



Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Wednesday, August 12, 2015

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Jan Hudson, Kim Sibilsy, Bill Mayer, Marion Owen, David Lalumia, Cheryl Bupp, April Stopczynski, Elmer Cerano, Pam Lupo, Warren White, Rebecca Blake, Kimberly Singh, Katie Linehan, Robin Reynolds, Marilyn Litka-Klein, Barry Cargill, Alison Hirschel, Andrew Farmer, Mark Swan (for Cindy Schnetzler), Larry Wagenknecht

Staff: Kathy Stiffler, Dick Miles, Jackie Prokop, Lynda Zeller, Farah Hanley, Erin Emerson, Marie LaPres, Pam Diebolt, Cindy Linn, Sarah Slocum, Priscilla Cheever, Carrie Waggoner, Leslie Asman, Robert Hovenkamp, Abbey Babb, Christina Severin

Other Attendees: Denise Cushaney

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made. Members of the planning committee for the Medicaid 50th Anniversary Celebration that took place on July 30, 2015 were recognized, and handouts from the event were made available for those who were unable to attend.

Fiscal Year (FY) 2016 Budget Implementation and FY 2017 Development

The Michigan Department of Health and Human Services (MDHHS) budget for FY 2016 is now in place. Several provisions affecting the Medicaid program were discussed, including an adjustment for actuarial soundness to keep Health Maintenance Organizations (HMOs) operational as they cover 75% of the Medicaid population, an adjustment for Prepaid Inpatient Health Plans (PIHPs), funding for an expansion of the **Healthy Kids Dental** program to cover children in Wayne, Oakland and Macomb counties up to the age of 13, and funding for a new psychiatric residential treatment wing of the Hawthorn Center for one quarter. In addition, an appropriation was included for an expansion of Program of All-Inclusive Care for the Elderly (PACE) programs, as well as for full funding for the Healthy Michigan Plan for FY 2015 and FY 2016. MDHHS staff also reported the closure of the W.J. Maxey Boys Training Center and several county MDHHS offices, but noted that no staff layoffs will result from the county office closures. Staff will be reassigned to other locations.

A council member expressed concern about cuts to Community Mental Health (CMH) services. In response, MDHHS staff reported that the Department received a \$20 million supplemental appropriation to recognize unmet needs in FY 2015 and FY 2016.

In FY 2017, MDHHS anticipates additional GF needs of approximately \$420 million, which includes over \$100 million required in General Fund (GF) matching funds for the Healthy Michigan Plan, an anticipated \$120 million shortfall if the legislature declines approval of an increase in the Health Insurance Claims Assessment (HICA) tax, as well as the expiration of the use tax, which brings in about \$200 million per year, but ends on December 31, 2016.

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Adult Dental Remains Fee-for-Service (FFS)

Kathy Stiffler reported that the Legislature did not approve funding to include adult dental benefits in the Managed Care Rebid. The MHPs are currently only required to cover adult dental benefits for the Healthy Michigan Plan population. Adult dental benefits for non-Healthy Michigan Plan Medicaid beneficiaries remain a FFS benefit.

Medicaid Director Search

The MCAC was informed that MDHHS has not yet named a new director for the Medical Services Administration (MSA), and that Kathy Stiffler will continue to serve as acting director until the position is filled.

Healthy Michigan Plan

Second Waiver Development/Progress

MDHHS staff discussed the details of Public Act 107 of 2013 requirements as they relate to the waiver amendment. MDHHS released a concept paper regarding the second waiver for the Healthy Michigan Plan on May 27, 2015, which is available on the MDHHS website at www.michigan.gov/healthymichiganplan >> Healthy Michigan Plan Second Waiver Document(s) and Public Hearing Information. A public hearing was also held on June 24, 2015 to discuss the waiver, which must be submitted to the Centers for Medicare and Medicaid Services (CMS) by September 1, 2015 and approved by December 31, 2015 for the Healthy Michigan Plan to continue. The Department has received many positive comments in response to the concept paper and public hearing, and council members were encouraged to continue to share their comments with MDHHS once the waiver is submitted to CMS for approval. Discussions between MDHHS and CMS regarding the second waiver have been productive throughout the waiver development process, and MDHHS believes that the requirements of the law can be met through a Section 1115 waiver. If an additional waiver is needed to meet the requirements of the law, the Department will also consider submitting a Section 1332 waiver for approval.

The waiver would require beneficiaries who have been enrolled in the Healthy Michigan Plan for 48 cumulative months and have incomes between 100% and 133% of the Federal Poverty Level (FPL) for each of the 48 months to:

- Leave the Healthy Michigan Plan and receive a subsidy to purchase health insurance from the Federally Facilitated Marketplace (FFM); or
- Remain on the Healthy Michigan Plan and pay a larger portion of their income toward cost-sharing and contributions.

MDHHS anticipates that the increased cost-sharing requirements of the second waiver will affect only a subset of the 100,000 beneficiaries with incomes greater than 100% FPL out of approximately 600,000 currently enrolled. If the second waiver is not approved, State law requires that the Healthy Michigan Plan must end on April 30, 2016, even though April 1, 2018 is the earliest date that any beneficiary can reach 48 cumulative months of enrollment. Jan Hudson noted that other states, such as Iowa and Arkansas, have received approval from CMS to implement hardship waivers for Medicaid beneficiaries who have difficulty meeting cost-sharing obligations, and encouraged MDHHS to consider seeking such a waiver as well.

Eligibility Issues and Fixes

Jackie Prokop provided attendees with an update regarding the Medicaid eligibility issues that were discussed at the May 2015 MCAC meeting, including parents who were denied Healthy Michigan Plan coverage when they did not include dependent children on their application, problems with shifting beneficiaries into the Transitional Medical Assistance (TMA) program when their eligibility ends for Family Independence program payments, and the incorrect denials of retroactive coverage for Healthy Michigan Plan beneficiaries at the time of enrollment. MDHHS implemented a release in Bridges to fix these issues, and began to re-process Medicaid applications for affected beneficiaries the weekend of August 8-9. Reprocessing is expected to be completed in September.

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Each beneficiary affected by reprocessing will receive a letter from MDHHS as Bridges corrects his/her file. In response to an inquiry from the council, MDHHS staff noted that regardless of a beneficiary's current enrollment status in a Medicaid Health Plan (MHP), claims for services provided during the beneficiary's retroactive eligibility period will be processed through the Medicaid FFS system. All providers will also receive a letter containing information regarding the reprocessing efforts, and what to expect if a beneficiary for whom they provided services is granted retroactive eligibility upon reprocessing. Jan Hudson requested that the MCAC receive a copy of the provider letter when it is distributed.

MI Health Account Payments

Kathy Stiffler reported that MDHHS is currently working with MHPs and Maximus to develop an executive report containing information about MI Health Account payments. A draft report has been completed, and MDHHS plans to have a final report ready to publish on the MDHHS website within a month following the MCAC meeting. A council member sought clarification about who a beneficiary should contact if they have questions regarding their MI Health Account statement. In response, MDHHS staff explained that if a beneficiary's income changed since their previous statement, they should contact their MDHHS caseworker to make the adjustment to their case. Other questions regarding MI Health Account statements should be directed to Maximus or the Beneficiary Help Line.

The MCAC was provided with statistics from the draft version of the Executive Report regarding the payment rate of contributions owed from beneficiaries by cohort, and council members were reminded that beneficiaries can reduce the contribution amount that they owe by completing a Health Risk Assessment (HRA) and choosing one or more healthy behaviors to address. MDHHS will not reduce contribution amounts for beneficiaries who complete an HRA unless they choose to engage in one or more healthy behaviors. An HRA report is published monthly on the MDHHS website at www.michigan.gov/healthymichiganplan >> Health Risk Assessment.

As of July 2015, about \$1.5 million had been collected. It is important to note that the Healthy Michigan Plan is a new program and MIHealth account billings are a totally new process for everyone. In addition, the University of Michigan, as part of their evaluation, is conducting focus groups of beneficiaries to determine the level of beneficiary understanding and obtain comments on the statements.

Managed Care Rebid

MDHHS issued a Request for Proposal (RFP) for a new managed care contract on May 8, 2015, and bids from MHPs were due on August 3, 2015. The new contracts will begin on January 1, 2016, while the current contracts have been extended through December 31, 2015. The first contract year will run for nine months to get back on the state fiscal year schedule.

Common Formulary Development

At the May 2015 MCAC meeting, it was announced that pharmacy benefits would remain part of the MHP benefit package and that pharmacies would be required to use a common formulary and the same administrative rules for pharmacy services. A draft version of the MHP common formulary was released for public comment on August 4, 2015 with proposed Medicaid policy 1540-Pharmacy, and comments are due on September 8, 2015. MDHHS plans to publish the final version of the MHP common formulary on January 1, 2016. MHPs will then integrate the common formulary in their claims system and will begin transitioning members' drug therapies to the common formulary starting April 1, 2016, with an expected completion date of September 30, 2016. A stakeholder meeting was held on August 11, 2015 to discuss the common formulary, and MDHHS received several comments, including concerns about coverage for the drugs that remain carved out of the MHP benefit package. In response, MDHHS staff clarified that the individual drugs that remain carved out of the MHP benefit package will be covered through Medicaid FFS. An additional stakeholder meeting is scheduled for November 19, 2015 to present the final version of the common formulary and take questions.

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Integrated Care for Dual Eligibles (MI Health Link)

Dick Miles gave an update on the MI Health Link demonstration, reporting that it became operational in March 2015, and currently serves approximately 35,000 beneficiaries among the four demonstration regions (Upper Peninsula, Southwest Michigan, Macomb County and Wayne County). A majority of beneficiaries are passively enrolled, and 40 to 50 percent of passive enrollees typically opt out of the program. After the final phase of the program's implementation in the four demonstration regions is complete at the end of September 2015, it is anticipated that 50,000 or more beneficiaries will be enrolled in MI Health Link.

MDHHS has experienced some problems with MI Health Link implementation that it is working to resolve, which include:

- Many MHPs reported that they were not receiving payment from MDHHS for services provided to MI Health Link beneficiaries.
- The Department has found eligibility inconsistencies in the Medicaid and Medicare files for some beneficiaries.
- Problems with billing Medicare and Medicaid claims from Mental Health providers who previously did not participate with both programs have also been experienced.
- Guardianship issues continue and are being worked on to resolve.

CMS has also granted MDHHS the option to send in a letter of support for extending the MI Health Link Demonstration by an additional two years. The letter would be non-binding, but extending the MI Health Link Demonstration would provide for its operation through 2020 and allow a more valid evaluation.

Dick also announced that Susan Yontz will be retiring from her position as director of the Integrated Care Division at the end of August 2015.

Merger of the Michigan Department of Community Health (MDCH) and the Department of Human Services (DHS) – Issues

At the May 2015 MCAC meeting, Tim Becker and Jan Hudson invited the MCAC members to share comments with them regarding any issues related to the merger of MDCH and DHS; problems with access to Non-Emergency Medical Transportation (NEMT) were raised. Jan again asked meeting attendees to share their concerns, and in response, several council members reported instances of beneficiaries who have experienced long wait times or who have difficulty receiving transportation services, particularly in the Metropolitan Detroit area. Also reported were caseworker denials for services indicating there are no funds for transportation. Kathy Stiffler observed there are not sufficient, reliable providers statewide. Several suggestions for addressing these problems were discussed, including providing for an exemption to the Limousine Act for personal care services providers to allow them to transport patients to medical appointments.

Implementation of Home Help Program Changes

The Medicaid Home Help program provides services to qualified beneficiaries who need assistance with activities of daily living. The program currently serves approximately 55,000 beneficiaries with an equal number of providers. An audit of the Home Help program in June 2014 revealed several areas of concern, including discrepancies between provider logs submitted and the services that were provided, and enrolled providers with criminal backgrounds. MDHHS has implemented several changes to the program to address these issues, including moving to an Electronic Services Verification (ESV) system within the Community Health Automated Medicaid Processing System (CHAMPS) for the submission of provider logs, which requires individual home help providers to enroll in CHAMPS, and the Department now conducts criminal background checks on all current and prospective individual home help providers. A parallel paper services verification system was also put into place for providers who meet certain criteria.

Per bulletin MSA 15-06, the ESV system was implemented on June 1, 2015, but due to problems with some providers having difficulty accessing the system, MDHHS has decided to delay negative action toward providers who are unable to submit provider logs via ESV while the issues are addressed. Critical decisions must be made on electronic verification. MDHHS has also issued bulletin MSA 14-40, which allows beneficiaries to sign a consent form in order to continue working with providers who have been convicted of certain types of crimes. Providers convicted of crimes such as Medicare or Medicaid fraud, patient abuse, etc., are ineligible to participate in the program, per bulletin MSA 14-31.

Behavioral Health Initiatives

Lynda Zeller acknowledged that there are pockets of the state where service and service delivery are issues. Some regions are doing really impressive work, particularly around the coordination of physical and behavioral health services.

MDHHS is working to implement several new projects related to behavioral health, including:

- The Department has applied for a planning grant to set up Certified Community Behavioral Health Clinics (CCBHCs). If selected for planning grant money, Michigan would be able to set up a prospective payment system for behavioral health clinics that take on additional responsibility, such as for physical health. Eight states will be selected to receive the planning grant from the federal government. The grant would allow for up to 10 CCBHCs to be established in Michigan.
- MDHHS currently provides Specialty Managed Care Services under section 1915(b) and 1915(c) waiver authorities. Under the section 1915(b) waiver, MDHHS is able to provide wraparound services to individuals in their homes or work places, rather than in an institutional setting. Due to cost-effectiveness issues with the current 1915(b) waiver services, MDHHS is in the process of exploring other waiver options to continue providing these services, including a section 1115 waiver or a 1915(i) waiver. No cuts to services or eligibility are planned as a result of this change.
- While the Healthy Michigan Plan has greatly increased access to behavioral health services for its 600,000 beneficiaries, nine out of ten Prepaid Inpatient Health Plans (PIHPs) were found to have been serving a much lower percentage of this population than MDHHS anticipated. The Department is working to identify barriers that might prevent beneficiaries from accessing these services. In addition, funding to serve those eligible for Medicare and Medicaid and spend-down individuals continues to be a challenge.
- A State Medicaid Directors letter was issued to discuss ways to strengthen Substance Use Disorder (SUD) services, including the use of the Innovation Accelerator Program (IAP) to identify coverage gaps that currently exist within states. MDHHS is scheduled for a conference call with CMS on Friday, August 14 to discuss the IAP. Governor Snyder has also created The Prescription Drug and Opioid Abuse task force to discuss SUD services, which meets weekly. A list of recommendations for SUD treatment services developed by the task force is expected to be released in the fall.
- Lynda clarified that the uniform consent form for SUD services needs to be signed by a clinician from each provider with an active relationship with a beneficiary to be valid. It does not provide for an automated gateway for providers to share information among each other.
- The Behavioral Health and Developmental Disabilities Administration (BHDDA) is also working with MSA on the Defending Childhood Initiative, which is focused on early intervention and prevention of trauma in early childhood.
- Michigan has been selected to be part of the National Governor's Association task force on high users of emergency room services. As a component of the project, the Department is looking for options/opportunities to implement recommendations from Michigan's report *Recommendations for Addressing the Needs of High Utilizer/Super Utilizer Patients in Michigan*.

Policy Updates

A policy bulletin update handout was distributed to each attendee, and several policy changes were discussed.

Chairperson and Consumer Representation for 2016

MDHHS requested a consumer representative(s) be added to the MCAC in 2016, and the council discussed outreach ideas to find the right individual(s) to fill the role. Jan also announced that she will be retiring in early 2016, and asked the council to begin considering candidates to fill the MCAC Chair position.

4:30 – Adjourn

Next Meeting: November 18, 2015