

HEALTH MANAGEMENT ASSOCIATES

THE
**MICHIGAN
UPDATE**
2019 

MAY



Table of Contents

MEDICAID MANAGED CARE ENROLLMENT ACTIVITY 3

MI HEALTH LINK 5

MICHIGAN D-SNPS..... 7

HEALTHY MICHIGAN PLAN ENROLLMENT 8

MDHHS RESTRUCTURING..... 8

DAVID NEFF, DO 9

TITLE V BLOCK GRANT APPLICATION 9

PRIMARY CARE PHYSICIANS IN MICHIGAN 9

GENERIC DRUG PRICE LAWSUIT 10

PRESCRIPTION DRUG SPENDING AND USE..... 10

CMS GUIDANCE ADDRESSING SPREAD PRICING..... 11

MEDICAID POLICIES 11





MEDICAID MANAGED CARE ENROLLMENT ACTIVITY

As of May 1, 2019, there were **1,724,124 Medicaid beneficiaries, including 521,784 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 31,119** since April 1, 2019. The number of HMP beneficiaries enrolled in HMOs decreased by 13,751, and the number of non-HMP enrollees decreased by 17,368. As the table also shows, the May enrollment total is more than 65,000 below the total for September 2018. One reason for the enrollment decline is the nearly 22,000 decrease in total enrollment in “traditional” (non-HMP) Medicaid from September 2018 to April 2019.

	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	March 2019	April 2019	May 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	1,755,243	1,724,124
• Total HMP Enrollees	550,742	543,570	540,098	534,457	526,431	535,310	536,784	535,535	521,784
• Total CSHCS/ • Medicaid Enrollees	21,416	19,683	19,040	18,498	22,020	21,712	21,026	22,547	22,310
• Total Medicare/ • Medicaid Enrollees (Duals)	39,563	39,445	38,965	39,472	39,261	39,236	38,756	38,645	38,301
• Total MICHild Enrollees	34,873	35,043	34,847	35,079	36,448	35,423	35,860	36,074	35,364

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 66,552 in December 2018. The number of beneficiaries not yet enrolled in a health plan dramatically increased as of January 2019, to 111,082, and has generally been dropping each month since. As of May 1, 2019, the number of mandatory but not yet enrolled beneficiaries was 66,015.

As the enrollment reports for April ([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 May 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 521,784 HMP beneficiaries enrolled as of May 1, 2019 in the Medicaid HMOs. This is a **decrease of 13,751 since April 1, 2019**. As the table above shows, while there have been some increases and decreases over the last several months, the May count of enrollees is almost 29,000 below the count for September 2018. We note that total HMP enrollment (both managed care and fee-for-service) has been relatively stable over this same time period. However, there has been an increase in the number of HMP enrollees mandated to enroll in a Medicaid HMO but have not yet been assigned to a plan. All Medicaid HMOs have HMP beneficiaries enrolled, although the numbers vary across plans. The plans with the highest enrollment in May 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 **22,310 joint CSHCS/Medicaid beneficiaries enrolled as of May 1, 2019** in the Medicaid HMOs, a **decrease of 237 since April 1, 2019**.

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

MiChild

There were **35,364 MiChild beneficiaries enrolled as of May 1, 2019** in Medicaid HMOs. As the table above reflects, the number of enrolled MiChild beneficiaries **decreased by 710 between April 1, 2019 and May 1, 2019**.

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





Medicare/Medicaid

Aside from Michigan’s Medicare/Medicaid financial alignment demonstration, MI Health Link, there were an additional **38,301 Medicaid beneficiaries dually eligible for Medicare (duals) enrolled as of May 1, 2019** in Medicaid HMOs for their acute care Medicaid benefits. As the table above reflects, the number of enrolled duals **decreased by 344 between April 1, 2019 and May 1, 2019.**

All Medicaid HMOs have duals enrolled, although the numbers vary significantly across plans. The plans with the highest enrollment in May were Meridian Health Plan of Michigan with just over 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 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 May 1, 2019, the MI Health Link enrollment total was 33,095, a decrease of 50 enrollees since April 1, 2019.**



The tables below illustrate 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 May 2019 are all below totals for any month in 2018, and the enrollment total for May 2019 is almost 6,000 below the total for May 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
34,367	34,444	33,672	33,145	33,095

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 **May 1, 2019**.

MI Health Link Enrollment	Upper Pen. Region	SW MI Region	Macomb Region	Wayne Region	Total
Aetna Better Health of MI		2,821	707	2,565	6,093
AmeriHealth Michigan			513	1,912	2,425
HAP Empowered, Inc.			880	3,302	4,182
Meridian Health Plan of MI		4,690			4,690
MI Complete Health / Fidelis			405	1,607	2,012
Molina Healthcare of MI			1,704	8,210	9,914
Upper Peninsula Health Plan	3,779				3,779
Total	3,779	7,511	4,209	17,596	33,095

As of May 1, 2019, Molina Healthcare of Michigan had the most enrollees, both voluntarily and passively enrolled (30 percent of the combined total); Aetna Better Health of Michigan came in second with more than 18 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 May 2019; almost 21 percent of the total enrollees residing in nursing facilities were part of UPHP. Molina Healthcare of Michigan placed second with almost 20 percent; and Aetna Better Health of Michigan came in third with almost 18 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 May 1, 2019, the voluntary enrollment percentage was 29.1.

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.

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 May 1, 2019, these three D-SNPs had a combined enrollment of 22,754 duals** for whom they provide Medicare services.

About 55 percent of the duals enrolled in a Michigan D-SNP (12,489 individuals) in May 2019 are enrolled with Molina; almost 38 percent (8,531 duals) are enrolled with Meridian; and 1,734 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 were approved as D-SNPs – Humana Medical Plan and Health Alliance Plan of Michigan (HAP). Humana had 331 enrollees as of May 1, 2019 but federal reports did not reflect any enrollees in May for HAP. The federal reports for 2019 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.



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 **673,392 as of May 28, 2019**, the last counting day of the month. This is a **decrease of 12,749 since April 29, 2019**. The end-of-month count for May is the lowest since October 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.

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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 more recent newsletters, we have reported on some of Mr. Gordon's senior staff appointments.

On May 17, 2019, Director Gordon [announced](#) the appointment of a new deputy director for the Medical Services Administration (MSA) – the state's Medicaid Director. **Kate Massey** will assume the position on June 7, 2019. Ms. Massey most recently was chief executive officer for Magellan Complete Care of Virginia and previously served as vice president for Medicaid and Medicare at Kaiser Permanente of the Mid-Atlantic states. She also worked for Amerigroup, where she established its Public Policy Institute and served as executive director. Earlier in her career, Ms. Massey worked for the federal government. She will report to the Chief Deputy Director for Health at MDHHS, Dr. Joneigh Khaldun. Kathy Stiffler, who has been acting Medicaid Director, will resume her previous position as director of the Bureau of Medicaid Care Management and Customer Service, and deputy Medicaid director, at MSA.

On May 24, 2019, Director Gordon [announced](#) the appointment of a new deputy director for Aging & Adult Services. **Alexis Travis, PhD**, will serve as the executive director of the Aging & Adult Services Agency at MDHHS and assume the position on June 3, 2019. Dr. Travis came to MDHHS in 2018 and has been serving as director of the Bureau of Health and Wellness, where she managed the Division of Chronic Disease and Injury Control. Prior to joining MDHHS, Dr. Travis was the chief of community health for the Worcester Department of Health and Human Services in Massachusetts.

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



DAVID NEFF, DO

On May 29, 2019, the media [reported](#) that David Neff, MD, chief medical director within the Medical Services Administration at the Michigan Department of Health and Human Services (MDHHS) has been placed on paid leave by the department. This action was taken because a formal complaint has been filed against him and is under review by the Michigan Department of Licensing and Regulatory Affairs. While Dr. Neff works full-time for MDHHS, he also maintains a part-time private medical practice, and the complaint relates to his work in that capacity.

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

TITLE V BLOCK GRANT APPLICATION

On May 20, 2019, the Michigan Department of Health and Human Services (MDHHS) [announced](#) an invitation to the public to comment on the Title V Maternal and Child Health Services Block Grant application. Title V of the Social Security Act provides funding to states to improve the health of mothers, infants, and children, including children with special health care needs. As federally required, a five-year needs assessment was completed in 2015 and a summary is included in the application. Based on that assessment, seven priorities for the state were established to improve the health of this population. The priorities are identified in the announcement. Comments on the [draft application](#) are requested by June 5, 2019.

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

PRIMARY CARE PHYSICIANS IN MICHIGAN

On May 9, 2019, the Center for Health and Research Transformation (CHRT) at the University of Michigan released the findings from its latest [survey of Michigan primary care physicians](#). This annual survey tracks trends in practice patterns, capacity, payer mix and care team composition. The latest survey also asked physicians about care continuity and Medicaid work requirements legislation. Key findings include:

- Primary care capacity in Michigan is good today, but there is some evidence it may decrease in the future.
- PCPs report more multi-disciplinary care team members than in 2016.
- High deductibles and other cost issues threaten continuity of care.
- The majority of PCPs are concerned about the impact Medicaid work requirements may have on care continuity and the complexity of the certification process.

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



GENERIC DRUG PRICE LAWSUIT

On May 13, 2019, Michigan Attorney General Dana Nessel [announced](#) that Michigan has joined attorneys general in 43 other states and Puerto Rico in a lawsuit against 20 manufacturers of generic drugs, claiming a largescale conspiracy to inflate and manipulate prices of 100 different generic drugs. A further explanation of the charges as well as lists of the corporate and individual defendants and the impacted drugs appears in the announcement.

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

PRESCRIPTION DRUG SPENDING AND USE

On May 20, 2019, the Kaiser Family Foundation [released](#) a new analysis comparing prescription drug spending and use across large employer plans, Medicare and Medicaid. Highlights from the analysis include:

- Private health insurance, Medicare, and Medicaid accounted for 82 percent of total retail prescription drug spending in the United States in 2017, while individuals paid 14 percent of the total as out-of-pocket payments.
- For spending on specific drug products, the top five drug products with the highest total spending alone account for at least 10 percent of total prescription drug spending in large employer plans, Medicare Part D, and Medicaid.
- While some of the same drug products appear among the top 10 drug products with the highest total spending in large employer plans, Medicare Part D, and Medicaid, there is also variation between the three categories that reflects differing covered populations.
- Out-of-pocket drug spending per user among people in large employer plans and Medicare Part D is highest for drugs to treat cancer, multiple sclerosis and rheumatoid arthritis.
- Antidiabetic agents, antivirals and psychotherapeutics are among the top therapeutic classes by total spending in all three groups (large employer plans, Medicare Part D, and Medicaid).

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





CMS GUIDANCE ADDRESSING SPREAD PRICING

On May 15, 2019, the Centers for Medicare & Medicaid Services (CMS) in the U.S. Department of Health and Human Services released an [Informational Bulletin](#) with guidance for managed care plans (health plans) contracted to serve Medicaid and Children’s Health Insurance Program (CHIP) beneficiaries. The guidance relates to medical loss ratio (MLR) calculation requirements and reporting related to third-party vendors. The guidance clarifies how current regulations require “spread pricing” to be accounted for in the MLR calculations. CMS states that “spread pricing occurs when health plans contract with pharmacy benefit managers (PBMs) to manage their prescription drug benefits and the PBMs keep a portion of the amount paid to them by the health plans for prescription drugs instead of passing the full payments on to the pharmacies. If spread pricing is not appropriately monitored and accounted for, a PBM can profit from charging health plans an excess amount above the amount paid to the pharmacy dispensing a drug, which increases Medicaid costs for taxpayers.”

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

- **MSA 19-10** advises **All Providers** of new **enrollment and coverage** policies for licensed **Advanced Practice Registered Nurses** with the specialty certification of **Clinical Nurse Specialist**. The policy also updates information related to the **Collaborative Practice Agreement**.
- **MSA 19-11** summarizes for **Home Help Agency Providers** the **enrollment requirements for employees and caregivers** providing personal care services.
- **MSA 19-12** clarifies for **Bridges Eligibility Manual Holders** Medicaid **promissory note policy** as it relates to Medicaid beneficiary assets.
- **MSA 19-13** notifies **Hospitals, Practitioners, and Medicaid Health Plans** of a Medicaid **copayment increase for outpatient hospital visits**. The increase is **applicable to only certain categories of Medicaid beneficiaries**.
- **MSA 19-14** informs **Ambulance Providers, Hospitals, and Nursing Facilities** of changes in policy related to **medical necessity of ambulance transports, documentation requirements, reimbursement for mileage, interfacility transfers, and non-covered services**.
- **MSA 19-15** advises **All Providers** of the **quarterly update to the Medicaid Provider Manual**. The policy also advises that **J1322 (Vimizim)** is added to the Medicaid Health Plan Carve-out list.
- **MSA 19-16** informs **Hospitals** that, **contingent upon federal approval**, MDHHS will **expand its Graduate Medical Education Innovations Sponsoring Institutions program to include the Graduate Medical Education Innovations Michigan Doctors Program**.



- A proposed policy (**1901-HH**) has been issued to **introduce the MSA-4676 Home Help Services Statement of Employment and the MSA-1904 Home Help Agency Invoice**. The new forms are intended to ensure MDHHS has all required service-related information prior to authorizing payment. Comments are due to MDHHS by June 4, 2019.
- A proposed policy (**1903-MI Choice**) has been issued that would **revise the MI Choice Waiver Chapter of the Medicaid Provider Manual** to reflect changes approved through the MI Choice Waiver renewal process. Comments are due to MDHHS by June 13, 2019.
- A proposed policy (**1912-Hospital**) has been issued that would **establish Medicaid provider types for Portable X-ray Suppliers and Independent Diagnostic Facilities** to comply with Section 1803 in Michigan Public Act 207 of 2018. Comments are due to MDHHS by June 20, 2019.
- A proposed policy (**1911-Autism**) has been issued that would **extend the deadline by which Licensed Psychologists, Limited License Psychologists, and Qualified Behavioral Health Professionals must be certified as Board Certified Behavioral Health Analysts**. The date is being extended to ensure there is adequate access to a network of providers of behavioral health treatment services. Comments are due to MDHHS by June 24, 2019.
- A proposed policy (**1907-Enrollment**) has been issued that would **enforce the federal requirement that prescribers be enrolled with the state Medicaid agency**. Comments are due to MDHHS by June 26, 2019.

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

- **L 19-17** was released May 3, 2019 to advise providers of **changes being made to increase access to Medication Assisted Treatment (MAT)**. Pharmacies will be allowed to dispense an initial 14-day supply of medications used in MAT without prior authorization (PA) to allow prescribers time to complete the PA process. MDHHS is also removing the requirement that had limited MAT coverage to only a single prescriber to reduce treatment disruption if there is a change in the MAT prescriber and to allow a beneficiary to receive services from multiple providers at the same practice.
- **L 19-18** was released May 10, 2019 to inform interested parties that the **proposed renewal applications for Children’s Waiver Program, Habilitation Supports Waiver, and Waiver for Children with Serious Emotional Disturbances are available for review and comment** prior to their submission to the federal government. The letter includes links to the documents. Comments are due to MDHHS by June 11, 2019.

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



HMA HEALTH MANAGEMENT ASSOCIATES

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