

HEALTH MANAGEMENT ASSOCIATES

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## MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

The Michigan Department of Health and Human Services advised that, due to some technical difficulties, release of the managed care reports for July 2020 has been delayed. The department has not yet released May or June reports either. We will share the enrollment information when it becomes available.

The most recent information available was reported in the April 2020 edition of *The Michigan Update*.

For additional information, [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 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 Michigan Department of Health and Human Services advised that, due to some technical difficulties, release of the MI Health Link enrollment reports for July 2020 has been delayed. The department has not yet released the June report either. We will share the enrollment information when it becomes available.

The most recent information available was reported in the May 2020 edition of *The Michigan Update*.

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

## MICHIGAN MEDICARE ADVANTAGE SPECIAL NEEDS PLANS

There are different types of Medicare Advantage Special Needs Plans (SNPs). Some plans focus on Medicare beneficiaries with certain chronic medical conditions; these are called C-SNPs. Other plans focus on Medicare beneficiaries residing in institutions; these are I-SNPs. Plans that focus on Medicare beneficiaries dually eligible for Medicaid (duals) are called D-SNPs. All three types of plans provide Medicare benefits, and 2020 is the first year they are all available in Michigan, although the service areas in which they are available vary both by plan type and health plan.



Meridian Health Plan of Michigan is offering a C-SNP focused on Medicare beneficiaries with diabetes and had 50 enrollees in July. Align Senior Care Michigan is offering a C-SNP focused on beneficiaries with diabetes or with cardiac issues and had 14 enrollees in July. Align is also offering an I-SNP and had 154 enrollees in July.

Four of the 10 Medicaid Health Plans (HMOs) in Michigan are also federally contracted as D-SNPs: Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Priority Health Choice, and UnitedHealthcare Community Plan. As of July 1, 2020, these four D-SNPs had a combined enrollment of 31,712 duals for whom they provide Medicare services.

More than 42 percent of the duals enrolled in a Michigan D-SNP (13,449 individuals) in July 2020 were enrolled with Molina; almost 33 percent (10,359 individuals) were enrolled with Meridian; almost 9 percent (2,729 individuals) were enrolled with Priority, and more than 16 percent (5,175 individuals) were enrolled with UnitedHealthcare. None of these duals are participating in the MI Health Link demonstration, but some may also be enrolled in these same plans to receive their Medicaid services. In addition to these four health plans, two additional D-SNPs serve Michigan – Humana Medical/Dental Plan and Health Alliance Plan (HAP) of Michigan. Humana had 8,732 enrollees as of July 1, 2020 and HAP had 96 enrollees. HAP is the parent organization for HAP Empowered Health Plan, which is both a Medicaid HMO and one of the Integrated Care Organizations participating in MI Health Link, the state’s integrated health care delivery system demonstration for adults dually eligible for Medicare and Medicaid.

Not all duals enrolled in the 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 (MDHHS) 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 **762,942 as of July 27, 2020**, the last counting date of the month. This is an **increase of 13,395 since June 29, 2020**, the last counting day in June. **The enrollment count for July 27, 2020 is the highest ever enrollment count for the program and almost 102,000 higher than July 2019.**





Normally, the enrollment count drops on the first counting day of each month due to case closures resulting from annual eligibility redeterminations, then grows again by the end of the month as new applications and redeterminations are processed. However, as reported in the April edition of *The Michigan Update*, MDHHS released a program bulletin on April 6, 2020 (MSA 20-19) announcing that virtually all case closures have been temporarily suspended due to the COVID-19 pandemic. This temporary suspension as well as an assumed increase in new enrollment requests over the last few months due to the number of newly unemployed individuals losing health care benefits no doubt explains the dramatic rise in enrollment.

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

## STATE BUDGET

In the June edition of *The Michigan Update*, we reported that Governor Gretchen Whitmer and Legislative leaders were working to resolve a \$2.2 billion budget shortfall for the current fiscal year, which ends September 30, 2020. The [overall solution](#), which is summarized in a memo with attachments prepared by the Senate Fiscal Agency, includes using federal Coronavirus Aid, Relief, & Economic Security (CARES) Act dollars to fill in some gaps along with spending reductions, savings from layoffs, dipping into the Budget Stabilization (Rainy Day) Fund, and other measures. House Bill (HB) 5265 includes additional provisions; it was enrolled and presented to the Governor for signature on July 28, 2020. She is expected to sign it.

Some of the health care adjustments include:

- \$5 million from Corrections resulting from shifting costs for substance abuse treatment services for parolees and probationers from the department to Prepaid Inpatient Health Plans funded through Medicaid
- \$1 million from grants to Community Mental Health Services Programs to support programming for court-ordered assisted outpatient treatment for certain individuals
- \$2.3 million from the MiDocs program supporting training for doctors who commit to a minimum of two years practicing in rural or underserved areas
- \$600,000 from Medicaid Health Plan administrative costs associated with immunization education initiatives
- \$2.5 million from the Healthy Michigan Plan, removing administrative costs associated with the healthy behaviors and work requirement components, and another \$3.2 million from a program providing assistance to those seeking to meet the Medicaid work requirement



Section 401 in HB 5265 includes language that creates a two-way risk corridor for existing contracts with Medicaid Health Plans during the current fiscal year. This risk corridor would be designed to help recapture reduced costs and resultant net revenues accruing to Medicaid Health Plans during the COVID-19 pandemic when many medical procedures were delayed. The risk corridor would allow for the first portion of any net costs or savings to accrue to the Medicaid Health Plans, with the next portion of any net costs or savings being split 50-50 between the Medicaid Health Plans and the state. The final portion of any net costs or savings would be 100 percent at the state's risk.

HB 5265 also includes reductions for caseload adjustments (\$138.8 million) and reductions to reflect changes in Federal Medical Assistance Percentages (\$194.5 million), i.e., federal matching rates.

During the Consensus Revenue Estimating Conference held in May, it was determined that revenues for the fiscal year beginning October 1, 2020 could be short by about \$3 billion. Another estimating conference will be held in August to re-assess the budget situation, and it is hoped that the budget for fiscal year 2020-2021 can be completed before the end of September. Both Governor Whitmer and the Legislature are hopeful that additional federal relief will be forthcoming to compensate for a significant portion of the anticipated budget shortfall. As this newsletter was being finalized, however, the likelihood of that appeared to be in question. (See more in the *HEALS versus HEROES* article below.) Without additional funds from the federal government, Michigan will be required to make significant budget cuts.

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

## HEALS VERSUS HEROES

Republicans in the U.S. Senate and the White House released their draft of the next COVID-19 relief bill, which they are calling the Health, Economic Assistance, Liability Protection and Schools (HEALS) Act on July 27, 2020. This Act authorizes \$1 trillion in new funding. Its health care provisions make more resources available for hospitals and health care workers; provide more funding for testing, diagnostics, treatments, and vaccines; and address liability protections from COVID-19-related claims for health care organizations. The Act does not include provisions for direct aid to states.

In contrast, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act passed by the U.S. House of Representatives in May authorizes about \$3 trillion in new funding, with about one-third of that amount as direct aid to state and local governments.

We will need to monitor the deliberations and wait for a final decision.

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

## COVID-19 – SCOPE OF PRACTICE

In March 2020, Governor Gretchen Whitmer suspended via executive order certain scope of practice laws for health professionals. This suspension allowed physician assistants, advanced practice registered nurses and nurse anesthetists to provide medical services according to their education, training and experience without physician supervision. The executive order also permitted registered nurses and licensed practical nurses to order the collection of throat or nasopharyngeal swab specimens from people suspected of having COVID-19. In addition, the executive order authorized licensed practical nurses to provide medical services in line with their education, training and experience without registered nurse supervision.

On July 13, 2020, Governor Whitmer issued [Executive Order 2020-150](#) that rescinded these measures. She noted that the state's continued progress in slowing the spread of COVID-19 no longer makes it necessary to permit these health professionals to practice beyond the limits of their licenses.

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

## COVID-19 – LONG-TERM CARE

On July 7, 2020, Governor Gretchen Whitmer [announced](#) appointments to the Michigan Nursing Homes COVID-19 Preparedness Task Force, an advisory body to the Michigan Department of Health and Human Services (MDHHS) charged with, among other things, collecting input and analyzing relevant data on the threat of COVID-19 in nursing homes. By August 31, 2020, the group is to provide recommendations for an action plan on how to prepare nursing homes for any future COVID-19 waves. The announcement identifies the task force members.

Also on July 7, 2020, MDHHS [announced](#) a new rapid response staffing resource program for long-term care facilities facing staff shortages due to COVID-19. The program is available in 11 counties (Allegan, Kent, Montcalm, Muskegon, Newaygo and Ottawa counties in West Michigan and Livingston, Macomb, Oakland, Washtenaw and Wayne counties in Southeast Michigan) and will provide short-term consecutive staffing assistance for up to 72 hours through 22nd Century Technologies, Inc. Resources will include registered nurses, certified nursing assistants, personal care aides and resident care assistants. The announcement includes a link to additional information about the program.

And, on July 23, 2020, Governor Gretchen Whitmer signed [Executive Order 2020-156](#), which continues the limited and temporary restrictions on entry of individuals into health care facilities, residential care facilities, congregate care facilities, and juvenile justice facilities previously imposed by Executive Order 2020-136. MDHHS remains empowered to specify exceptions to these restrictions.

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



## INTEGRATED HEALTH HOMES

Federal law allows states the option to develop Medicaid “Health Homes” as sustainable care management/coordination programs for high-need, high-cost Medicaid beneficiaries with chronic health conditions. Health Homes include services not typically covered by Medicaid, including supports from community health workers and resources needed to affect social determinants of health, such as housing, transportation, food assistance, and employment assistance.

In 2014, the Michigan Department of Health and Human Services (MDHHS) implemented two integrated Health Homes for the specialty behavioral health population – the Behavioral Health Home for serious mental illness/serious emotional disturbance and the Opioid Health Home for opioid use disorder. The Health Homes are administered by regional Prepaid Inpatient Health Plans (PIHPs) that collaborate with local partners to deliver services through multidisciplinary care teams with physical and behavioral health expertise.

When initially implemented, the Health Homes were available in only a few geographic locations. MDHHS is in the process of expanding the Behavioral Health Home to PIHP Region 1 (the Upper Peninsula), all of PIHP Region 2 (Michigan’s 21 northernmost counties in the Lower Peninsula), and PIHP Region 8 (Oakland County) with a targeted October 1, 2020 effective date; it is expected that up to 6,000 beneficiaries will be served once implemented. MDHHS is also in the process of expanding the Opioid Health Home to the Upper Peninsula, Calhoun County, Kalamazoo County, and Macomb County with a targeted October 1, 2020 effective date; it is expected that up to 3,000 beneficiaries will be served once implemented.

Additional information about Health Homes is available on the MDHHS [website](#). See also the *Medicaid Policies* article in this newsletter for bulletins announcing the expansions.

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

## MEDICAID POLICIES

The Michigan Department of Health and Human Services (MDHHS) issued 13 final and eight proposed policies in July that merit mention. Five of the final policies were simultaneously released for public comment. They are available for review on the department’s [website](#).

- **MSA 20-38** was issued on July 1, 2020 to inform **Federally Qualified Health Centers, Medicaid Health Plans, Practitioners, Prepaid Inpatient Health Plans, and Others** of Medicaid program **coverage conditions and requirements for Psychiatric Collaborative Care Model (CoCM) Services**. The goal of CoCM services is to improve access to effective care for mild to moderate behavioral health disorders within the primary care setting for beneficiaries receiving care through Medicaid Health Plans or on a fee-for-service basis.



- **MSA 20-46** was issued on July 1, 2020 to advise **All Providers** that **effective April 1, 2020, copayments are not required for drugs used to treat substance use disorder, including tobacco use disorder.** Implementation is **contingent upon federal approval** of a State Plan Amendment.
- **MSA 20-47** was issued on July 1, 2020 to inform the **Medicaid Non-Emergency Medical Transportation (NEMT) Contractor, Health Plans and Others** of **NEMT mileage rate changes.**
- **MSA 20-51** was issued on July 1, 2020 to notify **All Providers** of the department's planned implementation of a **Single Preferred Drug List (PDL), which will require Medicaid Health Plans to follow the same PDL used by the fee-for-service pharmacy program.** Implementation is **contingent upon federal approval** of a State Plan Amendment.
- **MSA 20-42** was issued on July 15, 2020, as part of the state's **COVID-19** response, to advise **Practitioners, Outpatient Hospitals, Clinics, Health Plans and Others** of **temporary reimbursement rate changes for telemedicine** and that **MI Care Team program providers are allowed to deliver the Health Action Plan via telemedicine.** This policy was **simultaneously released for public comment (2044-Telemedicine)** with comments due to MDHHS by August 19, 2020.
- **MSA 20-25** was issued on July 20, 2020, as part of the state's **COVID-19** response, to **supplement MSA 20-14** (issued March 26, 2020) with **temporary billing and coding requirements for durable medical equipment, prosthetics, orthotics and supplies** provided during the pandemic. This policy was **simultaneously released for public comment (2031-DMEPOS)** with comments due to MDHHS by August 24, 2020.
- **MSA 20-32** was issued on July 20, 2020, as part of the state's **COVID-19** response, to **inform providers of durable medical equipment, prosthetics, orthotics, and supplies** of the **temporary removal of prior authorization for walking boots and wheelchair batteries** as well as **temporary coverage of spirometers for cystic fibrosis beneficiaries** used in the home setting. This policy was **simultaneously released for public comment (2036-DMEPOS)** with comments due to MDHHS by August 24, 2020.
- **MSA 20-35** was issued on July 21, 2020, to inform **Home Health Agencies, Hospice Providers, Practitioners, Hospitals, Pharmacies, Medicaid Health Plans and Others** that, consistent with provisions in **Interim Final Rule CMS-5531**, non-physician practitioners (**physician assistants, clinical nurse specialists and nurse practitioners**) may **order home health services, including therapies, durable medical equipment and supplies** within the scope of their practice. The **policy also waives the beneficiary signature requirement associated with delivery of durable medical equipment and supplies.** This policy was **simultaneously released for public comment (2038-DMEPOS)** with comments due to MDHHS by August 25, 2020.
- **MSA 20-26** was issued on July 31, 2020, to inform **Durable Medical Equipment, Prosthetics and Orthotics Providers, Practitioners, Medicaid Health Plans and Integrated Care Organizations** of Medicaid **reimbursement policy for custom fabricated prosthetics, orthotics and wheelchair seating systems** in circumstances where the **beneficiary dies before the product can be delivered.**

- **MSA 20-31** was issued on July 31, 2020, to advise **All Providers in Prepaid Inpatient Health Plan (PIHP) Regions 1, 2 and 9, as well as providers in Calhoun and Kalamazoo Counties in PIHP Region 4** of the department's plans to **expand the Opioid Health Home program** into these areas on October 1, 2020. Implementation is **contingent upon federal approval** of a State Plan Amendment.
- **MSA 20-48** was issued on July 31, 2020, to advise **All Providers in PIHP Regions 1, 2 and 8** of the department's plans to **expand the Behavioral Health Home program** into these areas on October 1, 2020. Implementation is **contingent upon federal approval** of a State Plan Amendment.
- **MSA 20-50** was issued on July 31, 2020, to inform all **PIHPs and Community Mental Health Services Providers** of an **expansion and clarification of the definition of Youth Peer Support Services** for children and young adults with serious emotional disturbance or serious mental illness,
- **MSA 20-52** was issued on July 31, 2020, as part of the state's **COVID-19** response, to inform **Practitioners, Pharmacies, Outpatient Hospitals, Local Health Departments, Clinics, Independent Clinical Laboratories and Others** of additional **flexibilities to increase and facilitate widespread access to COVID-19 diagnostic testing**. This policy was **simultaneously released for public comment (2049-Lab)** with comments due to MDHHS by September 4, 2020.
- A proposed policy (**2041-FQHC**) has been issued that would provide a **new provider designation and reimbursement option for Tribal 638 facilities and outline the coverage expansion for telemedicine service provision**. Comments are due to MDHHS by August 5, 2020.
- A proposed policy (**2045-PXRS**) has been issued that would **remove from the nursing facility per diem payment for transportation services provided by portable x-ray suppliers**. Public Act 67 of 2019, Section 1803, **allows portable x-ray suppliers to directly bill for transportation**. Comments are due to MDHHS by September 1, 2020.
- A proposed policy (**2011-Eligibility**) has been issued that would require **review of any transfer of assets by a Medicaid applicant or the applicant's spouse into an irrevocable trust as a potential divestment**. Comments are due to MDHHS by September 3, 2020.

In addition, MDHHS has released 10 L-letters of potential interest, which are available for review on the same website.

- **L 20-38** was released July 1, 2020 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a waiver renewal application request for the Healthy Kids Dental Program** to the Centers for Medicare & Medicaid Services (CMS). The request would not include any changes to the current program.
- **L 20-37** was released July 7, 2020 to inform current **Program of All-Inclusive Care for the Elderly (PACE)** providers and potential PACE providers that due to concerns with the fiscal year 2020-2021 budget, the **department will not be accepting or approving letters of intent, feasibility studies, new or expansion applications, or enrollment increases until the budget can support growth**.



- **L 20-31** was released July 9, 2020 to address **dental provider questions regarding reimbursement for personal protective equipment** during the COVID-19 pandemic.
- **L 20-43** was released July 9, 2020 as part of the state's **long-term services and supports COVID-19 response**. It discusses **continued flexibilities related to Level of Care Determinations** through October 2020.
- **L 20-42** was released July 30, 2020 to advise that **COVID-19 premium pay amounts** announced in letter L 20-28 and approved effective April 1, 2020, **have been extended to September 30, 2020** by passage of Public Act 123 of 2020. The premium pay is intended to cover a **\$2.00 per hour increase in direct care worker wages, along with a \$.24 per hour increase for agencies** to cover their additional costs associated with implementing this increase. The **letter identifies the services to which the premium pay amounts apply**.
- **L 20-45** was released July 30, 2020 to advise **Home Help individual caregivers** that their **\$2.00 per hour COVID-19 premium pay has also been extended through September 30, 2020**.
- **L 20-46** was released July 30, 2020 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit an amendment application for the Section 1915(c) MI Health Link waiver** to CMS. The letter identifies **several changes** that will be included in the application related to **performance measures and other issues**.
- **L 20-47** was released July 30, 2020 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit traditional State Plan and Alternative Benefit Plan Amendments** to CMS to **allow non-physician practitioners to order home health services, including therapies and durable medical equipment and supplies**.
- **L 20-49** was released July 30, 2020 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to CMS on **outcomes-based contract arrangements with drug manufacturers**.
- **L 20-51** was released July 31, 2020 as a notice to Tribal Chairs and Health Directors of the department's **intent to submit a State Plan Amendment** to CMS to reflect benefit changes for the **Maternity Outpatient Medical Services** program. Recent changes in federal law require that this program also **include behavioral health and substance use disorder services**.

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



# HMA HEALTH MANAGEMENT ASSOCIATES

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