

HEALTH MANAGEMENT ASSOCIATES

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MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of July 1, 2019, there were **1,725,780 Medicaid beneficiaries, including 519,784 Healthy Michigan Plan (HMP) beneficiaries**, enrolled in the 11 Michigan Medicaid Health Plans (HMOs). As the table below shows, this is an overall **decrease of 1,814** since June 1, 2019. The number of HMP beneficiaries enrolled in HMOs decreased by 2,210; however, the number of non-HMP enrollees increased by 396. As the table also shows, the July enrollment total is almost 64,000 below the total for September 2018.

	Sept. 2018	Nov. 2018	Jan. 2019	March 2019	April 2019	May 2019	June 2019	July 2019
All Medicaid Beneficiaries Enrolled	1,789,450	1,755,709	1,751,429	1,761,472	1,755,243	1,724,124	1,727,594	1,725,780
• Total HMP Enrollees	550,742	540,098	526,431	536,784	535,535	521,784	521,994	519,784
• Total CSHCS/ Medicaid Enrollees	21,416	19,040	22,020	21,026	22,547	22,310	22,892	22,953
• Total Medicare/ Medicaid Enrollees (Duals)	39,563	38,965	39,261	38,756	38,645	38,301	39,079	39,034
• Total MICHild Enrollees	34,873	34,847	36,448	35,860	36,074	35,364	35,959	36,866

The number of beneficiaries identified as mandatory managed care enrollees but not yet enrolled in a Medicaid HMO has increased since mid-2018, from a low of 45,305 in July 2018 to 76,488 in July 2019. During the past 12 months, the number of not yet enrolled beneficiaries has varied dramatically by month, with the highest count in January 2019 when it stood at 111,082. In June 2019, the number of mandatory but not yet enrolled beneficiaries was 85,220, so the July 2019 count, at 76,488, reflects a significant improvement.

As the enrollment reports for July ([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 July were Meridian Health Plan of Michigan with more than 28 percent of the total, Molina Healthcare of Michigan with 19 percent, and UnitedHealthcare Community Plan with more than 14 percent of the total number of enrollees.



Healthy Michigan Plan (HMP)

There were 519,784 HMP beneficiaries enrolled as of July 1, 2019 in the Medicaid HMOs. This is a **decrease of 2,210 since June 1, 2019**. As the table above shows, while there have been some increases and decreases over the last several months, the July count of enrollees is almost 31,000 below the count for September 2018. We note that total HMP enrollment (both in managed care and fee-for-service) has been relatively stable over this same time period. However, there has been fluctuation in the number of HMP enrollees mandated to enroll in a Medicaid HMO but not yet assigned to a plan. In December 2018, the number of mandatory but unenrolled beneficiaries was 27,979; the number then jumped to 57,771 in January 2019. Since January, there have been increases and decreases; in May, there were 29,045 mandatory but unenrolled beneficiaries and as of July 1, 2019, there were 33,207.

All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in July 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 (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. There were **22,953 joint CSHCS/Medicaid beneficiaries enrolled as of July 1, 2019** in the Medicaid HMOs, **an increase of 61 since June 1, 2019**.

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

MiChild

There were **36,866 MiChild beneficiaries enrolled as of July 1, 2019** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **increased by 907 between June 1, 2019 and July 1, 2019**.

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in July were Meridian Health Plan of Michigan with almost 29 percent of the total, Molina Healthcare of Michigan with over 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 **39,034 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of July 1, 2019** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 45 between June 1, 2019 and July 1, 2019**.

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in July were Meridian Health Plan of Michigan with almost 31 percent of the total, Molina Healthcare of Michigan with over 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 health care delivery system 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 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.

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 July 1, 2019, the MI Health Link enrollment total was 34,771, a decrease of 841 enrollees since June 1, 2019**.

The tables below illustrate the MI Health Link enrollment fluctuation by month during 2018 and to date in 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. The enrollment totals for January through May 2019 were all below totals for any month in 2018, but the enrollment total for June 2019 was the highest since October 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	July 2019
34,367	34,444	33,672	33,145	33,095	35,612	34,771

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 **July 1, 2019**.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		3,222	757	2,830	6,809
AmeriHealth Michigan			564	2,085	2,649
HAP Empowered, Inc.			932	3,462	4,394
Meridian Health Plan of MI		4,626			4,626
MI Complete Health / Fidelis			443	1,792	2,235
Molina Healthcare of MI			1,743	8,409	10,152
Upper Peninsula Health Plan	3,906				3,906
Total	3,906	7,848	4,439	18,578	34,771

As of July 1, 2019, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (over 29 percent of the combined total); Aetna Better Health of Michigan came in second with over 29 percent; and Meridian Health Plan of Michigan was third with just over 13 percent of the total enrollees.

At present, a little less than 95 percent of the MI Health Link enrollees are living in a community setting, and a little more than 5 percent of the enrollees live in a nursing facility. Almost 6 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.



While all plans have enrollees receiving care in nursing facilities, Aetna Better Health of Michigan had the largest share during July 2019; almost 22 percent of the total enrollees residing in nursing facilities were part of Aetna. This is the second straight month since MDHHS has been providing this level of detail that the Upper Peninsula Health Plan (UPHP) did not have the most enrollees receiving care in nursing facilities. UPHP had the second highest share of enrollees at almost 19 percent; and Molina Healthcare of Michigan was close behind, with over 18 percent of the 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 significantly over time. As of July 1, 2019, the voluntary enrollment percentage was 27.5, a slight reduction from the previous few months.

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 (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 July 1, 2019, these three D-SNPs had a combined enrollment of 23,707 duals** for whom they provide Medicare services.

Almost 54 percent of the duals enrolled in a Michigan D-SNP (12,683 individuals) in July 2019 are enrolled with Molina; almost 38 percent (8,882 duals) are enrolled with Meridian; and 2,142 duals (about 9 percent of the total) are enrolled with United. None of these duals are participating in the MI Health Link demonstration. In addition to these three health plans, beginning January 1, 2019, two additional health plans were approved as D-SNPs serving Michigan – Humana Medical Plan and Health Alliance Plan of Michigan (HAP). Humana had 935 enrollees as of July 1, 2019 and HAP had 28 enrollees.



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 **660,949 as of July 30, 2019**, the last counting day of the month. This is a **decrease of 2,320 since June 24, 2019**. The end-of-month count for July 2019 is the lowest since January 2017.

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 Emeritus, or [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

ACCESS TO BEHAVIORAL HEALTH CARE IN MICHIGAN

On July 30, 2019, Altarum, a nonprofit research and consulting organization based in Ann Arbor, Michigan, [reported](#) the results of a study, supported by the Michigan Health Endowment Fund, focused on access to mental health and substance use disorder treatment in the state; the study also addressed barriers to care and potential strategies for increasing access. In addition to the final report – *Access to Behavioral Health Care in Michigan* – high-level study results are presented in four companion research briefs that summarize findings separately for the Medicare, Medicaid, privately-insured, and total Michigan populations.

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

LAKESHORE REGIONAL ENTITY

In last month's edition of *The Michigan Update*, we reported that the Michigan Department of Health and Human Services (MDHHS) announced cancellation of its contract with Lakeshore Regional Entity (LRE), a prepaid inpatient health plan (PIHP) that manages behavioral health services for approximately 30,000 Medicaid beneficiaries in Allegan, Kent, Lake, Mason, Muskegon, Oceana and Ottawa counties (referred to as Region 3) through community mental health services programs (CMHSPs).



On July 26, 2019, MDHHS [announced](#) the composition of a board to oversee the Region 3 PIHP and that it was seeking nominations for board members by August 15, 2019. The announcement notes that the Region 3 PIHP Board will include the following members:

- 5 representatives from the CMHSPs in the region
- 1 representative of county governments in the region
- 1 individual or family member of an individual receiving services from the PIHP
- 1 member of an advocacy group representing individuals with behavioral health needs or intellectual and developmental disabilities
- 3 representatives of MDHHS
- 3 individuals with expertise in behavioral health or intellectual developmental disability services and/or administration
- 1 representative of the contracted PIHP

The announcement also notes that the Board will oversee the work of a vendor, Beacon Health Options, that has been supporting LRE's operation for several months.

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CARO HOSPITAL

In the March 2019 edition of *The Michigan Update*, we reported that Michigan Department of Health and Human Services Director Robert Gordon was delaying construction of a new psychiatric hospital to replace the aging Caro Center. The delay was to allow time for an outside consultant (Myers & Stauffer) to review the project and recommend next steps.

On July 30, 2019, Director Gordon [announced](#) that, following this review, it has been decided to maintain an 84-bed facility at Caro through either a large-scale modernization or new construction. The remaining 61 beds at Caro will be shifted to other existing state hospitals closer to major population centers. He also stated that facilities with closed units may be brought back into use as needed, and the department will pursue additional resources for community-based programs to help care for high-acuity individuals. A link to the consultant's report is available in the announcement.

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



PROPOSED FEDERAL RULES COULD IMPACT ACCESS TO FOOD ASSISTANCE

On July 23, 2019, the Food and Nutrition Service in the U.S. Department of Agriculture [announced](#) publication of a [proposed rule](#) in the *Federal Register* that would limit eligibility for federal Supplemental Nutrition Assistance Program (SNAP) benefits. SNAP is called the Food Assistance Program (FAP) in Michigan. The rule would restrict eligibility for SNAP benefits to recipients of “substantial, ongoing” cash assistance through the Temporary Assistance for Needy Families (TANF) program. TANF is called the Family Independence Program (FIP) in Michigan. This could mean that thousands of households in Michigan – and tens of thousands across the nation – receiving assistance on a temporary basis could lose benefits. Comments regarding the proposed rule must be submitted before September 23, 2019, and instructions are included in the rule.

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

WORK REQUIREMENTS BLOCKED IN NEW HAMPSHIRE

On July 29, 2019, U.S. District Court Judge James E. Boasberg ruled that New Hampshire cannot move forward with its requirement that certain Medicaid beneficiaries get jobs in exchange for Medicaid benefits. Judge Boasberg has previously issued similar rulings related to work requirements in Arkansas and Kentucky. The federal government has appealed both of those rulings, but it is not yet known whether New Hampshire will be added to the appeal.

Michigan is one of several states that has received federal approval to implement a workforce and community engagement requirement for many able-bodied adults receiving Medicaid through the Healthy Michigan Plan. Michigan’s policy is targeted for implementation on January 1, 2020.

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

MDHHS OFFICE OF INSPECTOR GENERAL RELEASES ANNUAL REPORT

On July 11, 2019, the Michigan Department of Health and Human Services [announced](#) release of the Fiscal Year 2018 Annual Report by its Office of Inspector General (OIG). The report details the OIG’s activities related to prevention, detection and investigation of fraud, waste and abuse in programs administered by MDHHS. The announcement includes a link to the report.

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



TOBACCO REDUCTION PROGRAMMING FOR PEOPLE LIVING WITH HIV

On July 22, 2019, the Michigan Department of Health and Human Services (MDHHS) [announced](#) release of a Request for Proposals (RFP) for public and private nonprofit organizations to implement and evaluate programming to reduce the rates of tobacco use and tobacco-related illnesses among people living with HIV. MDHHS expects to award approximately \$4.2 million through this competitive process to 23 agencies effective October 1, 2019, with funding of up to \$250,000 per year. Information related to the opportunity can be accessed through instructions in the announcement, and grant applications are due by August 16, 2019.

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

DIRECTIVE GIVES MICHIGAN BUSINESSES PREFERENCE

Michigan Governor Gretchen Whitmer has issued a Directive intended to give Michigan businesses preference in the state's procurement process. Currently about 30 percent of the state's contracts are awarded to out-of-state firms. [Executive Directive 2019-15](#), issued on July 29, 2019, requires that in addition to scoring bidders on price, quality, transition costs, experience, market share, timeliness and agreement to terms, the procurement process should also consider the overall economic impact of the potential bid on Michigan businesses and workers, the pay and benefits offered to workers by the company, the company's track record on labor and environmental compliance, and its commitment to economically challenged areas of the state.

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BEAUMONT HEALTH TO EXPAND FOOTPRINT TO OHIO

In early July 2019, Beaumont Health – a system of eight hospitals with more than 3,400 beds, 145 outpatient sites, nearly 5,000 affiliated physicians and 38,000 employees in southeast Michigan – [announced](#) that it and Akron, Ohio-based Summa Health had signed a letter of intent to develop a strategic partnership. If finalized, this deal – considered a merger – would add four hospitals and a health insurance operation under Beaumont as a wholly owned subsidiary. The health insurance operation – SummaCare – manages care for 46,000 people, with about half in a Medicare Advantage plan and the others through commercial products and self-insured employers.

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

- **MSA 19-18** notifies **Home Help Agency Providers** of requirements associated with **documenting provision of personal care services** to Medicaid and Healthy Michigan Plan beneficiaries.
- A proposed policy (**1916-NF**) has been issued that would **revise various Nursing Facility cost reporting, audit and reimbursement policies** to comply with the requirements of Michigan Public Act 612 of 2018. Implementation is contingent upon approval of a State Plan Amendment. Comments are due to MDHHS by August 2, 2019.
- A proposed policy (**1918-Pharmacy**) has been issued that would **streamline prescription drug coverage policies and enhance medical management of complex drug therapies**. Comments are due to MDHHS by August 22, 2019.
- A proposed policy (**1919-DMEPOS**) has been issued that would clarify **coverage criteria related to lower extremity orthotics**. Comments are due to MDHHS by August 22, 2019.
- A proposed policy (**1917-SBS**) has been issued that would **establish the Caring 4 Students Program**. Implementation is contingent upon approval of a State Plan Amendment. Comments are due to MDHHS by August 26, 2019.
- A proposed policy (**1840-Clinic**) has been issued that would require **Integrated Care Organizations, Prepaid Inpatient Health Plans and Community Mental Health Services Programs** to begin using the **institutional billing format**. Doing so will align Medicaid with Medicare billing and **allow these clinics to receive the prospective payment rate for eligible encounters** during cost settlement. Comments are due to MDHHS by September 3, 2019.

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

- **L 19-23** was released July 16, 2019 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to CMS related to **work and time limit requirements that will apply to Healthy Michigan Plan beneficiary eligibility beginning January 1, 2020**.
- **L 19-24** was released July 18, 2019 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to CMS to make a **reduction in the Quality Assurance Supplement percentage payable to Nursing Facilities** for the months of August and September 2019.
- **L 19-22** was released July 23, 2019 to inform **Volunteer and Foster Care Parent Non-Emergency Medical Transportation Providers** earning more than \$600 per year that they will be receiving an Internal Revenue Service form **1099-MISC** at year end for tax reporting (and potential charitable deduction) purposes.



- **L 19-25** was released July 25, 2019 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit renewal applications** to the Centers for Medicare & Medicaid Services for the **Section 1915(b) and 1915(c) MI Health Link Waivers**. The renewal applications are **expected to include revisions and additional performance measures for the Quality Improvement Strategy** as well as information to reflect the correct entities with which the state has contracted to deliver services. The anticipated effective date of the waiver renewals is January 1, 2020.

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





HMA HEALTH MANAGEMENT ASSOCIATES

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