, there were **1,777,481 Medicaid beneficiaries, including 543,570 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 11,969** since September. The number of HMP beneficiaries enrolled in HMOs decreased by 7,172, and the number of non-HMP enrollees decreased by 4,797.

	May 2018	June 2018	July 2018	August 2018	Sept. 2018	Oct. 2018
<b>All Medicaid Beneficiaries Enrolled</b>	<b>1,780,969</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>
• Total HMP Enrollees	549,786	551,337	554,203	544,167	550,742	543,570
• Total CSHCS/Medicaid Enrollees	17,960	17,501	18,687	21,056	21,416	19,683
• Total Medicare/Medicaid Enrollees (Duals)	38,620	38,815	39,166	39,273	39,563	39,445
• Total MICHild Enrollees	33,721	33,962	34,434	34,319	34,873	35,043

The number of individuals identified as mandatory managed care enrollees but not yet enrolled in a Medicaid HMO dropped significantly between June and July 2018, from 58,125 to 45,305. As of August 1, the number rose to almost the June level and stood at 57,607; then it dropped to 48,011 as of September 1 and grew again to 50,755 as of October 1, 2018.

As the enrollment reports for October ([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 September 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 almost 14 percent of the total number of enrollees.



*Healthy Michigan Plan (HMP)*

**There were 543,570 HMP beneficiaries enrolled as of October 1, 2018** in the Medicaid HMOs. This is a **decrease of 7,172 since September 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 October 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 19,683 joint CSHCS/Medicaid beneficiaries enrolled as of October 1, 2018** in the Medicaid HMOs, a **decrease of 1,733 since September 1, 2018**.

In last month’s edition of *The Michigan Update*, we noted the gradual enrollment drop that occurred during the first half of 2018 (from 20,483 in January to 17,501 in June) and the increases in each month since. The reductions were due to a systems issue that resulted in many children being moved from HMO enrollment to fee-for-service at the time of their annual CSHCS renewals. The impacted children were re-enrolled in their health plans through system correction scripts and on a case-by-case basis when reported. The systems issue appeared to have been corrected as the enrollment numbers climbed in July, August and September, as the table above reflects. However, the big decrease in the October enrollment total suggests that the systems issue may have occurred once again. HMA has learned that the MDHHS is aware of and looking into the matter.

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

*MiChild*

There were **35,043 MiChild beneficiaries enrolled as of October 1, 2018** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **increased by 170 between September 1, 2018 and October 1, 2018**.

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in October were Meridian Health Plan of Michigan with almost 29 percent of the total, Molina Healthcare of Michigan with almost 17 percent, and UnitedHealthcare Community Plan with almost 13 percent of the total enrollees.

*Medicare/Medicaid*

Aside from Michigan’s Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **39,445 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of October 1, 2018** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 118 between September 1, 2018 and October 1, 2018.**

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

**For additional information, contact [Eileen Ellis](#), Senior Advisor Emeritus, 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 October 1, 2018, the MI Health Link enrollment total was 35,651, a decrease of 743 enrollees since September.**

The table below illustrates the MI Health Link enrollment fluctuation by month between January 2018 and October 2018.

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

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, 2018**.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,228	772	2,799	6,799
AmeriHealth Michigan			597	2,238	2,835
HAP Midwest Health Plan			927	3,572	4,499
Meridian Health Plan of MI		5,020			5,020
MI Complete Health / Fidelis			456	1,840	2,296
Molina Healthcare of MI			1,737	8,382	10,119
Upper Peninsula Health Plan	4,083				4,083
<b>Total</b>	<b>4,083</b>	<b>8,248</b>	<b>4,489</b>	<b>18,831</b>	<b>35,651</b>

As of October 1, 2018, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (more than 28 percent of the combined total); Aetna Better Health of Michigan came in second with a little more than 19 percent; and Meridian Health Plan of Michigan was third with just over 14 percent of the total enrollees.

At present, about 95.2 percent of the MI Health Link enrollees are living in a community setting, and about 4.8 percent of the enrollees live in a nursing facility. About 4.9 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 had the largest share during October 2018, almost 22 percent of the total enrollees residing in nursing facilities. Molina Healthcare of Michigan ranked second, with just over 18 percent of the total. Aetna Better Health of Michigan was in third place, with more than 17 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 October 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 October 1, 2018, these three D-SNPs had a combined enrollment of 19,986 duals** for whom they provide Medicare services.

More than 61 percent of the duals enrolled in a Michigan D-SNP (12,200 individuals) are enrolled with Molina; almost 36 percent (7,159 duals) are enrolled with Meridian; and 627 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.

## 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 **676,541 as of September 29, 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 Emeritus, or [Esther Reagan](#), Senior Consultant, at 517-482-9236.



## 18<sup>TH</sup> ANNUAL MEDICAID BUDGET SURVEY

On October 25, 2018, the Kaiser Family Foundation (KFF) [released](#) two reports on state Medicaid budgets and policies: ***“States Focus on Quality and Outcomes Amid Waiver Changes: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2018 and 2019”*** and ***“Medicaid Enrollment & Spending Growth: FY 2018 & 2019.”*** 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) 2018 and 2019, and highlight changes implemented in FY 2018 and planned for FY 2019. Key findings of the study include:

- A growing number of states are implementing or planning to implement Section 1115 waivers
- Risk-based managed care continues to be the predominant delivery system for Medicaid services
- States are working to address social determinants of health
- Expansion of people served in in-home and community-based settings
- States are planning provider rate increases, increase in benefits for mental health and substance use disorder treatment, and efforts to address rising prescription drug costs and management strategies to address the opioid crisis.

Links to the reports are available in the Kaiser release and are also available on the [HMA website](#). HMA has included an “In Focus” article about the report findings in the October 31, 2018 edition of the *HMA Weekly Roundup*.

The reports were authored by HMA staff Kathleen Gifford, Eileen Ellis, Barbara Coulter Edwards, and Aimee Lashbrook, and by Elizabeth Hinton, Larisa Antonisse, and Robin Rudowitz from the Kaiser Family Foundation.

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## GAO REPORT – HOME AND COMMUNITY-BASED SERVICES

The US Government Accountability Office released a new report in August 2018 ([GAO-18-628](#)) focused on challenges state Medicaid agencies have faced in providing long-term services and supports to their beneficiaries who need them as an alternative to institutionalization. The report, *Medicaid Home and Community-Based Services: Selected States' Program Structures and Challenges Providing Services*, presents findings from a review of 26 home and community-based services programs in five states – Arizona, Florida, Mississippi, Montana, and Oregon. The GAO review found that while the states have faced challenges in providing these services, including finding and keeping home care workers due to the low wages for these services, the states have made efforts to respond to the challenges.

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

## ONE-STOP SHOP FOR LEAD INFORMATION AND RESOURCES

On October 4, 2018, the Michigan Department of Health and Human Services [announced](#) an updated website for Michigan residents seeking information about lead exposure and resources to eliminate lead hazards. The website – [www.michigan.gov/lead](http://www.michigan.gov/lead) – provides information about lead poisoning and exposure as well as local resources for assistance in testing and remediation.

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

## GRANTS TO EXPAND RESIDENTIAL LEAD HAZARD SERVICES

On October 9, 2018, the Michigan Department of Health and Human Services [announced](#) nearly \$7 million in grants to expand residential lead hazard control services to eligible households with a Medicaid enrolled resident. Funded through the state's Children's Health Insurance Program, grants were awarded to:

- City of Battle Creek – \$1,500,000 \*
- City of Grand Rapids – \$1,500,000 \*
- Human Development Commission (Huron, Tuscola, Sanilac and Lapeer counties) – \$962,807 \*
- City of Detroit – \$1,274,300
- City of Muskegon – \$880,000
- Community Action Agency (Lenawee County) – \$845,695

\* Grantee in Fiscal Year 2018; contract renewed for Fiscal Year 2019.

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



## MICHIGAN CHILD COLLABORATIVE CARE-CONNECT

On October 29, 2018, the Michigan Department of Health and Human Services (MDHHS) [announced](#) an expansion of its Michigan Child Collaborative Care-Connect project, also known as MC3-Connect. MDHHS will expand its partnership with the University of Michigan and build a new partnership with Michigan State University-Pediatrics **to support primary care providers in addressing children’s and pregnant women’s mental health issues**. The expansion is possible through a five-year annual grant of \$445,000 from the Health Resources and Services Administration within the US Department of Health and Human Services. Additional information about the program is available in the MDHHS announcement, on the department’s [website](#), and on the University of Michigan’s [website](#).

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

## MICHIGAN MEDICAID HEALTH PLAN COMMON FORMULARY

To streamline drug coverage policies for Medicaid and Healthy Michigan Plan members and providers, the Michigan Department of Health and Human Services (MDHHS) created a formulary that is common across all contracted Medicaid Health Plans (HMOs). The Common Formulary was required under Section 1806 of Public Act 84 of 2015. On October 17, 2018, MDHHS [announced](#) that it was **requesting public comment on changes to the Common Formulary**. For consideration, comments must be submitted on or before November 23, 2018.

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

## NEW PSYCHIATRIC HOSPITAL

On October 19, 2018, the Michigan Department of Health and Human Services [announced](#) the ceremonial groundbreaking for a new 200-bed, state-of-the-art psychiatric hospital in Caro. The new facility, which has 50 more beds than the existing facility constructed more than 100 years ago, is located very near the existing Caro Center and is scheduled to be completed in 2021.

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

## MEDICAID POLICIES

The Michigan Department of Health and Human Services (MDHHS) has released five final and nine proposed policies that merit mention. One of the proposed policies was released simultaneously with the final policy. They are available for review on the department’s [website](#).

- **MSA 18-34** notifies **Practitioners, Outpatient Hospitals, Laboratories, Clinics** and others of new Medicaid program **coverage parameters for genetic tests ordered by Physician Assistants and Advanced Practice Registered Nurses**.



- **MSA 18-36** informs **Durable Medical Equipment Providers, Practitioners** and others of **billing updates for equipment requiring face-to-face visits**. It also informs **Home Health Agencies** of **enrollment rules when providing such equipment and supplies**. Implementation is contingent upon federal approval of a State Plan Amendment.
- **MSA 18-37** advises **Bridges Eligibility Manual Holders** of a **reduction in the income disregard for court-ordered guardians or conservators, from \$95 per month to \$83 per month**. Implementation of the policy is contingent upon federal approval of a State Plan Amendment, and the policy was **simultaneously released for public comment (1838-Eligibility)**, with comments due to MDHHS by November 6, 2018.
- **MSA 18-38** notifies **Dentists and Dental Clinics** of modified **policy related to the return of radiographs** submitted with dental prior authorization requests and **removal of the requirement of six sound maxillary teeth for placement of a maxillary partial denture**.
- **MSA 18-39** informs **Nursing Facilities, County Medical Care Facilities** and others of **level of care determination process improvements**.
- A proposed policy (**1839-CNM**) has been issued that would **update policy related to coverage of services provided by Certified Nurse Midwives** for alignment with their professional scope of practice. Comments are due to MDHHS by November 6, 2018.
- A proposed policy (**1841-PE**) has been issued that would provide **updated information about enforcement of Medicaid provider enrollment requirements for “typical” providers**. Comments are due to MDHHS by November 8, 2018.
- A proposed policy (**1843-Hearing**) has been issued that would establish a **reimbursement methodology for Medicare-covered audiology supplies and devices** and revise the **standards of coverage for bone-anchored hearing devices**. Comments are due to MDHHS by November 15, 2018.
- A proposed policy (**1837-BHDDA**) has been issued that would **implement network adequacy standards in Michigan’s Prepaid Inpatient Health Plan delivery system**. Comments are due to MDHHS by November 20, 2018.
- A proposed policy (**1842-LOCD**) has been issued that would **consolidate all level of care determination policies into a single, consistent policy chapter** in the Medicaid Provider Manual. Comments are due to MDHHS by November 26, 2018.
- A proposed policy (**1840-Clinic**) has been issued that would **require Federally Qualified Health Centers, Rural Health Clinics and Tribal Health Centers to use the institutional billing format** when submitting electronic claims to Community Mental Health Services Programs, Integrated Care Organizations, and Prepaid Inpatient Health Plans. Comments are due to MDHHS by November 29, 2018.
- A proposed policy (**1844-Eligibility**) has been issued that would, for continuity across federal and state policy, edit the **definition of a homestead** and the **policy for homestead sale exclusions** when determining **Medicaid eligibility**. Comments are due to MDHHS by December 3, 2018.



- A proposed policy (**1815-Lead**) has been issued that would inform providers that a **blood lead level test result of 5 µg/dL serves as a reference value and providers may use their own clinical judgement in determining the appropriate actions in the medical management of children** potentially exposed to lead whose blood lead levels are below this level. Comments are due to MDHHS by December 5, 2018.

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

- **L 18-59** was released on October 8, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment to change eligibility for the Former Foster Care Medicaid group** such that **individuals who age out of foster care in another state are no longer eligible for this group in Michigan.**
- **L 18-56** was released on October 10, 2018 to advise providers that MDHHS is **enforcing certain dispensing limits on opioids** to align with safe prescribing guidelines and statutory requirements.
- **L 18-53** was released on October 12, 2018 to inform affected Medicaid providers of changes related to the passage of the 21st Century Cures Act and its requirement for **implementation of an Electronic Visit Verification system for personal care and home health care services.**
- **L 18-60** was released on October 18, 2018 to advise Nursing Facilities of a **delay in implementing the Nursing Facility Quality Measure Initiative Cost Reporting Adjustment.**

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



# HMA HEALTH MANAGEMENT ASSOCIATES

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