

HEALTH MANAGEMENT ASSOCIATES

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MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of December 1, 2019, there were **1,743,905 Medicaid beneficiaries, including 528,713 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Michigan Medicaid Health Plans (HMOs). As the table below shows, this is an overall **increase of 7,356** since November 1, 2019. The number of HMP beneficiaries enrolled in HMOs increased by 3,942, and the number of non-HMP enrollees increased by 3,414. While an increase over the last few months, as the table also shows, the December 2019 HMO enrollment total is still below the totals for both January and March 2019.

	Jan. 2019	March 2019	May 2019	July 2019	Sept. 2019	Nov. 2019	Dec. 2019
All Medicaid Beneficiaries Enrolled	1,751,429	1,761,472	1,724,124	1,725,780	1,731,594	1,736,549	1,743,905
• Total HMP Enrollees	526,431	536,784	521,784	519,784	523,849	524,771	528,713
• Total CSHCS/Medicaid Enrollees	22,020	21,026	22,310	22,953	23,616	24,066	23,944
• Total Medicare/Medicaid Enrollees (Duals)	39,261	38,756	38,301	39,034	39,012	39,279	39,569
• Total MIChild Enrollees	36,448	35,860	35,364	36,866	38,608	38,433	38,618

The number of beneficiaries identified as mandatory managed care enrollees but not yet enrolled in a Medicaid HMO varied dramatically during 2018 and 2019, from a low of 45,305 in July 2018 to a high of 111,082 in January 2019. In December 2019, the number of mandatory but not yet enrolled beneficiaries was 83,359. This is a decrease of 4,168 since November.

As the enrollment reports for December ([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. 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 these counties, Upper Peninsula Health Plan.

The plans with the highest total enrollment in December were Meridian Health Plan of Michigan with more than 28 percent of the total, Molina Healthcare of Michigan with more than 19 percent, and UnitedHealthcare Community Plan with more than 14 percent of the total number of enrollees.



Healthy Michigan Plan (HMP)

There were 528,713 HMP beneficiaries enrolled as of December 1, 2019 in the Medicaid HMOs. This is an **increase of 3,942 since November 1, 2019**. As the table above shows, while there have been increases and decreases over the last several months, the December enrollment count is more than 2,000 higher than in January 2019.

All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest HMP enrollment in December were Meridian Health Plan of Michigan with more than 27 percent of the total, Molina Healthcare of Michigan with more than 16 percent, and Blue Cross Complete with more than 15 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 **23,944 joint CSHCS/Medicaid beneficiaries enrolled as of December 1, 2019** in the Medicaid HMOs, **a decrease of 122 since November 1, 2019**.

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in December were Meridian Health Plan of Michigan with almost 23 percent of the total, Molina Healthcare of Michigan with almost 22 percent, and Blue Cross Complete with 14 percent of the total enrollees.

MiChild

There were **38,618 MiChild beneficiaries enrolled as of December 1, 2019** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **increased by 185 between November 1, 2019 and December 1, 2019**.

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in December 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 almost 14 percent of the total enrollees.





Medicare/Medicaid

Aside from Michigan’s Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **39,569 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of December 1, 2019** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **increased by 290 between November 1, 2019 and December 1, 2019.**

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in December were Meridian Health Plan of Michigan with almost 31 percent of the total, Molina Healthcare of Michigan with almost 23 percent, and McLaren Health Plan with almost 15 percent of the total enrollees.

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

MI HEALTH LINK

In previous editions of *The Michigan Update* we have written about Michigan’s implementation of an integrated healthcare delivery system demonstration for adults dually eligible for Medicare and Medicaid (duals). The demonstration, called MI Health Link, operates in four regions of the state. The entire Upper Peninsula is one region; eight counties in the southwest corner of the state (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren) form another region; and Macomb County and Wayne County are two single-county regions. Medicaid and Medicare physical healthcare services (including long-term services and supports) are provided by HMOs that have contracts as Integrated Care Organizations (ICOs) to serve the duals.

The number of MI Health Link enrollees continues to fluctuate, with increases in some months and decreases in others. The Michigan Department of Health and Human Services (MDHHS) reports that **as of December 1, 2019, the MI Health Link enrollment total was 37,321, a decrease of 56 enrollees since November 1, 2019.**





The tables below illustrate MI Health Link enrollment fluctuation by month during 2018 and 2019. Note that the enrollment total for December 2018 was the lowest for the calendar year, more than 4,000 below the total for May, which was the highest monthly total for the year. Note as well that the enrollment total for December 2019 is the second highest enrollment total for calendar year 2019 and more than 2,000 higher than December 2018.

Jan. 2018	Feb. 2018	March 2018	April 2018	May 2018	June 2018
38,045	38,571	38,562	37,798	39,021	38,327
July 2018	August 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018
37,518	37,103	36,394	35,651	34,827	34,655

Jan. 2019	Feb. 2019	March 2019	April 2019	May 2019	June 2019
34,367	34,444	33,672	33,145	33,095	35,612
July 2019	August 2019	Sept. 2019	Oct. 2019	Nov. 2019	Dec. 2019
34,771	36,621	37,295	37,018	37,377	37,321

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 **December 1, 2019**.

MI Health Link Enrollment	Upper Peninsula Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,293	890	3,201	7,384
AmeriHealth Michigan			641	2,215	2,856
HAP Empowered, Inc.			974	3,483	4,457
Meridian Health Plan of MI		4,983			4,983
MI Complete Health			528	2,000	2,528
Molina Healthcare of MI			1,942	9,196	11,138
Upper Peninsula Health Plan	3,975				3,975
Total	3,975	8,276	4,975	20,095	37,321

As of December 1, 2019, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (almost 30 percent of the combined total); Aetna Better Health of Michigan came in second with almost 20 percent; and Meridian Health Plan of Michigan had more than 13 percent of the total enrollees.



At present, more than 94 percent of the MI Health Link enrollees are living in a community setting, and the remaining 6 percent of the enrollees live in a nursing facility. A little more than 5 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 other enrollees living in a community setting receive in-home services and supports from the ICOs through the Medicaid State Plan personal care benefit called Home Help.

While all plans have enrollees receiving care in nursing facilities, Aetna Better Health of Michigan had the largest share during December 2019; 20 percent of the total enrollees residing in nursing facilities were part of Aetna. Molina Healthcare of Michigan had the second highest share of enrollees at almost 19 percent; and Upper Peninsula Health Plan came in third, with almost 18 percent of total enrollees residing in nursing facilities.

Although the majority of MI Health Link enrollees are passively enrolled and can opt out of the demonstration at any time, the percentage that voluntarily joined the demonstration has grown over time. As of December 1, 2019, the voluntary enrollment percentage was 21.7.

MDHHS also reports that almost 60,000 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, or re-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 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 December 1, 2019, these three D-SNPs had a combined enrollment of 24,353 duals** for whom they provide Medicare services.



About 51 percent of the duals enrolled in a Michigan D-SNP (12,344 individuals) in December 2019 were enrolled with Molina; about 38 percent (9,289 duals) were enrolled with Meridian; and 2,720 duals (about 11 percent of the total) were enrolled with UnitedHealthcare. None of these duals are participating in the MI Health Link demonstration. In addition to these three health plans, two additional D-SNPs serve Michigan – Humana Medical Plan and Health Alliance Plan of Michigan (HAP). Humana had 1,948 enrollees as of December 1, 2019 and HAP had 58 enrollees. HAP is the parent organization for HAP Midwest Health Plan, one of the Medicaid HMOs, and HAP Empowered, one of the ICOs participating in MI Health Link.

Not all duals enrolled in these D-SNPs are eligible to receive full Medicaid benefits. Some only receive assistance from the Medicaid program with their Medicare coinsurance and deductible payments and/or monthly Medicare premiums.

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

HEALTHY MICHIGAN PLAN ENROLLMENT

The Michigan Department of Health and Human Services reports enrollment counts for the Healthy Michigan Plan (HMP), its Medicaid expansion program for low-income non-elderly adults who do not meet eligibility criteria for traditional program coverage, at the beginning of each week on its [website](#). Enrollment stood at **674,442 as of December 30, 2019**, the last counting day of the month. This is an **increase of 10,741 since November 28, 2019**, the last counting day in November. The enrollment total for December 30, 2019 is the highest end-of-month count since April 29, 2019.

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

MICHIGAN BUDGETS FOR FISCAL YEAR 2019-2020

In recent editions of *The Michigan Update*, we reported that a partial shutdown of Michigan state government on October 1 was avoided when Governor Gretchen Whitmer signed into law all state budgets on September 30 but with a significant number of vetoes slashing almost one billion dollars. There were 48 vetoes in the budget for the Michigan Department of Health and Human Services (MDHHS), the agency responsible for all public assistance and healthcare programs, including Medicaid and behavioral health. The vetoes across all departments cut almost a billion dollars from the budgets and impacted several critical services and funding streams. The October edition of our newsletter detailed some of those budget cuts.

The vetoes were not well received in the Legislature but finally, in early December, there was movement on supplemental appropriation bills to restore funding for many of the programs impacted by the vetoes, and on December 20, 2019, Governor Whitmer signed the bills into law.



Of the \$459.3 million included in supplemental appropriations across departments, the MDHHS received almost \$301.5 million of the restored funds. Sections of Public Act 154 of 2019 (Senate Bill 152) with individual program/line item references include:

- Sec. 451. Allocates \$3.5 million from the Child Care Fund indirect cost allotment to counties and tribal governments that receive reimbursements from the Child Care Fund. Directs that funding be distributed on a proportional basis.
- Sec. 452. Allocates \$2 million from the Foster Care Payments line to the West Michigan Partnership for Children to support administrative costs of the prospective payment system established in Kent County.
- Sec. 453. Allocates \$600,000 for grants to high schools for students recovering from a substance use disorder. Limits funding to a maximum of \$150,000 per high school.
- Sec. 454. Allocates \$600,000 to create a competitive grant for recovery community organizations for long-term recovery from substance use disorders. Limits grants to a maximum of \$150,000 per organization and sets priorities for allocating those grants.
- Sec. 455. Allocates \$500,000 to support a detoxification pilot project at St. Mary's hospital in Livonia.
- Sec. 456. Allocates \$675,000 to primary care clinics on Beaver, Bois Blanc, Drummond, and Mackinac Islands.
- Sec. 457. Allocates \$5.1 million general fund dollars plus Restricted and Federal Medicaid match dollars to increase Medicaid payments to critical access hospitals.
- Sec. 458. Increases Medicaid payment rates for pediatric psychiatric services to at least 100 percent of Medicare rates.
- Sec. 459. Increases Medicaid payment rates for neonatology services to 95 percent of Medicare rates.
- Sec. 460. Allocates \$8 million funding for lump sum payments to noncritical access rural hospitals that provide obstetrical care.
- Sec. 461. Allocates \$13.9 million to noncritical access rural hospitals.
- Sec. 462. Allocates \$3.75 million general fund dollars plus up to \$5 million in contributions from public entities, and any Federal Medicaid match dollars to support the MiDocs primary care residency consortium.
- Sec. 463. Allocates \$1,025,000 to support autism navigators with metrics for allocation and an annual report.
- Sec. 464. Allocates \$100,000 to support an autism train the trainer pilot in the Walled Lake School District.
- Sec. 465. Allocates \$300,000 to the Leaders Advancing and Helping Communities organization in Detroit. This funding had been removed through a State Administrative Board transfer on October 1, 2019.





- Sec. 466. Allocates \$750,000 to support the Andy's Angels substance use disorder program in Jackson County.
- Sec. 467. Allocates \$40,000 to Michigan State University to support an opioid response consortium in northern Michigan known as Project ECHO.
- Sec. 468. Allocates \$500,000 to support health-related senior programs at multipurpose senior citizen centers, with a maximum grant of \$5,000 per program.
- Sec. 469. Allocates \$400,000 to support a dementia care and support program in Allegan, Kent, Lenawee, Macomb, Midland, Monroe, Oakland, St. Clair, St. Joseph, and Wayne counties with a report to the Legislature on the status of the program and various metrics due by March 1, 2020.
- Sec. 470. Allocates \$250,000 to support the functions of the suicide prevention commission and designates funding as a work project.

Public Act 154 also includes a provision that allows the Legislature, by a simple majority vote in both chambers through concurrent resolution, to restore funds transferred through State Administrative Board action. Two other bills affecting the state's budget process were also signed into law. Public Act 161 (House Bill 5176) requires the State Administrative Board to provide a 30-day notice to the Legislature of any planned action involving fund transfers, such as happened when Governor Whitmer requested a transfer of funds between line items in department budgets. Public Act 160 (House Bill 5177) requires the Legislature to finalize and send a state budget to the Governor by July 1 of each year, three months prior to the beginning of the fiscal year.

Public Act 154 and other supplemental appropriations bills also signed into law, including Public Act 162 (Senate Bill 154), restored funding for, among other items, the charter school per-pupil increase, the county jail reimbursement program, electronic tether replacement within the Department of Corrections, the Tuition Grant for private colleges, and payments in lieu of taxes.

Additional detail about any of this legislation is available on the [Michigan Legislature website](#).

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



WORKFORCE AND COMMUNITY ENGAGEMENT REQUIREMENTS

In last month's edition of *The Michigan Update*, we reported that a poverty rights group filed a lawsuit against the U.S. Department of Health and Human Services and its Centers for Medicare & Medicaid Services (CMS) as well as Department Director Alex Azar and CMS Director Seema Verma. The State of Michigan was not named in the lawsuit. The lawsuit was filed in the U.S. District Court in Washington, D.C., the same court where similar lawsuits were filed over the question of work requirements in Kentucky, Arkansas, Indiana, and New Hampshire. We also reported that Governor Gretchen Whitmer sent a Special Message to the Legislature asking that they approve suspending implementation of the work requirements policy until the litigation has been resolved.

Legislative leaders did not agree to the delay. Accordingly, the Michigan Department of Health and Human Services [announced](#) on December 9, 2019 that it was beginning to send letters to more than 238,000 people enrolled in the Healthy Michigan Plan to further explain what is needed to comply with the program's new work requirements in January and the process required.

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

LUKE SHAEFER

The Institute for Healthcare Policy & Innovation at the University of Michigan recently [announced](#) that H. Luke Shaefer, Ph.D., director of Poverty Solutions at the university and a professor of social work and public policy, has been named special counselor to the director of the Michigan Department of Health and Human Services (MDHHS). In this position, Dr. Shaefer will work with MDHHS policy leadership teams on a set of anti-poverty and economic mobility initiatives to enhance public benefit programs and identify pathways for sustainable employment for those with major barriers to work. This work builds on a set of program and policy recommendations undertaken over the last several months and on current efforts to provide data support to the department.

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

HEALTHY MICHIGAN PLAN (HMP) IMPACTS

Two recent articles written by staff at the University of Michigan were published in the *Journal of General Internal Medicine*. These staff, in the university's Institute for Healthcare Policy and Innovation, have been involved in conducting an evaluation of the Healthy Michigan Plan for the Michigan Department of Health and Human Services.



[“Primary Care, Health Promotion, and Disease Prevention with Michigan Medicaid Expansion”](#) utilized a telephone survey to evaluate the impact of enrollment in the HMP – Michigan’s Medicaid expansion program for non-elderly adults – on access to and receipt of care, particularly primary care and preventive services. The study concluded that after enrolling in the HMP, beneficiaries reported less forgone care and improved access to primary care and preventive services.

[“Engagement with Health Risk Assessments and Commitment to Healthy Behaviors in Michigan’s Medicaid Expansion Program”](#) utilized a telephone survey to evaluate beneficiary experiences with health risk assessments and healthy behavior engagement in the HMP. The study concluded that primary care providers appeared influential in beneficiaries’ completion of the health risk assessments and healthy behavior engagement, while their knowledge of financial incentives (reduced cost sharing obligations for completing the assessments and engaging in healthy behaviors) was limited.

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

OPIOID TOWN HALLS

On December 19, 2019, the Michigan Department of Health and Human Services (MDHHS) [announced](#) that the agency, in partnership with the Michigan Opioids Task Force, will host a series of town hall meetings in 2020. The meetings will be held at locations across the state to help state officials learn more about how the opioid epidemic has impacted diverse communities and to discuss the state’s efforts to address the crisis. The first town hall meeting will be held in Detroit on January 17, 2020. Details about this meeting as well as information on dates and locations for additional meetings is available in the announcement. Additional information about the state’s opioids response and available resources is available on the state’s [Opioid Resources website](#).

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

OPIOID LAWSUIT

On December 17, 2019, Michigan Attorney General Dana Nessel [announced](#) that she had filed a lawsuit on behalf of the State of Michigan against four major drug distributors – Cardinal Health Inc., McKesson Corporation, AmerisourceBergen Drug Corporation, and Walgreens. Ms. Nessel stated that the “companies knowingly and deliberately used their licenses to distribute drugs in our state without controls” and “their actions subject these companies to liability under Michigan’s Drug Dealer Liability Act.”

The announcement includes information related to the charges as well as a link to the complaint filed in Wayne County Circuit Court.

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

- A proposed policy (**1936-Pharmacy**) has been **re-issued** that would **discontinue coverage of outpatient prescription drugs by the Medicaid HMOs** and instead cover drugs on a fee-for-service basis for managed care enrollees. This proposed policy was initially released in October but is being re-issued to allow for additional time to gain input from stakeholders. Comments are due to MDHHS by January 17, 2020.
- A proposed policy (**1933-Pharmacy**) has been issued to announce that, contingent upon federal approval of a State Plan Amendment, **certain active pharmaceutical ingredients and excipients will be covered on compound drug claims**. Comments are due to MDHHS by January 21, 2020.
- A proposed policy (**1934-LTC**) has been issued that would **create a Medicaid Provider Manual Chapter for Brain Injury Services**. Comments are due to MDHHS by February 6, 2020.

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

- **L 19-46** was released December 19, 2019 to update providers on a change to the Community Health Automated Medicaid Processing System (**CHAMPS**) processing of **newborn** National Uniform Billing Committee (**NUBC**) **Priority of Admission types for institutional claims**.
- **L 19-47** was released December 19, 2019 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to the Centers for Medicare & Medicaid Services **to allow Tribal Health Centers (THCs) to become Tribal Federally Qualified Health Centers (FQHCs)** and be reimbursed under an alternative payment methodology. Designation as a Tribal FQHC would allow the facility **to provide outpatient visits** within the clinic's scope of services **beyond the four walls of the THC, including telemedicine and contracted services**.
- **L 19-48** was released December 20, 2019 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to the Centers for Medicare & Medicaid Services to **modify reimbursement to Critical Access Hospitals (CAHs)**. If approved, MDHHS will **establish an Outpatient Prospective Payment System reduction factor specifically for CAHs to increase facility payments**. MDHHS will also **modify hospital eligibility criteria for Rural Access Pool distributions to remove CAHs as eligible facilities** for such reimbursement.

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



HMA HEALTH MANAGEMENT ASSOCIATES

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