

The Michigan Update

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New Medicaid Director

On September 10, 2015, Department of Health and Human Services (MDHHS) Director Nick Lyon [announced](#) that Chris Priest would become the new Deputy Director for the Medical Services Administration (MSA) within his department - the Medicaid Director - beginning October 12, 2015. He replaces Steve Fitton, who retired in June (and is now working at Health Management Associates) and interim Medicaid Director Kathy Stiffler who will return to her position as director of the Bureau of Medicaid Care Management and Quality Assurance within MSA. Chris comes to MDHHS after working most recently as Governor Rick Snyder's deputy for strategy, where he advised the Governor on issues including health care and insurance. He helped state and legislative leaders develop the Healthy Michigan Plan - Michigan's Medicaid expansion/reform program - and previously served as a bureau director in MSA where he was involved in health reform issues, including the health insurance exchange with the Michigan Department of Licensing and Regulatory Affairs. Prior to these appointments, he served in Michigan's Washington DC office under former Governor Jennifer Granholm and served governors from Indiana as well.

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

Medicaid Managed Care Enrollment Activity

As of September 1, 2015, there were **1,610,382 Medicaid beneficiaries, including Healthy Michigan Plan (HMP) beneficiaries, enrolled** in 12 Medicaid Health Plans (HMOs); this is a **decrease of 20,944** since August. The enrollment total reflects a **decrease of 5,465 HMP enrollees** since August and a **decrease of 15,479 non-HMP Medicaid enrollees**. (The reduction in non-HMP enrollment includes a

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decrease of 4,663 in the number of dual Medicare/Medicaid enrollees.) The reduction from 13 to 12 Medicaid HMOs reflects the acquisition by Molina Healthcare of the HealthPlus Partners Medicaid product.

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 available in every county, 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.

Healthy Michigan Plan Enrollment

Healthy Michigan Plan (HMP) enrollment remains high, far exceeding original expectations. HMP enrollees are required to report any changes in their economic or health care coverage circumstance as those changes occur. They are also subject to an annual redetermination of eligibility. This requirement has resulted in a caseload decrease averaging 25,000 at the beginning of each month since April, but the caseload has rebounded throughout each month and stood at **599,917 as of September 28, 2015.**

The Michigan Department of Health and Human Services (MDHHS) updates HMP enrollment statistics on its [website](#) weekly and includes a breakdown of enrollment by county. Not surprisingly, more than half of the enrolled HMP beneficiaries reside in the state's five largest counties:

September 28, 2015 Healthy Michigan Plan Enrollment	
Wayne	164,298
Macomb	48,672
Oakland	48,633
Genesee	35,147
Kent	31,720
Five-County Total	328,470
Statewide Total	599,917

The vast majority of these enrollees (nearly 500,000) have income below the poverty level, and more than 51 percent of the enrollees are women. About 47 percent of the enrollees are between the ages of 19 and 34; 39 percent are between the ages of 35 and 54; and about 14 percent are between the ages

of 55 and 64. These statistics have been fairly stable for several months.

Most of these enrollees are already or soon will be enrolled in the state's Medicaid managed care organizations for their health care services. As of September 1, 2015, there were a total of **468,777 HMP beneficiaries enrolled in the HMOs.**

Meridian Health Plan of Michigan, which has the largest Medicaid enrollment of any Medicaid HMO, also has the most HMP enrollees, 28.3 percent of the total. Molina Healthcare of Michigan has 16.6 percent of the total; UnitedHealthcare Community Plan has 12.9 percent; and McLaren Health Plan has 11.5 percent of the total; and the other eight plans share the remaining 30.7 percent.

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

Healthy Michigan Plan Waiver

On September 1, 2015, the Michigan Department of Health and Human Services (MDHHS) submitted a [Section 1115 waiver amendment](#) to the Centers for Medicare & Medicaid Services (CMS) as required by Public Act 107 of 2013 (MCL 400.105d(20)), the state statute authorizing the Healthy Michigan Plan (HMP). Waiver approval is required before December 31, 2015 to continue HMP coverage for about 600,000 individuals after April 30, 2016.

Waiver approval is requested to allow individuals with income between 100 percent and 133 percent of the federal poverty level with HMP coverage for 48 cumulative months to choose one of two options to continue the healthcare coverage. The first option is for them to purchase private insurance through the federal Marketplace, with eligibility for advanced premium tax credits and cost sharing reductions. The second option is for them to remain in the HMP but with increased cost sharing up to 7 percent of income (it is currently 5 percent). Within that amount, the premium would increase to 3.5 percent of income (it is currently 2 percent). The cost sharing obligation could be reduced through participation in healthy behavior activities, including completion of an annual health risk assessment and changing unhealthy activities, such as smoking.

[Public comments may be submitted](#) to CMS through October 3, 2015. Once on the federal site, select "Michigan" and the "Healthy Michigan Plan", then select "Show More" and "View/Submit Comments".

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

CSHCS Children in Medicaid HMOs

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. As of September 1, 2015, there were **17,607 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs** - a decrease of 131 since August. All Medicaid HMOs except Harbor Health Plan 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, 25.5 percent of the total. Molina Healthcare of Michigan has 22.5 percent of the total; UnitedHealthcare Community Plan has 16.4 percent; and the other eight plans share the remaining 35.6 percent.

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MICHild

According to MAXIMUS, the Michigan Department of Health and Human Services (MDHHS) contractor for MICHild enrollment, there were **34,741 children enrolled in the MICHild program as of September 1, 2015**. The September enrollment total reflects a **decrease of 3,369** from the 38,110 children enrolled as of August 1, 2015. Of the total number of children enrolled, 693 enrollees are dually eligible for Children's Special Health Care Services (CSHCS) and MICHild, down from 797 as of August 1, 2015.

As the enrollment reports ([pdf](#)) ([xls](#)) for August show, enrollment is dispersed between 12 plans. The reduction from 13 to 12 MICHild plans reflects the acquisition by Molina Healthcare of the HealthPlus Partners MICHild product. The plans with the highest enrollment are Molina Healthcare of Michigan (with 28.4 percent of the total), Priority Health (with 16.2 percent of the total enrollees), and McLaren Health Plan (with 14.6 percent). Blue Cross Blue Shield of Michigan (BCBSM) had 6.8 percent of the enrollees as of September 1, 2015. The BCBSM market share has gradually dropped from about 75 percent in late 2013 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 will remain enrolled with that plan until other plans expand their service areas to these counties. There are now only seven counties where BCBSM is the only available plan.

As previously reported in *The Michigan Update*, MDHHS has proposed that MICHild become part of Medicaid as of January 1, 2016. If the federal government approves of this change, there will no longer be separate MICHild contracts in 2016.

MICHild-enrolled children receive their dental care through contracted dental plans. Of the two available plans, 87 percent of the children were enrolled with Delta Dental Plan as of September 1, 2015. Delta Dental has a statewide service area. The remaining 13 percent of children were enrolled with Golden Dental Plan in a service area that includes eight counties.

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

Duals in Medicaid HMOs

There were **33,519** Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs to receive Medicaid benefits in September 2015, a **decrease of 4,663** since August and a decrease of more than 23,000 since March. This reduction is largely due to implementation of Michigan's demonstration program - MI Health Link - that provides integrated care for duals. Some individuals have transitioned to enrollment in one of the state's Integrated Care Organizations (ICO). Others that are eligible for enrollment in an ICO have opted out of the demonstration and will receive their Medicaid services on a fee-for-service basis unless they choose at a later time to enroll in an ICO. (See the *Integrated Care for Dual Eligibles* article in the May edition of *The Michigan Update* for more information.) 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, 28.2 percent of the total; Meridian Health Plan of Michigan has 24.0 percent of the total

(but the most voluntary enrollees); McLaren Health Plan has 14.0 percent of the total; UnitedHealthcare Community Plan has 11.8 percent of the total; and the other 8 plans share the remaining 22.0 percent.

Five of the 12 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, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, and Upper Peninsula Health Plan. As of September 1, 2015 these five D-SNPs had a combined enrollment of 11,417 duals for whom they provide Medicare services, a decrease of 1,761 since August (and a decrease of more than 6,000 since April), which is most likely attributable to the MI Health Link demonstration as well. About 77 percent of the duals enrolled in a D-SNP are enrolled in the Molina plan; about 13 percent are enrolled in the Meridian plan (although some of the Meridian members may reside in northern Ohio); and the remaining 10 percent is spread across the other three 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.

Although it no longer holds a Medicaid HMO contract, HealthPlus of Michigan still maintains its D-SNP, and this plan had 820 enrollees as of September 1, 2015. There is one additional D-SNP in the state, Fidelis SecureCare of Michigan (also called Michigan Complete Health), which does not hold a Medicaid HMO contract but has been approved by the state as an Integrated Care Organization in the state's duals demonstration. As of September 1, 2015, Fidelis had 448 enrollees in its D-SNP. It is also an approved Medicare Advantage Institutional SNP (I-SNP) with 169 enrollees.

Two of the Medicaid HMOs - McLaren Health Plan and UnitedHealthcare Community Plan - discontinued their D-SNP products as of December 31, 2014.

For more 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, will last for three years (although the federal government has indicated an extension may be possible) and operate in four

regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state are another region; and Wayne and Macomb Counties are two single-county regions. As of September 1, 2015, there were **42,728 enrollees** in these health plans, up from 35,102 in August. Also as of September 1st, more than 41,000 duals eligible for participation in the demonstration have chosen to opt out (not participate). These individuals will receive their Medicaid benefits on a fee-for-service basis; these individuals retain the option to voluntarily enroll in the demonstration at a later time.

Enrollment in the demonstration began in the Upper Peninsula and Southwest regions in February with first enrollments (all voluntary) effective on March 1, 2015. As of May 1st, eligible beneficiaries in these two regions who had not voluntarily enrolled were "passively" enrolled but with the ability to opt out (disenroll). There is one Integrated Care Organization (ICO) serving the Upper Peninsula, the Upper Peninsula Health Plan, and two ICOs serving the eight southwest counties: Aetna Better Health (CoventryCares) of Michigan and Meridian Health Plan of Michigan. The vast majority of current enrollees in these two regions (more than 97 percent in the Upper Peninsula and more than 93 percent in the Southwest region) have been passively enrolled.

There are five ICOs serving the Macomb and Wayne single county regions: Aetna Better Health, AmeriHealth Michigan, Fidelis SecureCares of Michigan, HAP Midwest Health Plan, and Molina Healthcare of Michigan. In these two regions only about seven percent of the enrollees voluntarily enrolled. The table below provides enrollment information by region for each ICO.

MI Health Link Enrollment September 1, 2015	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health		3,464	960	2,931	7,355
AmeriHealth Michigan			1,051	3,603	4,654
Fidelis SecureCares of MI			976	3,507	4,483
HAP Midwest Health Plan			1,362	5,241	6,603
Meridian Health Plan of MI		5,307			5,307
Molina Healthcare of MI			1,744	8,526	10,270

Upper Peninsula Health Plan	4,056				4,056
Total	4,056	8,771	6,093	23,808	42,728

Molina Healthcare has the most enrollees, both voluntarily and passively enrolled, about 24.0 percent of the combined total. Although each of the plans has enrollees who are receiving care in nursing facilities, Molina Healthcare has the largest share, about 32 percent of the total.

On September 21, 2015, Michigan Department of Health and Human Services (MDHHS) Director Nick Lyon [announced](#) that a public forum about the MI Health Link demonstration has been scheduled for October 20, 2015 at 10:00 a.m. in Escanaba. The purpose of the forum is to share information about the status of the program, answer questions, and receive feedback from dually eligible individuals, their families, providers, and other interested stakeholders. This is another in a series of quarterly forums MDHHS has held and will continue to hold throughout the demonstration period.

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

Blueprint for Health Innovation

On September 21, 2015, Michigan Department of Health and Human Services (MDHHS) Director Nick Lyon [announced](#) that the state's [Blueprint for Health Innovation](#) will be implemented through a regional approach and in three phases. The Blueprint, supported through a \$70 million federal State Innovation Model (SIM) grant, will serve as a guide for the state as it pursues better coordination of care, lower costs and improved health outcomes. Michigan is one of 11 states awarded funding for model testing by the federal Department of Health and Human Services; the others include Colorado, Connecticut, Delaware, Idaho, Iowa, New York, Ohio, Rhode Island, Tennessee and Washington.

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Michigan Health Centers Receive ACA Funding

On September 15, 2015, US Department of Health and Human Services (HHS) Secretary Sylvia M. Burwell [announced](#) nearly \$500 million in Affordable Care Act funding to support health centers across the country that provide primary care services. About \$350 million was awarded to 1,184 health centers to increase access to services and about \$150 million was

awarded to 160 health centers for facility renovation, expansion, or construction to increase patient or service capacity. More than 40 of the health centers receiving awards are in Michigan and these centers will share more than \$18 million. The announcement provides a list of awardees and the amount of their awards.

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Transforming Clinical Practice Initiative

On September 29, 2015, US Department of Health and Human Services (HHS) Secretary Sylvia M. Burwell announced \$685 million in awards to 39 national and regional health care networks and supporting organizations. The awards made possible through the Transforming Clinical Practice Initiative are intended to help equip more than 140,000 clinicians with tools and support needed to improve quality of care, increase patient access to information and reduce costs. This initiative supports clinicians across the country through collaborative and peer-based learning networks. While none of these initiatives are Michigan-based, several of the initiatives include providers in Michigan. The list of awardees can be accessed through the [fact sheet](#) accompanying the announcement.

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 nine final and five proposed policies that merit mention. They are available for review on DCH's [website](#).

- **MSA 15-09** informs **Bridges Eligibility Manual** Holders of changes in financial eligibility criteria for the **Freedom to Work Medicaid** program.
- **MSA 15-30** notifies **Hospitals and Medicaid Health Plans of Inpatient Hospital Reimbursement System Reform** changes that will take effect upon federal approval of a State Plan Amendment. Changes involve moving from the current **MS-DRG** reimbursement system to the All Patient Refined Diagnosis Related Group (**APR-DRG**) system
- **MSA 15-31** notifies **Hospitals and Medicaid Health Plans** of changes in **Inpatient Prospective Capital Payments** that will take effect upon federal approval of a State Plan Amendment.
- **MSA 15-32** notifies **Hospitals and Medicaid Health Plans** of changes associated with payment for **Short**

Hospital Stays. The changes relate to **qualifying primary diagnosis codes** and are required due to the state's **conversion from ICD-9 to ICD-10** diagnosis coding, which becomes effective October 1, 2015. This change is also contingent upon federal approval of a State Plan Amendment.

- **MSA 15-33** advises **Dentists, Dental Clinics and Medicaid Health Plans** of a change in **dental benefit administration policy for Healthy Michigan Plan beneficiaries who are 19 and 20 years of age.** Effective October 1, 2015, these beneficiaries will receive dental benefits on a fee for service basis, rather than through the Healthy Kids Dental program, until they are enrolled in a Medicaid HMO.
- **MSA 15-34** advises **Dentists and Dental Clinics** that effective October 1, 2015, as required by Public Act 84 of 2015 the **Healthy Kids Dental** program contract with Delta Dental Plan of Michigan will be **expanded to cover children in Wayne, Oakland and Kent Counties.** However, unlike the other 80 counties in the state where coverage is available through age 20, the Healthy Kids Dental program will only cover **children through age 12** in these three counties. Children 13 through 20 years of age will continue to access dental care on a fee or service basis.
- **MSA 15-35** notifies **All Providers of Quarterly Updates to the Medicaid Provider Manual,** shares an **ICD-10 Project Update** and makes other announcements.
- **MSA 15-37** informs **Bridges Eligibility Manual and Bridges Administrative Manual Holders, as well as Medicaid Health Plans,** of changes to **Non-Emergency Medical Transportation prior authorization requirements** for locally authorized methadone-related treatment. The policy also addresses changes in **authorization for meals and lodging.**
- **MSA 15-38** notifies All Providers of changes related to beneficiary cost sharing. This change is also contingent upon federal approval of a State Plan Amendment.
- A proposed policy (**1547-MIHP**) has been issued that would update current policy associated with the **Maternal Infant Health Program** pertinent to the assessment visit, risk identifiers, infant service delivery and professional visit. Comments are due to MDHHS by October 21, 2015.
- A proposed policy (**1548-THC**) has been issued that would allow **Tribal Health Centers** to receive the **Indian Health Services all-inclusive rate** for Medicaid, Healthy Michigan Plan, and Children's Health Insurance Program (CHIP) managed care encounters. This change is contingent upon federal approval of a

State Plan Amendment. Comments are due to MDHHS by October 21, 2015.

- A proposed policy (**1531-IBCLC**) has been issued that would establish reimbursement conditions and requirements for **lactation support and counseling services** provided by an **Internationally Board Certified Lactation Consultant** as a component of Medicaid pregnancy-related services. Comments are due to MDHHS by October 28, 2015.
- A proposed policy (**1549-Ambulance**) has been issued that would remind **Ambulance** providers of Medicaid policy intent related to **Advanced Life Support** services, modify service definitions and remove a mandate that **fixed wing air ambulance** providers obtain a physician order and authorization prior to reimbursement for emergency transports. Comments are due to MDHHS by October 28, 2015.
- A proposed policy (**1546-PE**) has been issued that would **clarify the process for providers to grant access to additional users** to make changes to their Community Health Automated Medicaid Processing System (**CHAMPS**) **account information**. A **new form** would be required. Comments are due to MDHHS by October 29, 2015.

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

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