



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 26, 2017

Time: 8:30 a.m. – 12:00 p.m.

Where: Peckham Industries
3510 Capital City Blvd.
Lansing, MI 48906-2102

Attendees: **Council Members:** Robin Reynolds, Marilyn Litka-Klein, Barry Cargill, Dominick Pallone, Deb Brinson, Alison Hirschel, Warren White, Amy Zaagman, Stacy Hettiger (for Rebecca Blake), Michelle Best (for Amy Hundley), Linda Vail, Emily Schwarzkopf, Pam Lupo, Robert Sheehan, Dave LaLumia, Kimberly Singh, April Stopczynski, Jeffrey Towns

Staff: Chris Priest, Farah Hanley, Lynda Zeller, Erin Emerson, Dick Miles, Kathy Stiffler, Dave Schneider, Jackie Prokop, Pam Diebolt, Marie LaPres, Cindy Linn

Other Attendees: Mary Vizcarra, Salli Pung

Welcome, Introductions, Announcements

Robin Reynolds opened the meeting and introductions were made.

Federal Updates

Chris Priest reported that the U.S. Senate has released its own version of a bill to repeal and replace the Affordable Care Act (ACA) and discussed the ways in which it would impact the Medicaid program if adopted. If enacted, the bill would:

- Allow states that have not yet expanded Medicaid eligibility to do so at the regular Federal Matching Assistance Percentage (FMAP) rate;
- Gradually decrease the FMAP rate in current expansion states to the regular FMAP beginning in 2021, which, over time, would result in an estimated cost of \$800 million General Fund for the State of Michigan;
- Immediately implement cuts to the Disproportionate Share Hospital (DSH) pool that were included as part of the Affordable Care Act (ACA) in states that expanded Medicaid eligibility, while non-expansion states would be exempt from DSH pool cuts;
- Transform the Medicaid program to a per-capita cap model and exclude children who receive a disability eligibility determination;
- Change the base year calculation to allow states to choose eight consecutive fiscal quarters from 2014 through the third quarter of FY 2017 to set their base rate;

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- Require the federal Department of Health and Human Services (HHS) to consult with the states before issuing new guidance related to Medicaid;
- Allow states to expand access to mental health and substance use disorders at the regular match rate;
- No longer require states to offer up to 90 days of retroactive Medicaid eligibility for new enrollees beginning October 1, 2017; and
- Gradually reduce states' provider tax limit to 5%.

MDHHS staff and meeting attendees discussed the proposed legislation at length.

Budget/Boilerplate Update

2017 Updates

The legislature has approved a supplemental Fiscal Year (FY) 2017 budget, which includes funding to implement the pilots approved in the FY 2018 budget around the integration of physical health and behavioral health services.

2018 Proposed Budget

The FY 2018 budget has been approved by the legislative conference committee and forwarded to the governor for review. Farah Hanley indicated that nearly all of the priorities established by MDHHS leadership and the governor for the department were approved in the final legislative draft of the budget, which include:

- Funding for the MDHHS Integrated Service Delivery (ISD) initiative to develop a universal caseload concept, which will affect caseworkers in the field, enable the establishment of a universal call center, and support necessary systems changes;
- Full funding for Medicaid Health Plan actuarial soundness (which assumes that the ACA insurer fee will not be reinstated);
- Full funding for the Medicaid program at the Department's caseload projections for FY 2018;
- \$500,000 to support a public transit pilot in areas of the state where Non-Emergency Medical Transportation (NEMT) services are currently unavailable;
- \$5.7 million for a direct primary care pilot program in Wayne, Oakland, Macomb, Washtenaw and Livingston counties that will work directly with providers to provide services at a lower per-member-per-month payment;
- \$240,000 for the I Vaccinate program to minimize the occurrence of vaccine-preventable diseases;
- \$45 million to fund a direct care worker wage increase of \$0.50;
- Funding for 72 additional staff at state psychiatric hospitals;
- Funding for a new Caro Psychiatric hospital, which was approved through the capital outlay process;

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- Funding for the Psychiatric Residential Transition Unit to assist children in the Hawthorn Center for Children in preparing for the community;
- Funding for 95 additional adult services workers;
- An increase in the foster care provider administrative rate;
- Funding for a vapor intrusion office, drinking water unit, and childhood lead poisoning prevention unit within the Population Health Administration;
- Funding for out-state dental clinics; and
- Funding for pregnancy prevention programs.

In addition, a few reductions included in the FY 2018 budget were noted as well, including:

- A \$750,000 reduction in funding for the Mental Health and Wellness Commission; and
- A reduction in funding for university autism programs.

Healthy Michigan Plan

Second Waiver Update

MDHHS is continuing to move forward with implementing the terms of the second waiver for the Healthy Michigan Plan. Under the terms of the waiver beginning April 1, 2018, individuals who have been enrolled in the Healthy Michigan Plan for at least 12 months, have incomes above 100% of the federal poverty level (FPL) and do not meet the criteria for “medically frail” may:

- Remain on the Healthy Michigan plan if they choose to engage in one or more healthy behaviors; or
- If they do not agree to engage in one or more healthy behaviors, they will receive insurance coverage from the Federally Facilitated Marketplace (FFM).

Insurance carriers interested in offering plans on the FFM for this population filed rates on June 14, 2017, and MDHHS is working with the Department of Insurance and Financial Services (DIFS) to establish a Marketplace option in all counties for Healthy Michigan Plan beneficiaries. As part of this process, many plans filed two sets of rates to account for the possibility that cost-sharing reductions are not approved in federal law. MDHHS also plans to issue a revised Healthy Behaviors Incentives Protocol and Operational Protocol for the MI Health Accounts, as well as a Healthy Michigan Plan Marketplace Operation Operational Protocol related to the implementation of the Second Waiver. MDHHS staff and meeting attendees discussed at length coverage options and the urgency of assuring at least two health plan product offerings in every county for the Healthy Michigan Plan population (except the Upper Peninsula, which only needs one). An exception will be requested of CMS if less than two offerings are available in all Lower Peninsula counties. Plans continue to work to finalize their networks. Staff noted that dental benefits will not be provided through the health plans for members of the Healthy Michigan Plan Marketplace population.

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Healthy Behaviors Update

Kathy Stiffler shared that MDHHS is working to revise the Health Risk Assessment (HRA) form by removing the option to include beneficiary biometric data (e.g., cholesterol levels, blood pressure, etc.) and convert the HRA to an electronic format from the current paper form. This will allow providers to submit the form directly to MDHHS for staff to forward to the correct health plan. The Department's goal with moving to the new submission system is for timelier processing of HRAs and greater beneficiary participation in healthy behaviors. Currently, 18% of Healthy Michigan Plan beneficiaries have completed an HRA and are engaging in one or more healthy behaviors.

Other

The current Healthy Michigan Plan §1115 Demonstration Waiver expires on December 31, 2018, and MDHHS is working to submit a request for extension to the Centers for Medicare & Medicaid Services (CMS) by December 31, 2017.

Medicaid Managed Care

Provider Surveys

MDHHS worked with the Michigan State University Institute for Health Policy to develop and distribute a survey to providers related to their experience in working with the health plans. To conduct the survey, MDHHS randomly selected providers to rate their experience working with a specific health plan. Providers who completed a survey of the health plan to which they were assigned were allowed to survey additional health plans of their choosing. The survey was distributed to 5,607 providers (in anticipation of a low response rate) with a statewide target sample of 2,317. However, only 5% of all providers completed a survey, (11% of the target sample). A draft report showing the results of the survey was distributed to meeting attendees. MDHHS staff indicated that while the Department does not plan to publish the report due to the low response rate, some findings will be shared with individual Medicaid Health Plans.

Healthy Kids Dental Bid Update

MDHHS is currently accepting bids for a new **Healthy Kids Dental** contract, and has extended the deadline for submissions to July 31, 2017. Award notices will be posted on www.buy4michigan.com in October or November 2017, with a contract start date of April 1, 2018. While Delta Dental is currently the only provider with a contract to provide services to **Healthy Kids Dental** program beneficiaries, the Department aims to award new contracts to more than one statewide vendor. If more than one contract is awarded, a systems change will be required to allow beneficiaries the choice of enrolling in any available plan. Additional information regarding the **Healthy Kids Dental** contract award process is available on the web at www.buy4michigan.com.

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Prescriber Enrollment – Community Health Automated Medicaid Processing System (CHAMPS)

Despite ongoing outreach efforts by MDHHS, several prescribers providing services to Medicaid beneficiaries are not currently enrolled in CHAMPS as required by CMS. Compliance was expected July 1, 2013, but implementation has again been postponed to allow more time for prescribers to enroll to avoid medication access issues. Further outreach efforts will be implemented.

Behavioral Health Updates

Parity Rule

MDHHS staff provided meeting attendees with copies of a printed presentation detailing the Department's efforts to comply with the Mental Health Parity and Addiction Equity Act of 2008 and gave an overview of the document.

Section 298 – Models

The Stakeholder 298 work group that was convened to discuss the integration of behavioral health and physical health services has submitted a final report containing 72 policy recommendations to the legislature, and it has been forwarded to the Governor for review. MDHHS is now working internally to make preparations for carrying out the recommendations of the report and to develop benchmarks for implementation of the pilots approved in the FY 2018 budget. The Department must also submit a report to the legislature by November 1, 2017 to propose remedies to any potential barriers to implementation.

1115 Waiver Status

MDHHS submitted a Section 1115 Waiver to CMS in July 2016, which would allow the administration of all behavioral health services under a single waiver authority, and is continuing to work through the approval process with its federal partners.

Other

Lynda Zeller addressed several other topics related to behavioral health services, including:

- The Behavioral Health and Developmental Disabilities Administration (BHDDA) is working with other areas of MDHHS and stakeholders to identify specific barriers to access to care for inpatient psychiatric services, in order to develop policy to address the issue.
- A letter was issued by the MDHHS Bureau of Community Based Services to offer guidance to providers regarding the department's process for establishing psychiatric Institute for Mental Disease (IMD) rates.

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- BHDDA is working with the National Governor's Association (NGA) to:
 - Explore ways to increase access to health care in rural areas, with an emphasis on behavioral health services; and
 - Improve information sharing among providers related to better care coordination, with a specific focus on behavioral health services.

Long Term Care Services and Supports Updates

Dick Miles provided an update on several initiatives related to Long Term Care that were included in the FY 2018 budget, including:

- The establishment of a nursing facility quality measure initiative to provide a supplemental payment to nursing facilities based on their 5-star ratings from the CMS Nursing Home Compare (NHC) website;
- \$150,000 in funding for an electronic visit verification (EVV) system for personal care service providers beginning in 2019;
- A provision that will allow MDHHS additional flexibility for Program of All Inclusive Care for the Elderly (PACE) expansion outside of the regular budget cycle;
- General fund support to continue the Hospice Residence program;
- \$3.7 million in funding to support housing and outreach specialists related to nursing facility transitions; and
- A provision to allow MDHHS to explore the implementation of managed long term care supports and services.

In addition to long term care services and supports items included in the FY 2018 budget, Mr. Miles also shared the following updates:

- MDHHS is working to submit a renewal request to CMS for the MI Choice Waiver, which currently expires in October 2018.
- The MI Choice program was converted to a capitated payment model in October 2013, and the Department is continuing to provide assistance to MI Choice waiver agencies as needed to help with the transition.
- The Medicaid Home Help program is in the process of converting to a new time and task care management model for providers.
- As of June 26, 2017, approximately 38,000 beneficiaries are enrolled in the MI Health Link demonstration program for individuals who are dually eligible for Medicare and Medicaid. The demonstration is currently authorized through 2020, MDHHS is continuing to evaluate the program and make improvements where necessary.
- The PACE program is continuing to expand with 2,000 beneficiaries currently enrolled, and MDHHS is preparing to open a new PACE center in Newaygo County.

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Policy Updates

A policy bulletin handout was distributed to attendees and several items were discussed.

The meeting was adjourned at 12:00 p.m.