



Michigan Department of
Health & Human Services

RICK SNYDER, GOVERNOR
NICK LYON, DIRECTOR

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Monday, June 18, 2018

Time: 1:00 p.m. – 4:30 p.m.

Where: Michigan Public Health Institute (MPHI)
2436 Woodlake Circle, Suite 380
Okemos, MI 48864

Attendees: **Council Members:** Emily Schwarzkopf, Mark Klammer, Chris George (for Amy Hundley), Dan Thompson, Dianne Haas, William Mayer, Jeff Towns, Rod Auton, Marilyn Litka-Klein, Lisa Dedden Cooper, Karen MacMaster, Linda Vail, Pam Lupo, April Stopczynski, Mario Azzi, Kim Singh, Rebecca Blake, Deb Brinson, Robert Sheehan, Linda Gibson (for Jim Milanowski)

Staff: Kathy Stiffler, Farah Hanley, Dick Miles, Brian Keisling, Jackie Prokop, Pam Diebolt, Marie LaPres, Dave Schneider, Christina Severin, Jon Villasurda, Cindy Linn, Phil Kurdunowicz

Other Attendees: Randy Walainis, Amy Justus, Jane Pilditch

Welcome, Introductions, Announcements

Emily Schwarzkopf opened the meeting and introductions were made.

Budget Update

2019 Budget Update

Farah Hanley reported that the FY 2019 budget has been approved by both houses of the state legislature and forwarded for Governor Snyder's signature. Effective October 1, 2018, the budget includes an appropriation of \$26 billion (\$4.46 billion general fund [GF]) for the Michigan Department of Health and Human Services (MDHHS), which is \$30 million beyond the Executive Budget Recommendation. Ms. Hanley indicated that while funding for legislative and MDHHS priorities is strong overall, some programs received reduced funding in the FY 19 budget, including a \$12 million reduction in funding for the department's autism program, which includes a \$7 million reduction by switching from a capitation model to a fee schedule model, and \$5 million reduction by reducing the behavioral technician hourly rate from \$55 to \$50. Other highlights from the MDHHS FY19 budget include:

- \$14 million for implementation of the Integrated Service Delivery (ISD) system.
- Actuarial soundness adjustment of 1% for the Medicaid Health Plans (MHPs) and 2% for the Prepaid Inpatient Health Plans (PIHPs).
- \$10 million hospital payment (\$6 million for rural hospitals and \$4 million for OB/GYN hospitals).

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- \$5 million GF to support medical education loan repayment for primary care physicians and other sub-specialties.
- \$2.8 million to \$3 million to support an increase in Medicaid neonatal rates from 64% of the Medicare rate to 75%.
- \$1.6 million to restore funding to dental clinics.
- Funding for a salary increase for psychiatrists at state psychiatric hospitals.
- \$5.5 million GF to support non-Medicaid funded Community Mental Health Services Programs (CMHSPs).
- \$9.3 million for Local Health Departments (LHDs) to address emerging public health threats.
- An increase of \$2.5 million GF for senior services.
- All funding for Flint initiatives that was requested by the governor was included in the FY19 budget.

Ending Gift Cards for Healthy Michigan Plan

Kathy Stiffler explained that as part of the Healthy Michigan Plan, beneficiaries with incomes above 100% of the federal poverty level (FPL) who complete a healthy behavior receive a reduction in their required contribution. Since Healthy Michigan Plan beneficiaries with incomes below 100% FPL are exempt from contributions, MDHHS currently requires the MHPs to provide these individuals with \$50 gift cards for completing a healthy behavior. The FY19 budget rescinds this requirement, though MDHHS staff indicated that the department is seeking clarification from the legislature on whether MHPs may continue to provide gift cards using their own administrative dollars.

Healthy Michigan Plan

Review of Bill

MDHHS staff and meeting attendees discussed SB 897 at length, which outlines proposed changes for Healthy Michigan Plan beneficiaries with incomes above 100% FPL who have been enrolled in the program for 48 cumulative months, as well as instituting workforce engagement requirements for non-exempt Healthy Michigan Plan beneficiaries between the ages of 19 and 62. SB 897 has been approved by both houses of the state legislature and is currently pending final approval by the governor. Copies of the bill were distributed to meeting attendees.

48 Months

Healthy Behaviors

As of June 18, 2018, approximately 1,400 Healthy Michigan Plan beneficiaries have incomes above 100% FPL and have been enrolled in the program for 48 cumulative months. Pending approval of SB 897, these individuals will be required to continue engaging in healthy behaviors **and** contribute 5% of their income toward premiums as a condition of continued enrollment in the Healthy Michigan Plan. Participation in one or more healthy behaviors will

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not result in a reduction in cost-sharing obligations, and copayments will no longer apply, as beneficiaries may not exceed 5% of their income toward total cost-sharing.

Suspension of Coverage

Healthy Michigan Plan coverage will be suspended for beneficiaries who choose not to engage in a healthy behavior, or who fail to meet their cost-sharing obligations. For these individuals, MDHHS will apply the department's "consistently fail-to-pay" criteria, which means that coverage will be suspended if the beneficiary has not paid any amount toward their premium obligations for one full quarter, or at least half of their total owed after 12 months. Once a beneficiary's coverage is suspended for failure to pay, coverage may be reinstated at which time the beneficiary contributes a minimum amount and agrees to a payment plan determined by MDHHS. Additionally, third-party payers may also assist beneficiaries with meeting their premium obligations.

In response to an inquiry regarding the anticipated timeline for implementation of these requirements, MDHHS staff reported that the legislature is targeting an effective date of July 1, 2019 for the changes to Healthy Michigan Plan cost-sharing and healthy behavior requirements. MDHHS plans to submit an amendment to the Healthy Michigan Plan waiver renewal application that is currently pending before the Centers for Medicare & Medicaid Services (CMS) by October 1, 2018 to request CMS approval for these changes.

Impact on Sending Beneficiaries to the Marketplace

Pending approval of SB 897, the MI Marketplace Option for Healthy Michigan Plan for beneficiaries who choose not to engage in a healthy behavior has been rescinded. Instead, beneficiaries will be required to engage in a healthy behavior as a condition of continued enrollment in the Healthy Michigan Plan. If they choose not to engage in a healthy behavior, Healthy Michigan Plan coverage will be discontinued per the criteria outlined above. In response to an inquiry, MDHHS staff indicated that the federal government will not allow individuals who are income-eligible for the Healthy Michigan Plan to receive a subsidy for coverage on the Federally Facilitated Marketplace (FFM).

Work Requirements

MDHHS staff indicated that the workforce engagement requirements outlined in SB 897 apply to all able-bodied Healthy Michigan Plan beneficiaries (including those below 100% FPL) between the ages of 19 and 62 who do not meet at least one of the 12 exemption criteria included in the legislation. MDHHS expects that a maximum of 400,000 Healthy Michigan Plan beneficiaries may be impacted by the workforce engagement requirements, though staff are working to determine how many additional enrollees may meet exemption criteria. It is unknown at this time how many are likely to lose coverage given the lack of data or experience to estimate this figure.

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Beneficiaries who do not meet a qualifying exemption must self-attest to participation in one of the following qualifying events for an average of 80 hours per month to meet the workforce engagement requirements:

1. Employment, self-employment or income consistent with employment;
2. Education directly related to employment;
3. Job training directly related to employment;
4. Vocational training directly related to employment;
5. Unpaid workforce engagement directly related to employment;
6. Tribal employment programs;
7. Participation in Substance Use Disorder (SUD) treatment;
8. Community service (limit of 3 months within a 12-month period with a registered 501[c][3] organization); or
9. Job search directly related to employment.

A beneficiary is allowed three months of noncompliance within a 12-month reporting period. After three months of noncompliance, recipients who remain noncompliant will not receive coverage for at least one month and will be required to come into compliance before coverage is reinstated. If a beneficiary is found to have misrepresented his or her compliance with the workforce engagement requirements as identified in SB 897, he or she shall not be allowed to participate in the Healthy Michigan Plan for a one-year period. A beneficiary is exempt from the workforce engagement requirements if they meet one or more of the following conditions:

1. A recipient is the caretaker of a family member who is under the age of 6 years. This exemption only applies to one parent at a time to be a caretaker, no matter how many children are being cared for.
2. A recipient who is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.
3. A recipient who is a full-time student who is not a dependent of a parent or guardian or whose parent or guardian qualifies for Medicaid.
4. A recipient who is pregnant.
5. A recipient who is the caretaker of a dependent with a disability which the dependent needs full-time care based on a licensed medical professional's order.
6. A recipient who is the caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker.
7. A recipient who has proven that he or she has met the good cause temporary exemption.
8. A recipient who has been designated as medically frail.
9. A recipient who has a medical condition that results in a work limitation according to a licensed medical professional's order.
10. A recipient who has been incarcerated within the last 6 months.
11. A recipient who is receiving unemployment benefits from this state.
12. A recipient who is under 21 years of age who had previously been in a foster care placement in this state.

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In addition, Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) beneficiaries who meet exemption criteria for SNAP or TANF work requirements are also exempt from the Healthy Michigan Plan workforce engagement requirements outlined above with no additional reporting requirements. SB 897 requires that MDHHS implement the workforce engagement requirements for the Healthy Michigan Plan by January 1, 2020 pending approval from CMS.

Communications with Beneficiaries

MDHHS plans to begin the process of communicating the details of the workforce engagement requirements with beneficiaries only after CMS approval of Michigan's amended Healthy Michigan Plan Section 1115 Waiver Renewal Request. MDHHS staff also discussed a pending federal court decision on workforce engagement requirements promulgated by the State of Kentucky and the potential impact the court proceedings could have on the future of the Healthy Michigan Plan. To date, CMS has approved waiver requests from Kentucky, Arkansas, Indiana and New Hampshire to implement workforce engagement requirements for Medicaid recipients, with requests from seven additional states pending.

Behavioral Health Updates

MDHHS staff provided several general updates related to behavioral health, including:

- The department is continuing to work with CMS to gain approval for its Section 1115 Pathways to Integration waiver, which would allow MDHHS to provide all behavioral health services under a single waiver authority.
- A \$27.5 million federal non-competitive grant has been allocated to the State of Michigan for its State Opioid Response Team, pending approval of an application from the state that is due August 13, 2018.
- Local communities within the state must now apply individually for funding through the Certified Community Behavioral Health Clinics (CCBHC) grant. MDHHS has provided several letters of support on behalf of communities for this funding.
- The Health Resources & Services Administration (HRSA) within the U.S. Department of Health and Human Services has made grants available to expand services to address the opioid epidemic in rural communities. Eleven counties within northern Michigan meet the eligibility criteria to apply for a grant under this program.
- Congress has appropriated \$10 billion in federal funding nationwide for FY19 for opioid use disorder treatment, as well as \$2.3 billion for behavioral health services. In addition, congress is currently considering 80 additional bills to address behavioral health issues, including legislation to protect data privacy for individuals receiving treatment for Substance Use Disorder (SUD).
- MDHHS is working to establish an Opioid Health Home (OHH) pilot program in Michigan's PIHP Region 2.
- The department is working with stakeholders and the state legislature on several initiatives aimed at increasing access to inpatient psychiatric services.

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Section 298 Update

MDHHS is in the process of establishing pilot programs to financially integrate behavioral health and physical health services, as directed by the state legislature. Four CMHSPs have been selected to participate in the pilot programs with the seven MHPs operating in the three pilot regions. The department is also exploring options for including beneficiaries in the pilot programs who are not currently enrolled in an MHP and receive managed behavioral health services through the local PIHP, as well as continuing to work through various other issues related to implementation. The anticipated implementation date of the Section 298 pilot programs is October 1, 2019. Additional information on the Section 298 process is available on the MDHHS website at www.michigan.gov/stakeholder298.

Mental Health Parity Update

MDHHS staff provided an update on the department's efforts to comply with the Mental Health Parity and Addiction Equity Act of 2008, which requires that states place no more restrictions on behavioral health/substance use disorder benefits than on medical/surgical benefits. As part of these efforts, MDHHS has prepared a Mental Health and Substance Use Disorder Parity Assessment and Corrective Action Plan to report findings of an assessment of compliance with the federal parity rules conducted by the Medical Services Administration (MSA). Copies of the report were distributed to meeting attendees, and the document was discussed at length.

Provider Enrollment Requirements

Kathy Stiffler shared an update on the department's ongoing efforts to comply with federal laws and regulations by requiring all providers in the State of Michigan who provide services to Medicaid beneficiaries to enroll with the state's Medicaid program. Medicaid FFS already denies claims for non-enrolled providers. MDHHS initially planned to require the MHPs to deny claims from non-enrolled providers on March 1, 2018, and FFS and the HMPs were to deny claims (at the point of service) for non-enrolled prescribers on May 1, 2018. The department is now considering extending this deadline. MDHHS staff and meeting attendees discussed the issue at length, including ideas for communicating the requirements to providers.

Long Term Care Updates

Dick Miles provided updates on several MDHHS long term care initiatives, which include the following:

- The department is working to submit a renewal application for the MI Choice waiver, which has been posted for public comment. MDHHS plans to submit the renewal application to CMS in July 2018.
- MDHHS is continuing work to develop an Electronic Visit Verification (EVV) system for in-home personal care services by January 1, 2019 in compliance with the requirements of the 21st Century Cures Act.

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- Enrollment in the MI Health Link demonstration is now stable with approximately 40,000 individuals currently enrolled.
- MDHHS has contracts with partnering entities to develop proposed models and to engage with stakeholders in the development of managed long term care supports and services.
- The department is also working to update the nursing facility Level of Care Determination (LOCD) determination business process.

Policy Updates

A policy bulletin list was distributed to attendees and the following updates were discussed:

- Bulletin MSA 18-05 – MI Marketplace Option and Healthy Michigan Plan Updates
- Bulletin MSA 18-10 – Pediatric Outpatient Intensive Feeding Program Services
- Bulletin MSA 18-18 – Expanded Access to Dental Benefits for Pregnant Women
- Proposed Policy 1806-Hospital – Inpatient Long-Acting Reversible Contraception (LARC) Device Reimbursement
- Proposed Policy 1807-BHDDA – Opioid Health Home Pilot Program
- Proposed Policy 1814-Hearing – Reinstatement of Adult Hearing Aid Coverage; Update to Disposable Hearing Aid Batteries and Replacement Earmold Coverage

4:30 – Adjourn