

HEALTH MANAGEMENT ASSOCIATES

THE **MICHIGAN UPDATE** 2018

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Table of Contents

MEDICAID MANAGED CARE ENROLLMENT ACTIVITY 3

MI HEALTH LINK 5

MICHIGAN D-SNPS..... 7

MEDICARE ADVANTAGE IN 2019..... 7

HEALTHY MICHIGAN PLAN ENROLLMENT..... 8

HEALTHY MICHIGAN PLAN AND FINANCIAL HEALTH..... 8

NCQA’S HEALTH INSURANCE PLAN RANKINGS 8

WELLCARE COMPLETES ACQUISITION OF MERIDIAN 9

WORKFORCE ENGAGEMENT REQUIREMENT 9

WORK REQUIREMENTS – RESEARCH LETTERS..... 10

MICHIGAN AT A CROSSROADS 10

GRANTS AWARDED FOR NAVIGATOR PROGRAM 10

STATE MEDICAID FACT SHEETS 11

LIFE EXPECTANCY ESTIMATES 11

MICHIGAN LAWSUIT FOR CHILDREN WITH MENTAL ILLNESS 11

CHILDREN’S OMBUDSMAN TO REVIEW CPS 12

MEDICAID POLICIES 12

MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of September 1, 2018, there were **1,789,450 Medicaid beneficiaries, including 550,742 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Michigan Medicaid Health Plans (HMOs). This is an overall **increase of 15,542** since August. The number of HMP beneficiaries enrolled in HMOs increased by 6,575, and the number of non-HMP enrollees increased by 8,967.

	May 2018	June 2018	July 2018	August 2018	Sept. 2018
All Medicaid Beneficiaries Enrolled	1,780,969	1,781,878	1,783,640	1,773,908	1,789,450
• Total HMP Enrollees	549,786	551,337	554,203	544,167	550,742
• Total CSHCS/Medicaid Enrollees	17,960	17,501	18,687	21,056	21,416
• Total Medicare/Medicaid Enrollees (Duals)	38,620	38,815	39,166	39,273	39,563
• Total MICHild Enrollees	33,721	33,962	34,434	34,319	34,873

The number of individuals identified as mandatory managed care enrollees but not yet enrolled in a Medicaid Health Plan (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, 2018.

As the enrollment reports for August ([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 14 percent of the total number of enrollees.

Healthy Michigan Plan (HMP)

There were 550,742 HMP beneficiaries enrolled as of September 1, 2018 in the Medicaid HMOs. This is **an increase of 6,575 since August 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 September were Meridian Health Plan of Michigan with almost 28 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 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 **21,416 joint CSHCS/Medicaid beneficiaries enrolled as of September 1, 2018** in the Medicaid HMOs, an **increase of 360 since August 1, 2018**.

Readers may have noticed that the enrollment numbers reported in *The Michigan Update* for children dually eligible for CSHCS and Medicaid gradually dropped between January and June 2018 and have now rebounded. The managed care enrollment total for this group as of January 1, 2018 was 20,483, but with reductions each month it stood at 17,501 as of June 1, 2018. The enrollment numbers have climbed in the months since and as of September 1, 2018 the enrollment total for this group was 21,416. HMA has learned that a systems issue, now corrected, resulted in many children being moved from HMO enrollment to fee-for-service at the time of their annual CSHCS renewals. The problem began early in the calendar year and was fixed by late March. The impacted children were re-enrolled in their health plans through system correction scripts and on a case-by-case basis when reported.

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in September were Meridian Health Plan of Michigan with 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 **34,873 MiChild beneficiaries enrolled as of September 1, 2018** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **increased by 554 between August 1, 2018 and September 1, 2018**.

All Medicaid HMOs have MICHild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in September were Meridian Health Plan of Michigan with almost 29 percent of the total, Molina Healthcare of Michigan with more than 16 percent, and UnitedHealthcare Community Plan with more than 13 percent of the total enrollees.

Medicare/Medicaid

Aside from Michigan's Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **39,563 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of September 1, 2018** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **increased by 290 between August 1, 2018 and September 1, 2018.**

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in September were Meridian Health Plan of Michigan with more than 29 percent of the total, Molina Healthcare of Michigan with 25 percent, and McLaren Health Plan with more than 15 percent of the total enrollees.

For additional information, contact [Eileen Ellis](#), Senior Advisor, 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 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, 2018, the MI Health Link enrollment was 36,394, a decrease of 709 enrollees since August.**

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

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

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, 2018**.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,313	784	2,863	6,960
AmeriHealth Michigan			613	2,290	2,903
HAP Midwest Health Plan			942	3,675	4,617
Meridian Health Plan of MI		5,131			5,131
MI Complete Health / Fidelis		1	468	1,909	2,378
Molina Healthcare of MI		2	1,750	8,501	10,253
Upper Peninsula Health Plan	4,152				4,152
Total	4,152	8,447	4,557	19,238	36,394

As of September 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 had a little more than 19 percent; and Meridian Health Plan of Michigan had just over 14 percent of the total enrollees.

At present, about 95.3 percent of the MI Health Link enrollees are living in a community setting, and about 4.7 percent of the enrollees live in a nursing facility. About 5.0 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 September 2018, more than 22 percent of the total enrollees residing in nursing facilities. Molina Healthcare of Michigan ranked second, with almost 18 percent of the total. Aetna Better Health of Michigan was in third place, with almost 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 September 1, 2018, the voluntary enrollment percentage was 25.7 percent.

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 September 1, 2018, these three D-SNPs had a combined enrollment of 19,513 duals** for whom they provide Medicare services.

More than 61 percent of the duals enrolled in a Michigan D-SNP (11,981 individuals) are enrolled with Molina; more than 35 percent (6,930 duals) are enrolled with Meridian; and 602 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.

MEDICARE ADVANTAGE IN 2019

The Centers for Medicare & Medicaid Services issued a [press release](#) on September 28, 2018 to announce that, on average, Medicare Advantage premiums will decline in 2019 while plan choices and new benefits will increase. Medicare Part D prescription drug program basic premiums are expected to drop as well. The press release includes links to a fact sheet on Medicare Advantage and Part D, a listing of premiums and costs for 2019, and state-by-state information.

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) at the beginning of each week on its [website](#). Enrollment stood at **676,425 as of September 24, 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, or [Esther Reagan](#), Senior Consultant, at 517-482-9236.

HEALTHY MICHIGAN PLAN AND FINANCIAL HEALTH

In mid-September 2018, the results of a study conducted by researchers at the University of Michigan were published by the National Bureau of Economic Research. [The ACA Medicaid Expansion in Michigan and Financial Health](#) reported the results of a study of the financial well-being of new Healthy Michigan Plan Medicaid enrollees. The study found “that enrollment is associated with large improvements in several measures of financial health, including reductions in unpaid bills, medical bills, over limit credit card spending, delinquencies, and public records (such as evictions, judgments, and bankruptcies). These benefits are apparent across several subgroups, although individuals with greater medical need (such as those with chronic illnesses) experience the largest improvements.”

For additional 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 2018-2019 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 nearly 1,500 health plans across the country and rated 1,040, including 445 Private/Commercial plans, 418 Medicare plans, and 177 Medicaid plans.

Blue Care Network of Michigan (HMO) and Blue Cross Blue Shield of Michigan (PPO) scored highest among the Commercial plans in Michigan and ranked 51st and 54th, respectively, in the country.

Of the 418 Medicare plans rated across the country, the HMO/POS plan offered by Priority Health was the highest-ranking Michigan plan, in the 22nd slot nationally.

Priority Health's HMO was also the highest-ranking Medicaid plan in Michigan and was ranked 10th nationally. Upper Peninsula Health Plan (HMO) was in 13th place; Meridian Health Plan of Michigan (HMO) came in at 25th; and United Healthcare Community Plan (HMO) was in 31st place of all ranked plans in the country.

Ratings for all plans are available on the [NCQA website](#).

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

WELLCARE COMPLETES ACQUISITION OF MERIDIAN

In the May 2018 edition of *The Michigan Update*, we reported that WellCare Health Plans, Inc. had announced a definitive agreement to acquire Meridian Health Plan of Michigan, Inc., Meridian Health Plan of Illinois, Inc., and MeridianRx, a pharmacy benefit manager, (collectively, "Meridian"), in a deal valued at \$2.5 billion in cash and stock. On September 4, 2018, WellCare [announced](#) that the acquisition has been completed and Meridian is now a wholly-owned subsidiary of WellCare.

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

WORKFORCE ENGAGEMENT REQUIREMENT

In recent issues of *The Michigan Update*, we have reported on the Michigan Department of Health and Human Services' (MDHHS) activities related to implementation of a workforce or other community engagement requirement. This requirement results from the enactment of Public Act 208 of 2018 and will become a condition of eligibility for health care benefits under Medicaid beginning in 2020 for some beneficiaries. The requirement will apply to able-bodied adults age 19 through age 62 enrolled in the Healthy Michigan Plan. Beneficiaries receiving Medicaid through "traditional" coverage categories will not be impacted by this requirement nor will Healthy Michigan Plan beneficiaries who meet exception criteria.

The law required MDHHS to submit a new Section 1115 Waiver application, or an amendment to an appropriate existing waiver, to the US Department of Health and Human Services (HHS) by October 1, 2018. After soliciting public comment, MDHHS submitted the required document on September 10, 2018. If HHS does not approve the waiver application, Michigan will have to terminate the Healthy Michigan Plan, which currently provides healthcare benefits for more than 675,000 Michiganders.

The [waiver-related documents](#) are available on the MDHHS website.

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



WORK REQUIREMENTS – RESEARCH LETTERS

Two Research Letters were published on September 10, 2018 in JAMA Internal Medicine, an online publication of the American Medical Association.

[*Analysis of Work Requirement Exemptions and Medicaid Spending*](#) is by Anna L. Goldman MD, MPH, and others. It estimates the number of Medicaid enrollees at risk of losing coverage if work requirements are implemented and calculates current Medicaid spending for those enrollees at the national level and among states with approved or pending waivers.

[*State-Level Population Estimates of Individuals Subject to and Not Meeting Proposed Medicaid Work Requirements*](#) is by David M. Silvestri, MD, MBA, and others. This cross-sectional analysis of 2014 Survey on Income and Program Participation data estimates the potential impact of work requirements on Medicaid eligibility on a state-by-state basis for states that had submitted waiver applications as of April 30, 2018.

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

MICHIGAN AT A CROSSROADS

On September 26, 2018, researchers at the Center for Healthcare Research & Transformation at the University of Michigan, partnered with policy experts at the Michigan State University Extension Center for Local Government Finance and Policy, released [*Michigan at a Crossroads*](#), an overview of four key and timely health policy topics that Michigan’s new Governor and members of the Legislature will face in 2019. The topics include:

- Medicaid and the Healthy Michigan Plan
- The Individual health insurance market and the Health Insurance Marketplace
- The opioid epidemic
- Integration of services to address social determinants of health

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

GRANTS AWARDED FOR NAVIGATOR PROGRAM

On September 12, 2018, the federal Centers for Medicare & Medicaid Services [announced](#) grant awards totaling \$10 million to 39 organizations serving as Navigators in federally-facilitated Exchange states, which includes Michigan. The grants will support the work of organizations that assist consumers in navigating, shopping for, and enrolling in health insurance coverage. The grant period is September 12, 2018 through September 11, 2019.



Michigan organizations receiving grants include the Arab Community Center for Economic & Social Services – ACCESS (\$168,392) and Eastern Michigan University – EMU (\$140,718). The EMU award includes four affiliated organizations. A complete list of the grantees across the country is available through a link in the announcement.

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

STATE MEDICAID FACT SHEETS

The Kaiser Family Foundation released an updated collection of [state Medicaid fact sheets](#) on September 28, 2018. The fact sheets summarize Medicaid coverage and spending nationally and in each state. A wide range of data is provided, including the share of the state population covered by Medicaid and the Children’s Health Insurance Program, Medicaid eligibility levels, and program spending. State-specific information is accessible through an interactive map of the United States.

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

LIFE EXPECTANCY ESTIMATES

On September 10, 2018, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that life expectancy estimates by Census tract nationally are now available, allowing public health officials in Michigan and elsewhere to work to improve health outcomes by comparing data neighborhood-by-neighborhood. MDHHS indicated an intent to analyze the new data working in coordination with local health partners. The news release includes multiple links, to the database, to examples of communities taking action to improve the health of their residents, and to reference guides, including county codes and Census tract codes.

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

MICHIGAN LAWSUIT FOR CHILDREN WITH MENTAL ILLNESS

In early June 2018, a lawsuit was filed in the US District Court in Detroit (*K.B. and M.B., et al. v. Department of Health and Human Services* – USDC docket No. 2:18-cv-11795-BAF-SDD). The lawsuit alleges that as many as 32,000 children and young people eligible for Medicaid in Michigan who suffer from various types of behavioral health conditions are not receiving needed mental health services. The lawsuit was filed on their behalf.

The lawsuit demanded the state be required to provide intensive home and community-based mental health services and that the federal district court oversee the state until its “unlawful policies, practices and acts ... cannot recur.”

In early September, the Michigan Department of Health and Human Services (MDHHS) filed a motion in response to the lawsuit, stating that it asks the department to assume a role it is not required to play – a provider of mental health services. The motion states that MDHHS' obligation is to arrange or pay for Medicaid-covered services. It is not required to actually provide the services.

The case is still pending.

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

CHILDREN'S OMBUDSMAN TO REVIEW CPS

On September 11, 2018, Governor Rick Snyder named the state's Children's Ombudsman, Orlene Hawks, to lead a team that will quickly review operations in the Children's Protective Services (CPS) program and identify actions to improve services. Governor Snyder took this action following release of a [Performance Audit Report](#) by the state's Auditor General that was very critical of the program's performance. Children's Protective Services is housed in the Michigan Department of Health and Human Services. Ms. Hawks is taking a leave of absence from her post to join the Governor's office and lead the team reviewing the CPS program.

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

- A proposed policy (**1835-HMP**) has been issued that would **rescind the MI Marketplace Option** described in Bulletin MSA 18-05, issued March 1, 2018. Public Act 208 of 2018 requires MDHHS to submit an amended waiver to the federal government to end the option. Comments are due to MDHHS by October 19, 2018.
- A proposed policy (**1836-BH**) has been issued that would provide greater access and coordination of care for **behavioral health and substance use disorder services** through implementation of a **standard consent form for release of information and records**. Comments are due to MDHHS by November 1, 2018.



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

- **L 18-48** was released on September 12, 2018 to clarify the MDHHS-established timeline to assure **compliance with the federal Home and Community-Based Settings (HCBS) rule** resulting from a recent announcement from the Centers for Medicare & Medicaid Services that **extends the deadline for HCBS compliance from March 17, 2019 to March 17, 2022.**
- **L 18-50** was released on September 13, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to reduce a Medicaid beneficiary's **monthly income disregard for court-ordered guardians or conservators, from \$95 to \$83**, as required by Public Act 207 of 2018, Section 1606.
- **L 18-49** was released on September 26, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit one or more State Plan Amendments to increase the copayment amount for hospital outpatient visits from \$1 to \$2** for Medicaid beneficiaries receiving care on a fee-for-service basis. The increase **also applies to Healthy Michigan Plan beneficiaries** with income below the federal poverty level if they are receiving care on a fee-for-service basis. In addition, the MDHHS states its intent to **remove the current copayment requirement on drugs to treat mental health conditions and substance use disorders.**
- **L 18-51** was released on September 26, 2018 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment and an Alternative Benefit Plan Amendment to allow intermediate school districts** to receive Medicaid reimbursement for services provided by **school nurses and non-physician behavioral health providers** to students enrolled in Medicaid.
- **L 18-52** was released on September 26, 2018 and relates to and identifies four of the state's **Home and Community-Based Services (HCBS) waiver programs** impacted by a Final Rule for such waivers. The letter states that one of the HCBS waiver programs, **MI Health Link, is not included in the Statewide Transition Plan and instead is required to be in immediate compliance with the Final Rule.**

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



HMA HEALTH MANAGEMENT ASSOCIATES

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