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MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of March 1, 2019, there were **1,761,472 Medicaid beneficiaries, including 536,784 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 3,717** since February 1, 2019. The number of HMP beneficiaries enrolled in HMOs increased by 1,474, but the number of non-HMP enrollees decreased by 5,191. As the table also shows, the March enrollment total is almost 28,000 below the total for September 2018.

	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	March 2019
All Medicaid Beneficiaries Enrolled	1,789,450	1,777,481	1,755,709	1,750,668	1,751,429	1,765,189	1,761,472
• Total HMP Enrollees	550,742	543,570	540,098	534,457	526,431	535,310	536,784
• Total CSHCS/Medicaid Enrollees	21,416	19,683	19,040	18,498	22,020	21,712	21,026
• Total Medicare/Medicaid Enrollees (Duals)	39,563	39,445	38,965	39,472	39,261	39,236	38,756
• Total MICHild Enrollees	34,873	35,043	34,847	35,079	36,448	35,423	35,860

The number of individuals 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 50,755 in October 2018, and to 66,552 as of December 1, 2018. The number of individuals not yet enrolled in a health plan dramatically increased as of January 1, 2019, to 111,082, dropped to 70,307 as of February 1, 2019 and increased to 84,807 as of March 1, 2019.

As the enrollment reports for March ([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 March 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 **536,784 HMP beneficiaries enrolled as of March 1, 2019** in the Medicaid HMOs. This is an **increase of 1,474 since February 1, 2019**; however, as the table above shows, the March count of enrollees is almost 14,000 below the count for September 2018. All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in March 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 **21,026 joint CSHCS/Medicaid beneficiaries enrolled as of March 1, 2019** in the Medicaid HMOs, a **decrease of 686 since February 1, 2019**.

All Medicaid HMOs have CSHCS/Medicaid enrollees, although the numbers vary across plans. The plans with the highest enrollment in March were Meridian Health Plan of Michigan with more than 23 percent of the total, Molina Healthcare of Michigan with more than 22 percent, and UnitedHealthcare Community Plan with more than 13 percent of the total enrollees.

MiChild

There were **35,860 MiChild beneficiaries enrolled as of March 1, 2019** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **increased by 437 between February 1, 2019 and March 1, 2019**.

All Medicaid HMOs have MiChild beneficiaries enrolled, although the numbers vary dramatically across plans. The plans with the highest enrollment in March were Meridian Health Plan of Michigan with 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 **38,756 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of March 1, 2019** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 480 between February 1, 2019 and March 1, 2019**.





All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in March were Meridian Health Plan of Michigan with almost 31 percent of the total, Molina Healthcare of Michigan with more than 24 percent, and McLaren Health Plan with more than 15 percent of the total enrollees.

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

CENTENE TO BUY WELLCARE

In the September 2018 edition of *The Michigan Update*, we reported that WellCare Health Plans, Inc. had completed its acquisition of Meridian Health Plan of Michigan, Inc., Meridian Health Plan of Illinois, Inc., and MeridianRx, the company's pharmacy benefit manager (collectively "Meridian"). Meridian is Michigan's largest Medicaid health plan.

On March 27, 2019, Centene Corporation [announced](#) that it would acquire WellCare in a cash and stock transaction with a total enterprise value of \$17.3 billion pursuant to the terms of a definitive merger agreement. Combined, the company will have approximately 22 million members across all 50 states, a mix of Medicaid, Medicare, and Health Insurance Marketplace enrollees. Upon completion of the transaction, which requires acceptance by shareholders for both companies as well as regulatory approvals and is expected to be finalized by mid-2020, Centene will own approximately 71 percent of the combined entity with WellCare owning approximately 29 percent.

For additional information, contact [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 reports that **as of March 1, 2019, the MI Health Link enrollment total was 33,672, a decrease of 772 enrollees since February 1, 2019.**

The table below illustrates the MI Health Link enrollment fluctuation by month during 2018 and early 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 March 2019 are all below totals for any month in 2018, and well below some of them.

Jan.	Feb.	March	April	May	June			
38,045	38,571	38,562	37,798	39,021	38,327			
						Jan. 2019	Feb. 2019	Mar. 2019
July	August	Sept.	Oct.	Nov.	Dec.			
37,518	37,103	36,394	35,651	34,827	34,655	34,367	34,444	33,672

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 **March 1, 2019**.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		2,911	722	2,625	6,258
AmeriHealth Michigan			531	1,970	2,501
HAP Empowered, Inc.			900	3,381	4,281
Meridian Health Plan of MI		4,796			4,796
MI Complete Health / Fidelis			420	1,653	2,073
Molina Healthcare of MI			1,720	8,201	9,921
Upper Peninsula Health Plan	3,842				3,842
Total	3,842	7,707	4,293	17,830	33,672

As of March 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 19 percent; and Meridian Health Plan of Michigan was third with just over 14 percent of the total enrollees.

At present, a little more than 95 percent of the MI Health Link enrollees are living in a community setting, and a little less 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, the Upper Peninsula Health Plan (UPHP) had the largest share during March 2019; more than 21 percent of the total enrollees residing in nursing facilities were part of UPHP. Aetna Better Health and Molina Healthcare of Michigan were tied for second place, each with 18.7 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 March 1, 2019, the voluntary enrollment percentage was 28.1.

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 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.

It is unclear at this time how long the MI Health Link demonstration will run. The federal waivers supporting the demonstration show current expiration dates of December 31, 2019. The three-way contracts between the ICOs, the State of Michigan and the federal Centers for Medicare & Medicaid Services (CMS) show expiration dates of December 31, 2020 (if both option years are elected). The Michigan Department of Health and Human Services (MDHHS) recently released a report related to managed long-term services and supports (see separate article in this newsletter – *Managed Long-Term Services and Supports*) that encourages the agency to conduct a further review prior to changing the delivery system of such services and supports for the duals. In addition, CMS administrator Seema Verma has recently been quoted as saying that she would like to extend the financial alignment demonstration or offer similar models to other states interested in participating, which could be interpreted as her support for extending the MI Health Link program in Michigan as well.

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 March 1, 2019, these three D-SNPs had a combined enrollment of 21,441 duals** for whom they provide Medicare services.

Almost 57 percent of the duals enrolled in a Michigan D-SNP (12,205 individuals) in March 2019 are enrolled with Molina; over 37 percent (7,988 duals) are enrolled with Meridian; and 1,248 duals are enrolled with United. None of these duals are participating in the MI Health Link demonstration. In addition to these three D-SNPs, beginning January 1, 2019, two additional health plans have been approved as D-SNPs – Humana Medical Plan and Health Alliance Plan of Michigan (HAP). Humana had 129 enrollees as of March 1, 2019 but federal reports did not reflect any enrollees in March for HAP. The federal reports also reflected an expanded service area in Michigan for Meridian.



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.

MANAGED LONG-TERM SERVICES AND SUPPORTS

On March 6, 2019, the Michigan Department of Health and Human Services (MDHHS) [released](#) a report on its investigation into the possibility of establishing a managed long-term services and supports (LTSS) program. In 2017, the Michigan legislature asked that MDHHS explore operational implications and the possible implementation of such a system. The report, *Michigan Medicaid Long-term Services and Supports*, reviews the existing national landscape of Medicaid programs and presents ideas from a broad group of stakeholders gleaned through a survey and individual interviews. MDHHS notes that going forward, the state will look at designing and implementing improvements to existing LTSS systems, convening stakeholder work groups, and evaluating the MI Health Link demonstration program as a possible managed LTSS model.

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

NURSING FACILITY ENRICHMENT PROGRAM

On March 27, 2019, the Michigan Department of Health and Human Services [announced](#) that its Long-Term Care Policy Section (in the Medical Services Administration) has released a Request for Proposals associated with a new nursing facility quality of life enrichment program. The purpose of the program is to fund projects and activities to benefit and enrich the lives of nursing facility residents, and grants starting at \$5,000 will be available for a one-year period starting October 1, 2019. Grant applications are due by May 3, 2019.

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 **689,576 as of March 25, 2019**, the last counting day of the month. While this is 2,350 fewer enrollees than reported on the last Monday of February, it is higher than the “last Monday” enrollment numbers reported from June 2018 through January 2019.



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.

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WORKFORCE/COMMUNITY ENGAGEMENT REQUIREMENT

In last month's edition of *The Michigan Update*, we reported on current activities related to implementation of a workforce or other community engagement requirement for certain Healthy Michigan Plan beneficiaries beginning in 2020. The requirement results from enactment of a state law and approval of the requirement as a condition of Medicaid eligibility by the federal Centers for Medicare & Medicaid Services. Michigan's requirement is one of several across the country.

On March 27, 2019, news media [reported](#) that a federal judge in Washington, DC has overturned federal approvals of work requirements in two states, Arkansas and Kentucky, sending them back to the federal government for reconsideration. The Kentucky work requirement program has not yet been implemented but the judge ordered an immediate halt to the Arkansas program which has resulted in thousands of Arkansans losing their Medicaid coverage. How or if this ruling will impact other states, including Michigan, that have also received federal approval for workforce/community engagement requirements is at this time unknown.

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

FEDERAL BUDGET

On March 11, 2019, President Donald Trump presented his fiscal year 2019-2020 [executive budget request](#) to Congress. The proposed budget for the US Department of Health and Human Services has significant impacts on critical state health programs. The National Academy for State Health Policy prepared and released a good [summary](#) of those impacts on March 18, 2019. The summary addresses several specific issues within the following areas:

- Affordable Care Act and Insurance Markets
- Medicaid
- Proposals Affecting Individuals Dually Eligible for Medicare and Medicaid
- Prescription Drugs
- Children's Health Insurance Program (CHIP)
- Prevention and Public Health
- Health and Housing Issues and Other Programs Addressing Social Determinants of Health
- Other Programs



The summary is quite detailed and merits close review. As with any executive budget recommendation, Congress will be charged with finalizing the budget, and many of the provisions in this document are expected to prompt considerable debate in both the Senate and House of Representatives.

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

MICHIGAN BUDGET

Governor Gretchen Whitmer's budget for fiscal year (FY) 2019-2020 focuses largely on infrastructure and education issues. The Governor has established goals for 2030 related to improvement of Michigan's roads, clean drinking water for every community, 60 percent post-secondary attainment for the adult population, and improvement in K-12 education, as would be demonstrated by making Michigan a top 10 state in third grade literacy. She proposes a fuel tax increase to fund these initiatives, along with an increased Earned Income Tax Credit and repeal of the tax on retirement benefits. The full text of the Governor's Budget and her presentation to the legislature are available from the [State Budget Office](#).

The Governor's Medicaid budget includes very few policy changes. Most of the funding changes represent continuation of current policy. Some of the larger changes are detailed below.

Policy Changes with Budget Implications:

- **Healthy Michigan Plan (HMP) Work Requirement.** The HMP work requirement is effective January 1, 2020. The budget includes **\$10.0 million** for employment and training-related services and supports.
- **Office of Inspector General Medicaid Managed Care Audit.** The Governor's budget adds 30 positions to the Office of Inspector General (OIG) to expand OIG oversight to include Medicaid managed care. (Previously only fee-for-service Medicaid was under the purview of the OIG.) The cost of the increased staff is \$3.4 million. Estimated recoupments are \$25 million, for a net budget **reduction of \$21.6 million**.
- **Non-emergency Medical Transportation.** Funding for this pilot program aimed at increasing public transportation utilization is **eliminated (\$1.4 million)**.
- **Hospice Room and Board.** Medicaid will no longer pay for hospice room and board costs that are not eligible for federal Medicaid reimbursement, for a **savings of \$3.3 million**.
- **Opioid Prescribing.** The budget assumes a **savings of \$2.0 million** due to the recent policy change that limits Medicaid coverage of certain opioid prescriptions to seven days, and also reduces the Morphine Equivalent Daily Dose limits per Centers for Disease Control and Prevention guidelines.
- **Psychiatric Residency Program.** The Governor's budget **eliminates \$8.4 million** that was added in 2018 to support a psychiatric residency program through Beaumont Health.



Rate Adjustments:

- **Actuarial Soundness.** The proposed budget includes **\$211.5 million** to fund increased costs to maintain actuarially sound rates for various capitated programs:
 - **Prepaid Inpatient Health Plans:** An increase of 2.75 percent for general Medicaid services and an increase of 5.75 percent for autism services.
 - **Medicaid Health Plans and Healthy Kids Dental:** A rate increase of 2.0 percent.
- **Adult Home Help Minimum Wage Increase:** The current budget supports a minimum wage of \$9.25 per hour which will increase to \$9.65 per hour on January 1, 2020. Additionally, there are funds for an increase in rates for home health agencies. The total cost is **\$28.2 million**.
- **Special Hospital Payments.** The budget includes a net increase of **\$101.5 million** in special hospital payments through the Hospital Rate Adjustment (increase of \$67.5 million), outpatient Disproportionate Share Hospital payments (increase of \$40.7 million), Medicaid Access to Care Initiative (reduction of 3.7 million), and the Rural Hospital Obstetrical Stabilization Pool (reduction of \$3.0 million). In the aggregate, the state general fund cost of the special hospital payments is reduced by \$9.1 million.
- **Medicaid Long-Term Care Rates.** The budget includes three rate adjustments for nursing facilities:
 - **Capital Asset Value Limit.** The method for establishing the reimbursement limit for nursing facility capital assets is modified, resulting in an increase of **\$4.9 million** in payments to facilities.
 - **Variable Cost Limit.** The budget proposes that the ceiling for reimbursement of variable costs (non-capital costs) be decreased from the 80th percentile to the 70th percentile of costs for all facilities, for a **savings of \$15.3 million**.
 - **Quality Assurance Assessment Program (QAAP).** The budget includes an **increase of \$59.3 million** in nursing facility QAAP payments.

Funding Updates:

- **Traditional Medicaid Cost Adjustment:** The budget includes an increase of **\$224.4 million** for costs of the traditional Medicaid program, of which \$150.6 million is the cost to the state general fund. The budget assumes an annual increase of 3.8 percent in the cost of Medicaid due to caseloads, utilization, and inflation. The large general fund share is due to decreasing federal matching fund rates based on an improvement in Michigan's per capita personal income.
- **Healthy Michigan Plan Cost Adjustment:** In the aggregate, the Governor's budget projects a reduction of **\$75.2 million** in total funding for the Healthy Michigan Plan (HMP). This reduced funding assumes an increase of 3.8 percent per year from the costs actually incurred in FY 2017-18. While total HMP costs will decline from what was budgeted for FY 2018-19, the state share of HMP will increase by \$68.1 million due to the decline in the federal matching funds rate. (The average federal share is 93.25 percent in state FY 2018-2019. For next fiscal year it will decrease to 90.75 percent.)





- **Medicaid Managed Care Health Insurer Fee:** The budget includes **\$180.5 million** to cover the cost of the Affordable Care Act health insurer fee paid by Medicaid Health Plans. The budget assumes that the moratorium on this fee will expire.
- **MiDocs:** Medicaid agency staff are working with this consortium to expand physician residency training opportunities for primary care. The Governor’s Budget proposes that funding for this initiative be **reduced by \$15.5 million** on the assumption that there will be unspent funds from the current fiscal year that can be carried forward.

More detail on the changes from the current year budget is available from the [House Fiscal Agency Website](#).

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

MEDICAID AND CHIP ENROLLMENT TRENDS

A March 8, 2019 [article](#) published by Pew Charitable Trusts indicates that enrollment of children in Medicaid and the Children’s Health Insurance Program (CHIP, which is MICHild in Michigan) fell nationally by nearly 600,000 children during 2018, a decrease of 1.7 percent. The Pew report characterizes this as a precipitous and unusual enrollment decline. However, many states indicate that the decline is due to an improving economy. For Michigan, the data from the federal Centers for Medicare & Medicaid Services used in the Pew report indicates a decreased child enrollment of only 0.2 percent (1,834 fewer enrollees), well below the national average.

Data from the Michigan Department of Health and Human Services [Green Book](#) indicates a greater decrease in the enrollment of children in Michigan Medicaid and MICHild from December 2017 to November 2018 than what was included in the Pew Trust report – a decrease of 4,054 children. However adult enrollment in Medicaid and the Healthy Michigan Plan declined by 19,330 individuals over that same period of time. Children represented a greater portion of Michigan Medicaid enrollees at the end of 2018 than at the end of 2017.

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

MDHHS RESTRUCTURING

In the January 2019 edition of *The Michigan Update*, we reported that Governor Gretchen Whitmer appointed **Robert Gordon** as the new Director of the Michigan Department of Health and Human Services (MDHHS). In last month’s newsletter, we reported that Director Gordon is creating three chief deputy director roles, up from one during the former administration. The three chief deputy positions will oversee Health, Opportunity, and Administration. He is also adding a Chief of Staff. We also reported that **Elizabeth Hertel** would be assuming the role of Chief Deputy for Administration.



On March 21, 2019, Governor Whitmer and Director Gordon [announced](#) the appointment of **Joneigh Khaldun, MD** as Chief Deputy Director for Health and Chief Medical Executive for MDHHS. Dr. Khaldun currently serves as Director and Health Officer for the Detroit Health Department and is a practicing emergency physician at Henry Ford Hospital. She will oversee the department's Population Health, Medical Services, and Behavioral Health and Developmental Disabilities administrations as well as the Aging and Adult Services Agency. In her role as Chief Medical Executive, Dr. Khaldun will also serve as a member of the Governor's Cabinet. Dr. Khaldun is expected to assume this position on April 15, 2019.

In addition, Director Gordon announced **Erin Frisch** as the Chief Deputy Director for Opportunity. In this role, she will oversee the Field Operations Administration and the Children's Services Agency. She will also be responsible for developing the department's opportunity agenda and for integrating services across multiple operating divisions. Ms. Frisch has served as the Title IV-D Director for Michigan and Director of the Office of Child Support at MDHHS.

Director Gordon has also [announced](#) the appointment of a new senior deputy director for the Children's Services Agency that oversees the state's child welfare system, including protective services, the foster care system, adoption services, and juvenile justice programs. **JooYeung Chang** will assume the responsibilities for this position in May, replacing Jennifer Wrayno, who served as acting director after Herman McCall left the agency in February. Ms. Chang is currently managing director of Casey Family Programs, which is the largest charitable organization focused on improving child welfare systems in the nation. She also previously served as director of the Children's Bureau, a federal agency focused on improving the lives of children and their families.

Director Gordon has announced his intent to appoint a Chief of Staff; however, that position has not yet been filled. In addition, while the process to hire a new Medicaid Director is underway, no announcement has yet been made regarding an appointment. Accordingly, Kathy Stiffler continues to serve as Acting Medicaid Director and Acting Deputy Director over the Medical Services Administration.

Director Gordon also appointed **Emily Schwarzkopf** as director of Legislative, Appropriations, and Constituent Services. She was most recently a senior policy analyst at the Michigan League for Public Policy and previously a policy advisor and appropriations coordinator for the House Democratic caucus.

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





REDUCING INFANT MORTALITY

On March 12 and 13, 2019, more than 500 public and private health professionals from across the country gathered in East Lansing to share best practices to ensure pregnant women and new mothers in Michigan stay healthy to keep their babies healthy. The second annual Maternal Infant Health Statewide Conference was hosted by the Michigan Department of Health and Human Services, the Maternal Infant Strategy Group, and the Alliance for Innovation on Maternal Health. At the conference, Governor Gretchen Whitmer unveiled the [2019 Mother Infant Health Equity and Improvement Plan](#). The plan provides a number of statistics, including that Michigan ranks 33rd out of all states in infant mortality with an overall rate of 6.8 deaths per 1,000 live births over the last decade; the Michigan rate in 2016 was 6.4 deaths per 1,000 live births while the national rate was 5.9 deaths during the same year. A Michigan map in the plan shows “hot spots” in the state where infant mortality is high. The plan reports that African American women in Michigan are three times more likely to die from pregnancy or birth-related causes than Caucasian women, and the same ratio applies to their infants. The plan also notes that a recent review by the Michigan Maternal Mortality Surveillance Committee found that, of pregnancy-related deaths, 44 percent were preventable.

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

INTEGRATED CARE FOR KIDS (INCK)

On March 14, 2019, the Michigan Department of Health and Human Services (MDHHS) [announced](#) its release of a Request for Information (RFI) from local organizations interested in developing and implementing a payment and local service delivery model that supports innovations to improve the health of children. MDHHS intends to select up to five qualified organizations through the RFI and then work with them to develop applications for submission to the Centers for Medicare & Medicaid Services (CMS) for consideration of funding for this new federal initiative. Responses are due by April 19, 2019. Additional information about the Integrated Care for Kids (InCK) initiative is available on the CMS [website](#).

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

OPIOID EPIDEMIC

On March 14, 2019, Governor Gretchen Whitmer [reported](#) that Bloomberg Philanthropies has awarded Michigan \$10 million to help curb opioid overdose deaths. Michigan has one of the highest numbers of overdose deaths in the country, and Governor Whitmer noted that the “funds will help our state advance a comprehensive plan and implement critical interventions that can make the biggest impact to reduce overdose deaths.” Michigan is the second state to receive an award for this purpose; Pennsylvania was the first.

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



NONOPIOID DIRECTIVE

On March 28, 2019, the Michigan Department of Health and Human Services (MDHHS) [announced](#) release of a state form patients can complete that directs health professionals and emergency medical services personnel to not administer opioids to them. Public Act 554 of 2018 amended the Public Health Code to provide for the form and required MDHHS to make it available on its website. Additional information about the form as well as the form itself is available through a link in the announcement.

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

CARO HOSPITAL

The 2017-2018 fiscal year budget called for construction of a new psychiatric hospital to replace the aging Caro Center. On March 13, 2019, Michigan Department of Health and Human Services (MDHHS) Director Robert Gordon [announced](#) a delay in the Caro Center Reconstruction project to allow for an outside consultant to review the project and recommend next steps. MDHHS cited staffing shortages and barriers to recruitment of staff at the current hospital as well as challenges to family and community engagement since less than a third of the current patients live within 75 miles of Caro. Assuring a safe, sustainable water source at an acceptable cost has also been identified as an issue. The consultant's report is expected by June. Following the announcement, the news media reported that legislators representing the Caro area were clearly disappointed and dismayed.

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

AUTHORITY HEALTH

On March 21, 2019, Authority Health, a public body established by the State of Michigan, Wayne County and the City of Detroit to create a health care safety net for the uninsured and underserved population of Wayne County, named Loretta Bush as its new Chief Executive Officer (CEO). Ms. Bush will replace Chris Allen, Authority Health's founding president for the past 15 years, who will retire in April. Ms. Bush currently serves as the CEO of the Michigan Primary Care Association and previously served in several leadership roles at the Detroit Department of Health and Wellness Promotion, the Department of Health Services, and the Wayne County Department of Public Health.

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

- **MSA 18-53** notifies **All Providers** of requirements related to the state's **Estate Recovery Program**, and specifically **how excess patient funds should be handled following a beneficiary's death**.
- **MSA 19-04** advises **Medical Suppliers, Practitioners, and Medicaid Health Plans** that effective April 1, 2019 the **program will begin covering personal use continuous glucose monitoring systems**. The bulletin includes requirements associated with the new policy.
- **MSA 19-06** reminds **All Providers** that they are expected to comply with **non-discrimination requirements in federal law as they relate to the provision of health care services**.
- **MSA 19-07** informs **All Providers** of **Quarterly Updates** to the **Medicaid Provider Manual**. The policy also covers **changes for the Healthy Michigan Plan (HMP)** as required by Michigan Public Act 208 of 2018.
- A proposed policy (**1848-HH**) has been issued that would **improve Home Help Agency compliance with required provider enrollment policies by consolidating previous guidance into a bulletin devoted exclusively to this issue**. Comments are due to MDHHS by April 4, 2019.
- A proposed policy (**1904-Hospital**) has been issued that would **increase the outpatient hospital visit copayment amount from \$1 to \$2 for beneficiaries receiving care on a fee-for-service basis**. The change would apply to **both "traditional" Medicaid beneficiaries and HMP beneficiaries with income below 100 percent** of the federal poverty level. Comments are due to MDHHS by April 19, 2019.
- A proposed policy (**1906-Ambulance**) has been issued that would **clarify medical necessity and documentation requirements for ambulance transports** and expand on ambulance **mileage reimbursement**, the documentation and ordering of **inter-facility transfers**, and **non-covered services**. Comments are due to MDHHS by April 30, 2019.

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

- **L 19-07** was released March 1, 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 **change administration of the Michigan Poison Control Center to Wayne State University**.
- **L 19-08** was released on March 26, 2019 to **clarify Medicaid billing policy** for services in **hospital neonatal intensive care units**.

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