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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

MAURA D. CORRIGAN
DIRECTOR

May 21, 2013

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Peter MacGregor, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Caswell and Representative MacGregor:

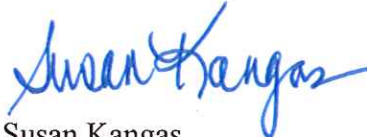
Pursuant to PA 200 of 2012, Section 1207 of the Department of Human Services (DHS) Fiscal Year 2013 Appropriations Act, DHS identified two local offices in which a review of the current Medicaid eligibility determination process is being conducted in order to identify ways to increase the efficiency of Medicaid eligibility determination using a Lean process. The two local offices are Clinton County and Genesee County – Clio Road District.

After identifying the two local offices, DHS worked with the Department of Technology, Management and Budget to prepare a Request for Proposal (RFP). The RFP was put out for competitive bid in January 2013, but the project did not receive any bids. Subsequently, DHS researched the Pawley Lean Institute at Oakland University and with their assistance identified a consultant who was willing to submit a bid in response to the RFP criteria.

The contract was awarded to Dr. Shannon Flumerfelt with Charactership Lean Consulting Incorporated, who started her review of our current Medicaid eligibility determination process on February 25, 2013. As part of the Lean review process, Dr. Flumerfelt is working with administrative support, Eligibility Specialists and management in both of the local offices, as well as staff from Disability Determination Services (DDS) including members of the Medical Review Team (MRT) and Field Operations Administration (FOA). The overall project management plan provides for field interviews as well as a Rapid Improvement Event at each local office that includes staff from the local offices as well as from Disability Determination Services/Medical Review Team and FOA.

Dr. Flumerfelt will provide a comprehensive written report that includes her findings as well as her recommendations for improving the Medicaid eligibility determination standard of promptness by July 1, 2013. DHS will then submit Dr. Flumerfelt's report to the Legislature.

Sincerely,



Susan Kangas
Chief Financial Officer

cc: Senate and House Appropriations Subcommittees
Senate and House Standing Committees on Families and Human Services
Senate and House Fiscal Agencies
Senate and House Policy Offices