

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of September 1, 2014, there were **1,470,674 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 13 Medicaid Health Plans (HMOs); this is a **net decrease of 9,001** since August. The enrollment total reflects an increase of 29,205 new HMP enrollees since August but a decrease of 38,206 non-HMP Medicaid enrollees. The non-HMP Medicaid enrollment decrease totals 188,818 since July.

The Michigan Department of Human Services reports that from July to August 2014, a total of 21,487 individuals in the non-HMP Medicaid category of "Family Medicaid" lost coverage and 50,750 individuals in the non-HMP category of "Pregnant Women and Children under 19" lost coverage. The Michigan Department of Community Health (DCH) has stated that the significant decrease in non-HMP caseload was, in part, because the federal government permitted the state to delay processing Medicaid redeterminations (and case closures) for the first four months of the calendar year. Whether there were other issues impacting this caseload decline was still being studied by DCH at press time.

As the enrollment reports ([pdf](#)) ([xls](#)) reflect, every county in the state is served by at least one Medicaid Health Plan. Auto-assignment of beneficiaries into the HMOs is now in place in every county of the state, and there are at least two HMOs serving every county in the Lower Peninsula. Beneficiaries in all 15 counties in the Upper Peninsula are auto-assigned, through federal "Rural Exception" authority, to the one HMO serving the counties, Upper Peninsula Health Plan.

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

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Healthy Michigan Plan

Enrollment in the Healthy Michigan Plan (HMP) continues to grow. The Michigan Department of Community Health (DCH) reports that between April 1 and September 29, 2014, a total of 404,643 individuals were approved for HMP coverage.

The DCH updates HMP enrollment statistics on its [website](#) weekly and includes a breakdown of enrollment by county. Not surprisingly, more than half of the newly approved HMP beneficiaries reside in the state's five largest counties:

September 29, 2014 Healthy Michigan Plan Enrollment	
Wayne	109,897
Macomb	30,527
Oakland	29,912
Genesee	26,489
Kent	20,009
Five-County Total	216,834
Statewide Total	404,643

The DCH [website](#) also includes information for HMP applicants and enrollees, providers and health plans. Program policy and publications are available along with information and the form used for Health Risk Assessment. A set of Frequently Asked Questions is provided and the HMP waiver protocols are also available on the site.

With few exceptions, new HMP beneficiaries are required to enroll in the Medicaid Health Plans (HMOs) to receive their health care benefits. As of September 1, 2014, there were a total of 281,027 HMP beneficiaries enrolled in the HMOs. HMP enrollment totals by health plan are expected to increase again in October as individuals continue to choose an HMO or are assigned to an HMO if they do not make a choice of plans.

September 2014 Healthy Michigan Plan Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	20,520	2,746	23,266
CoventryCares of MI	2,547	3,425	5,972
HAP Midwest Health Plan	9,971	6,564	16,535

Harbor Health Plan, Inc.	727	1,551	2,278
HealthPlus Partners	15,554	2,369	17,923
McLaren Health Plan	27,880	7,153	35,033
Meridian Health Plan of MI	47,567	21,886	69,453
Molina Healthcare of MI	23,926	9,009	32,935
PHP Mid-MI Family Care	1,802	889	2,691
Priority Health Choice, Inc.	16,900	3,317	20,217
Total Health Care	6,641	3,766	10,407
UnitedHealthcare Comm. Plan	26,214	9,283	35,497
Upper Peninsula Health Plan	8,815	5	8,820
Total	209,064	71,963	281,027

For more information, contact [Eileen Ellis](#), Managing Principal, at (517) 482-9236.

Duals in Medicaid HMOs

The number of Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive their Medicaid benefits continues to grow - there were **53,506 duals enrolled** in Medicaid HMOs in September, an increase of 1,076 since August. All Medicaid HMOs have duals enrolled, although the numbers vary dramatically across plans.

A Medicaid HMO member who gains Medicare coverage and remains in the HMO is categorized as auto-assigned or voluntarily enrolled based on the means through which the member was *initially* enrolled in the HMO. Duals enrolled in a Medicare Advantage Special Needs Plan (SNP, or D-SNP) for their Medicare benefits but receiving Medicaid on a fee-for-service basis are auto-assigned to the related Medicaid HMO if applicable. Any dual is able to "opt out" of the HMO and receive Medicaid benefits on a fee-for-service basis.

Molina Healthcare of Michigan has the most duals receiving Medicaid services from an HMO, 24.4 percent of the total; UnitedHealthcare Community Plan has 21.8 percent of the total; Meridian Health Plan of Michigan has 18.1 percent of the total (but the most voluntary enrollees); and the other 10 plans share the remaining 35.7 percent.

Eight of the 13 Medicaid HMOs in Michigan (or their parent

organizations) are also federally contracted as D-SNPs to provide *Medicare* benefits for duals in Michigan: HAP Midwest Health Plan, HealthPlus Partners, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan and Upper Peninsula Health Plan. As of September 1, 2014 these eight D-SNPs had a combined enrollment of 22,330 duals for whom they provide Medicare services; 49.4 percent of the duals that are enrolled in a D-SNP are enrolled in the Molina plan, 29.8 percent are enrolled in the UnitedHealthcare plan and the remaining 20.8 percent are spread across the other six plans. Not all of the duals enrolled in these D-SNPs are eligible to receive full Medicaid benefits. Some only receive assistance from the Medicaid program with Medicare coinsurance and deductible payments and/or monthly Medicare premiums.

There is one additional D-SNP in Michigan, Fidelis SecureCare of Michigan, Inc., which does not hold a Medicaid contract but has been approved by the state as a potential Integrated Care Organization (ICO) in the state's duals demonstration. As of September 1, 2014, Fidelis has 915 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 260 enrollees.

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

Integrated Care for Dual Eligibles

In previous editions of *The Michigan Update* we have written about Michigan's plan to implement an integrated delivery system of health care for persons dually eligible for Medicare and Medicaid (duals). The state has finalized a Memorandum of Understanding (MOU) with the federal Centers for Medicare and Medicaid Services (CMS), has been working with selected Integrated Care Organizations (ICOs) on readiness review activities, and has scheduled implementation in two of the four demonstration regions for January 1, 2015.

The Michigan Department of Community Health (DCH) has hosted quarterly forums around the state since early 2013 as part of an ongoing stakeholder engagement process. DCH recently [announced](#) the date and location for its **sixth forum - October 14, 2014** - in downtown Kalamazoo. The forum will be held at the Radisson Plaza Hotel and Suites from 10 a.m. to noon, and a conference line will be provided for interested stakeholders to participate by phone. The announcement provides a link to directions to the hotel and call-in information.

For more information, contact [Eileen Ellis](#), Managing Principal, at (517) 482-9236.

CSHCS Children in Medicaid HMOs

The Michigan Department of Community Health (DCH) changed its policy in 2012 to require 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 September 1, 2014, there were **17,611 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - a decrease of 348 since August. All Medicaid HMOs except Harbor Health Plan, Inc. have CSHCS/Medicaid enrollees, although the numbers vary across plans.

Meridian Health Plan of Michigan, which has the largest Medicaid enrollment of any Medicaid HMO, also has the most CSHCS/Medicaid enrollees receiving their services from an HMO, 25.3 percent of the total. Molina Healthcare of Michigan has 17.3 percent of the total; UnitedHealthcare Community Plan has 16.7 percent; and the other nine plans share the remaining 40.7 percent.

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

MIChild

According to MAXIMUS, the Michigan Department of Community Health (DCH) contractor for MIChild enrollment, there were **36,336 children enrolled in the MIChild program as of September 1, 2014**. This reflects an **increase of 341** from the 36,095 children enrolled as of August 1, 2014. Of the total number of children enrolled, 611 September enrollees are dually eligible for Children's Special Health Care Services (CSHCS) and MIChild.

As the enrollment reports ([pdf](#)) ([xls](#)) for September show, enrollment is dispersed between 13 plans. A little more than 7 percent of the children were enrolled with Blue Cross Blue Shield of Michigan (BCBSM) as of September 1, 2014. The BCBSM market share has gradually dropped from about 75 percent last fall when the insurer advised that it wished to terminate its MIChild contract. Children residing in counties where there are at least two health plans available are given the choice to enroll with one of those plans. Children in counties where BCBSM has been the only available health

plan choice will remain enrolled with that plan until other plans expand their service areas to these counties. There are now only eight counties where BCBSM is the only available plan.

MiChild-enrolled children receive their dental care through contracted dental plans. Of the two available plans, 90.2 percent of the children were enrolled with Delta Dental Plan as of September 1, 2014, which has a statewide service area. The remaining 9.8 percent of children were enrolled with Golden Dental Plan in a service area that includes eight counties. BCBSM was a statewide dental health plan as well through September 2013 when BCBSM terminated in full its participation in the MiChild dental program.

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

NCQA's Health Insurance Plan Rankings

The National Committee for Quality Assurance (NCQA) released its latest annual Health Insurance Plan Rankings for 2014-2015 in mid-September. The rankings, separately for Private (Commercial), Medicare and Medicaid health insurance plans, are based on the plans' combined HEDIS®, CAHPS® and NCQA Accreditation standards scores related to consumer satisfaction, prevention and treatment, and are limited to managed care organizations, including both health maintenance organizations (HMOs) and preferred provider organizations (PPOs).

HealthPlus of Michigan's HMO/POS (point of service) plan ranked 33rd in the country among the 507 private plans rated, the highest ranking of any Michigan private plan. Grand Valley Health Plan (an HMO) and Priority Health's HMO/POS were ranked 42 and 48 respectively. Among the 408 Medicare plans rated, Priority Health's HMO/POS ranked 20th in the country and its PPO ranked 24. HealthPlus of Michigan's HMO/POS also ranked in the top 50 Medicare plans, coming in at number 33.

Meridian Health Plan ranked 9th in the country among the 136 Medicaid plans rated. In total, four Michigan Medicaid HMOs ranked in the top 25 Medicaid plans across the country:

- Meridian Health Plan (9)
- Priority Health (11)
- Upper Peninsula Health Plan (12)

- UnitedHealthcare Community Plan (25)

Additional detail about the scores for these and other health plans is available on the [NCOA website](#).

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ACA and Essential Health Benefits

On September 19, 2014, the Center for Healthcare Research and Transformation (CHRT) at the University of Michigan [released](#) a new policy paper entitled The ACA and Essential Health Benefits: Overview of the New Coverage Standards in the Individual and Small Group Markets. The paper discusses how essential health benefits required by the Affordable Care Act were defined and implemented, what plans must cover them, and how this has changed the insurance market. An analysis of the implementation process in Michigan is also provided.

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Beaumont Health

On September 3, 2014, the head of the new Beaumont Health [announced](#) an affiliation of the three hospitals in the Royal Oak-based Beaumont Health System, the four hospitals in Dearborn-based Oakwood Healthcare and Farmington Hills' Botsford Hospital. The combined health care system will create one of the largest in the state, employing more than 33,000 individuals and operating 3,337 hospital beds in the eight facilities. The announcement noted that the consolidation will allow significant opportunities to leverage purchasing power to save money.

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

2015 Navigator Grants

On September 8, 2014, Department of Health and Human Services (HHS) Secretary Sylvia M. Burwell [announced](#) Navigator grant awards totaling \$60 million in Affordable Care Act funding to 90 organizations in states operating Federally-Facilitated and State Partnership Marketplace Exchanges. The awards support preparation and outreach

activities for Marketplace enrollment in year two and build on lessons learned during the first year. In Michigan, the community service agency Arab Community Center for Economic and Social Services (ACCESS) was awarded \$496,836; American Indian Health and Family Services of SE Michigan received \$144,911; Michigan Consumers for Healthcare was awarded \$1.5 million; the Midwest Asian Health Association received \$120,141; and the Forest County Potawatomi Community was awarded \$30,410.

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HHS Awards Funds to Health Centers

On September 12, 2014, Department of Health and Human Services (HHS) Secretary Sylvia M. Burwell [announced](#) awards totaling \$295 million in Affordable Care Act funding to 1,195 health centers in every state, the District of Columbia and in U.S. territories. Thirty-six health centers in Michigan will share awards totaling \$8.5 million. The awards are intended to help the health centers increase access to comprehensive primary health care services for as many as 1.5 million new patients nationwide by hiring health care providers and staff, staying open for longer hours, and expanding the care they provide to include new services such as oral health, behavioral health, pharmacy, and vision services. The Secretary's announcement includes a link to information about specific awards.

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

Child Health Care Access

On September 23, 2014, a coalition of maternal and child health advocacy organizations in Michigan released a series of policy [recommendations](#) for legislative action. The recommendations encourage additional education for parents and guardians about the importance of childhood immunizations; suggest extending Medicaid postpartum health care coverage beyond 60 days after birth to ensure access to a continuum of quality mental health prevention and treatment services; call for expansion of coverage for medical nutritional therapy and referrals to qualified dietitians and nutritionists to combat obesity for children covered by Medicaid and MICHild; support perinatal regionalization efforts; and encourage expansion of the Healthy Kids Dental program into the final three counties in the state (Wayne, Oakland and Kent) as well as increasing

the number of school-based sealant programs and exploring opportunities to require oral health screening for school entry. The coalition is comprised of the Michigan Chapter of the American Academy of Pediatrics, the Michigan Council for Maternal and Child Health, the School-Community Health Alliance of Michigan, and the University of Michigan C.S. Mott Children's Hospital.

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

Medicaid Policies

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

- A proposed policy (**1439-CSHCS**) has been issued that would **develop formal policy** in the **Children's Special Health Care Services** (CSHCS) chapter of the Medicaid Provider Manual regarding policies around Children's Multi-Disciplinary Specialty Clinics. Comments are due to DCH by October 11, 2014.
- A proposed policy (**1416-Hospice**) has been issued that would ensure medically necessary, appropriate and cost effective utilization of both **hospice and curative care provided concurrently** to Medicaid **beneficiaries less than 21 years of age**. Comments are due to DCH by October 16, 2014.
- A proposed policy (**1441-NEMT**) has been issued that would **clarify policy** associated with **authorization and reimbursement of non-emergency medical transportation services** when a beneficiary's eligibility status or enrollment is retroactive. Comments are due to DCH by October 16, 2014.

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

- **L 14-40** was released on September 8, 2014 to clarify policy related to coverage of medical supply items for beneficiary's residing in nursing facilities, and notes that in most instances such items are included in the per diem rate paid to the facilities and not separately reimbursable to a medical supplier.
- **L 14-28** was released on September 30, 2014 to notify providers that, due to an unanticipated systems issue, some Healthy Michigan Plan beneficiaries were incorrectly enrolled retroactively

(rather than prospectively) into health plans for the months of April, May and June 2014. Affected beneficiaries will remain in their plans and a take-back will be performed to recover any fee-for-service claims paid to providers.

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