

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of September 1, 2017, there were **1,773,428 Medicaid beneficiaries, including 534,579 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Medicaid Health Plans (HMOs). This is an overall **decrease of 39,243** since August, and almost 47,000 fewer enrollees since July. The number of HMP enrollees decreased by 15,967, and the number of non-HMP enrollees decreased by 23,276.

As the enrollment reports ([pdf](#)) ([xls](#)) for September 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 September 1, 2017 were Meridian Health Plan of Michigan with 27.9 percent of the total, Molina Healthcare of Michigan with 20.0 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 HMOs. As of September 1, 2017, there were **19,510 joint CSHCS/Medicaid beneficiaries enrolled in the Medicaid HMOs**, a decrease of five since August. All Medicaid HMOs

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have CSHCS/Medicaid enrollees, although the numbers vary across plans. Meridian Health Plan of Michigan has the most CSHCS/Medicaid beneficiaries enrolled (27.2 percent of the total); Molina Healthcare of Michigan has 24.8 percent; and UnitedHealthcare Community Plan has 14.6 percent of the total.

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **38,482 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled in Medicaid HMOs** for their acute care Medicaid benefits in September 2017, an increase of 868 since August. All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. As of September 1st, Molina Healthcare of Michigan had the most duals receiving Medicaid services from an HMO (26.6 percent of the total); Meridian Health Plan of Michigan had 26.3 percent (but the most voluntary enrollees); and McLaren Health Plan had 15.0 percent of the total enrollees.

There were **32,775 MIChild beneficiaries enrolled in Medicaid HMOs** in September 2017, a decrease of 1,766 since August. All Medicaid HMOs have MIChild beneficiaries enrolled, although the numbers vary dramatically across plans. As of September 1st, Meridian Health Plan of Michigan had the most MIChild enrollees (27.8 percent of the total); Molina Healthcare of Michigan had 18.6 percent; UnitedHealthcare Community Plan had 13.5 percent; and Priority Health Choice had 12.9 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 **664,375 as of September 25, 2017**, the last Monday in September, which is a **decrease of almost 17,000** from the last Monday of August 2017. Even with this one-month decline, the enrollment number for the last Monday of September 2017 is almost 47,000 higher than one year ago, on the last Monday of September 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 and eclipses the enrollment for the last Monday of the

prior month. The caseload count at the beginning of September was markedly lower than at the beginning of recent months. Likely because of this, the enrollment on the last Monday of September was lower than the enrollment on the last Monday of August.

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 September 1, 2017, the MI Health Link enrollment was 38,375, a decrease of 16 enrollees since August.**

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 September 1, 2017.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,464	834	3,071	7,369
AmeriHealth Michigan			705	2,526	3,231
MI Complete Health / Fidelis			470	1,900	2,370
HAP Midwest Health Plan			972	3,781	4,753

Meridian Health Plan of MI		5,542			5,542
Molina Healthcare of MI			1,837	8,988	10,825
Upper Peninsula Health Plan	4,285				4,285
Total	4,285	9,006	4,818	20,266	38,375

As of September 1, 2017, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (28.2 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 94.6 percent of the MI Health Link enrollees are living in a community setting, and about 5.4 percent of the enrollees live in a nursing facility. Only 2.2 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 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 September 1st (26.0 percent of the total enrollees residing in nursing facilities). Molina Healthcare of Michigan had 20.0 percent; and Aetna Better Health of Michigan had 19.3 percent of the total.

While the majority of MI Health Link enrollees are passively enrolled, 20.6 percent voluntarily joined the demonstration. The voluntary enrollment percentage has more than tripled in the last two years. MDHHS also reports that as of September 1, 2017, more than 51,000 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 a later 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: HAP Midwest Health Plan, Meridian Health Plan of Michigan, and Molina Healthcare of Michigan. As of September 1, 2017, these **three D-SNPs had a combined enrollment of 14,832 duals** for whom they provide Medicare services. Almost 73 percent of the duals enrolled in a D-SNP (10,755 individuals) are enrolled with Molina; 3,587 duals are enrolled with Meridian but, according to federal enrollment reports, some reside in northern Ohio; and 490 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.

Healthy Michigan Plan Waiver

On September 26, 2017, the Michigan Department of Health and Human Services (MDHHS) [released](#) a draft Healthy Michigan Plan (HMP) Section 1115 Demonstration Waiver Extension Application to seek public comment prior to submitting the application for federal approval. Interested parties may send comments to MDHHS by October 30, 2017.

MDHHS is seeking a three-year extension of the waiver, which currently has an expiration date of December 31, 2018. Attachments to the waiver application include findings from an evaluation that describes primary care practitioners' experiences with HMP beneficiaries, practice approaches and innovations adopted or planned in response to the HMP, and plans regarding care of HMP beneficiaries. The evaluation, required by the Centers for Medicare & Medicaid Services, was conducted by the University of Michigan Institute for Healthcare Policy and Innovation.

For additional information, contact [Eileen Ellis](#), Senior Fellow, 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 2017-2018 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). NCQA studied 1,429 health plans across the country and rated 1,062, including 498 private / commercial plans, 386 Medicare plans, and 178 Medicaid plans.

Priority Health's point-of-service HMO (HMO/POS) plan scored highest among the Commercial plans in Michigan and ranked 38th in the country out of the 498 plans rated. Blue Care Network of Michigan (HMO), Blue Cross Blue Shield of Michigan (PPO), Health Alliance Plan of Michigan (HMO/POS) and Physicians Health Plan (HMO/POS) were ranked next among Michigan Commercial plans.

Of the 386 Medicare plans rated across the country, the PPO plan offered by Aetna Life Insurance Company was ranked 28th nationally and was the highest-ranking Michigan plan. Paramount Care (HMO) and Priority Health (HMO/POS) were the next ranking Michigan Medicare plans.

Priority Health's HMO was also the highest-ranking Medicaid plan in Michigan and was ranked 8th nationally out of the 178 Medicaid plans rated. Meridian Health Plan of Michigan (HMO), United Healthcare Community Plan (HMO), and Upper Peninsula Health Plan (HMO) were the next ranking Michigan Medicaid plans.

Information about the ranking methodology and a link to all scores is available on the [NCQA website](#). (The link to the tables with the scores appears at the bottom of the website page.)

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

Medicaid Health Plan Common Formulary

On September 11, 2017, the Michigan Department of Health and Human Services issued a [press release](#) to announce a meeting, scheduled for October 9, 2017, at which public comments related to the list of prescription drugs covered by Michigan's Medicaid Health Plans, referred to as the "common formulary," will be solicited. Information pertinent to the time and location of the meeting are included in the press release.

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

CHAMPS MCC Project

The Michigan Department of Health and Human Services has launched an initiative to modernize its Community Health Automated Medicaid Processing System (CHAMPS). Called the Modernizing Continuum of Care (MCC) project, the first phase includes multiple components, including elimination of selected paper forms in lieu of electronic submission of information to CHAMPS, replacement of Level of Care (LOC) codes with Program Enrollment Type (PET) codes, a change in where beneficiary Patient Pay Amount information is displayed in CHAMPS, and assignment of single identifiers to managed care entities to replace the multiple CHAMPS identification numbers currently being used. A [Medicaid Alert](#) was posted for All Providers on September 12, 2017, which includes a link to the LOC to PET crosswalk as well as to a list of MCC training dates. Please see also the proposed policies related to the MCC Initiative (1717-MCC, 1718-MCC, and 1719-MCC) that appear in the *Medicaid Policies* item in this newsletter.

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

Hepatitis A Outbreak

On September 21, 2017, the Michigan Department of Health and Human Services (MDHHS) issued two press releases related to a Hepatitis A outbreak.

The first [press release](#) announced an identified infection in a bakery food worker at a Meijer store in Mt. Pleasant, Michigan (Isabella County). The release suggested that people who purchased bakery products from that store between August 23, 2017 and September 20, 2017 should dispose of any unconsumed items and should watch for Hepatitis A symptoms if potentially contaminated products were consumed.

The second [press release](#) announced that MDHHS staff and local public health officials are investigating an outbreak of Hepatitis A cases in the city of Detroit, elsewhere in Wayne County, and in Macomb, Monroe, Oakland and St. Clair Counties as well. The release notes that health care providers received a letter about the outbreak on September 18th (the L-letter appears in the *Medicaid Policies* item in this newsletter). The release explains current activities, includes risk factors associated with the Hepatitis A virus, identifies populations of at-risk individuals recommended for

vaccination, and provides contact information for the local health departments that can explain how / where to receive the vaccine.

Later in September, news outlets reported that Hepatitis A cases have been identified in a total of 28 counties across the state, that the total reported is about three times the number of cases in 2016, and that 14 people have died in Michigan from Hepatitis A thus far in 2017.

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

Medicaid Payment Delay

In the July 2017 edition of *The Michigan Update*, we advised that the Michigan Department of Health and Human Services (MDHHS) had released a Medicaid Alert about a payment delay in October 2017. On September 8 and 29, 2017, MDHHS again released Medicaid Alerts to remind providers of the State of Michigan's transition of its financial system from the Michigan Administrative Information Network (MAIN) to the Statewide Integrated Governmental Management Application (SIGMA) effective with the start of the new fiscal year on October 1st. Because of the conversion, pay cycle 40 payments (pay date October 5) and Remittance Advices will be delayed and pushed into pay cycle 41 (pay date October 12). MDHHS has established a [SIGMA Information site](#) where the Medicaid Alert and other relevant information can be found.

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

- **MSA 17-25** notifies **Prepaid Inpatient Health Plans (PIHPs) and Community Mental Health Services Programs (CMHSPs)** of a revision to the **Intensive Crisis Stabilization Services** Section of the Behavioral Health and Intellectual and Developmental Disability Supports and Services Chapter in the Medicaid Provider Manual. The **revision relates to services for children**.
- **MSA 17-26** advises **Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs),**

Tribal Health Centers (THCs), Medicaid Health Plans (MHPs), PIHPs, and Integrated Care Organizations of changes related to **documenting health plan encounters for the Medicaid Reconciliation Report**.

- **MSA-17-27** informs **Practitioners, Outpatient Hospitals, FQHCs, Local Health Departments, RHCs, CMHSPs, PIHPs, MHPs, and THCs** that, to improve access to behavioral health services, **the 20-visit maximum limitation for outpatient behavioral health services is lifted effective October 1, 2017**.
- **MSA 17-29** advises **Bridges Eligibility Manual Holders** that the **Guardian/Conservator Income Deduction is being increased to \$95 per month effective October 1, 2017**.
- **MSA 17-30** informs **All Providers of Quarterly Updates to the Medicaid Provider Manual**.
- **MSA 17-31** notifies **MI Choice Waiver Agencies and PIHPs** that, **effective October 1, 2017, any new Home and Community Based Services (HCBS) provider and their provider network must be in immediate compliance with federal HCBS Final Rule provisions** as specified in Michigan's State Transition Plan.
- **MSA 17-32** advises **Home Help Agency Providers** that, superseding any previous issuance related to agency rates or methods for determining them and effective November 1, 2017, **rates published on January 1, 2017 will remain in effect until further notice**.
- A proposed policy (**1702-Eligibility**) has been issued that would **implement an asset verification program to electronically detect unreported assets** belonging to applicants and recipients of AFDC medically needy and SSI-related Medicaid categories that require a resource test. Comments are due to MDHHS by October 17, 2017.
- A proposed policy (**1717-MCC**) has been issued that would provide **details for All Providers** regarding changes related to the **Modernizing Continuum of Care (MCC) Initiative** associated with the Community Health Automated Medicaid Processing System (**CHAMPS**). Comments are due to MDHHS by October 17, 2017.
- A proposed policy (**1718-MCC**) has been issued that would inform **Bridges Eligibility and Administrative Manual Holders** of new requirements related to **electronic submission of the Facility Admission Notice (MSA-2565-C), other than to establish Medicaid eligibility for newborns by a hospital, and eliminate the paper**

version of the form. Comments are due to MDHHS by October 17, 2017.

- A proposed policy (**1719-MCC**) has been issued that would provide **Nursing Facilities, Hospice Providers, Hospitals, Programs of All-Inclusive Care for the Elderly, MI Choice Waiver Agencies, ICOs, MHPs, and Durable Medical Equipment Providers** with new policies and procedures related to the department's implementation of the **CHAMPS MCC initiative**. One of the changes includes **replacing Level of Care (LOC) codes with Program Enrollment Type (PET) codes**. Comments are due to MDHHS by October 17, 2017.
- A proposed policy (**1721-MIHP**) has been issued that would **allow Maternal Infant Health Program (MIHP) consultants to grant authorization for MIHP services in situations where exceptional consideration is warranted**. Comments are due to MDHHS by October 20, 2017.
- A proposed policy (**1713-MHSA**) has been issued that would provide guidance and direction for **training and certification requirements of Peer Recovery Coach services**. Comments are due to MDHHS by October 23, 2017.
- A proposed policy (**1722-FTP**) has been issued that would describe **use of and guidelines** associated with the **MDHHS – File Transfer application**. Comments are due to MDHHS by October 23, 2017.

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

- **L 17-30** was released on September 14, 2017 to inform stakeholders of upcoming **informational meetings related to the MI Choice waiver program**. The current **waiver expires in September 2018** and **MDHHS wishes to solicit stakeholder input prior to submitting the renewal request** to the federal government. Input may relate to opinions regarding elements of the waiver program that work well and those that might need improvement, as well as proposals for new program elements. Dates for the meetings, which will be held at the Capitol Commons Center in Lansing, are included in the letter.
- **L 17-40** was released on September 18, 2017 to notify providers about **covered services offered through the Medicaid program** that are important to address **Hepatitis A virus infections**. The letter notes that MDHHS and local health departments are **currently investigating Hepatitis A outbreaks in multiple counties**.

- **L 17-44** was released on September 27, 2017 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment and / or Waiver application** to implement the **Direct Primary Care services program as a pilot in five Michigan counties.**
- **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 intended update will not impact the current process.

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 Lansing, Michigan, Health Management Associates provides leadership, experience, and technical expertise to local, state, and federal governmental agencies, regional and national foundations, investors, multi-state health system organizations and single site health care providers, as well as employers and other purchasers in the public and private sectors.