

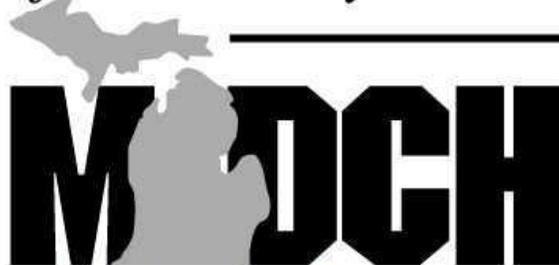
PLAN TO EXPAND AND IMPROVE THE BENEFICIARY MONITORING PROGRAM

(FY2011 Appropriation Bill - Public Act 187 of 2010)

April 1, 2011

Section 1826: The department shall develop a plan to expand and improve the beneficiary monitoring program. This plan shall include cost-effective methods to monitor and reduce unnecessary health care services, including prescription drugs, improve coordination of services between the primary care physician and mental health and substance abuse service providers, and improve compliance with prescribed medical management to reduce more costly use of emergency services. The department shall submit this plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year.

*Michigan Department
of Community Health*



Rick Snyder, Governor
Olga Dazzo, Director

FY 11 Boilerplate Report
Section 1826: Beneficiary Monitoring Program Expansion

General Overview/Background

The Beneficiary Monitoring Program (BMP) identifies Medicaid beneficiaries who overuse/misuse Medicaid services and imposes restrictions in an effort to reduce service overuse/misuse. Within Michigan's BMP, there are two different restrictions that may be applied to beneficiaries.

A *pharmacy restriction* is assigned to a beneficiary who has overused/misused selected drugs. The restriction prevents the beneficiary from filling or refilling prescribed medications in certain drug categories until at least 95 percent of the medication quantity limit has been consumed, according to the prescribed dose, amount, frequency and time intervals established by the Michigan Department of Community Health (MDCH).

A *provider restriction* is assigned to a beneficiary who has abused/misused services other than pharmaceuticals. This restriction assigns a primary provider to the beneficiary and prevents the beneficiary from obtaining services that are not provided, referred, or prescribed by the primary provider. However, emergency services, services rendered by a nursing facility provider, and services rendered in an inpatient hospital are exempt from the provider restriction requirements.

There is currently 3.0 FTE BMP staff working for the MDCH.

Regulatory Compliance

Both the federal government and the State of Michigan have regulatory language that serves as a legal basis for the BMP. The Code of Federal Regulations (CFR), the State Plan, and the Social Welfare Act clearly include language that allows for the Michigan Medicaid program to administer the BMP. The relevant federal and State regulations are identified below.

- CFR – 42 CFR 431.54(e) states “If a Medicaid agency finds that a recipient has utilized Medicaid services at a frequency or amount that is not medically necessary, as determined in accordance with utilization guidelines established by the State, the agency may restrict that recipient for a reasonable period of time to obtain Medicaid services from designated providers only.” The agency may impose the restrictions if the recipient is given the opportunity for a hearing and assures the recipient has reasonable access to Medicaid services. The agency may not impose restrictions to emergency services.
- State Plan – the State Plan language is very general and briefly references the CFR citation stated in item 1 above. The BMP as operated does meet the State Plan definition.
- Social Welfare Act Section 400.111a(5) – states that “The director shall select providers to participate in arrangements such as case management, in supervision

FY 11 Boilerplate Report
Section 1826: Beneficiary Monitoring Program Expansion

of services for recipients who misutilize or abuse the medical services program, and in special projects for the delivery of medical services to eligible recipients.”

The current Michigan Medicaid BMP is in compliance with both federal and State regulations.

Plan to Expand and Improve the Beneficiary Monitoring Program

MDCH has initiated a review of current BMP processes to identify opportunities for cost effectively monitoring and minimizing unnecessary health care services.

- Staff from the Special Disenrollment unit within the Bureau of Medicaid Operations and BMP unit within Medicaid Integrity Program has streamlined the process to allow for an increase in the number of cases managed within BMP. During October-December 2008, there were a total of 123 enrolled BMP cases. During October-December 2009, there were a total of 176 enrolled BMP cases, an increase of 53 cases.
- Effective mid April 2010, organizational responsibility for the BMP was transferred from the Medicaid Integrity Program Section to the Program Review Division within the Medicaid Bureau of Program Operations and Quality Assurance.
- MDCH is exploring a pilot project to assign a Federally Qualified Health Center (FQHCs) as the restricted provider for BMP candidates. FQHCs are community-based organizations that provide comprehensive primary care and preventive care including health, oral, and mental health/substance abuse services services to persons of all ages, regardless of their ability to pay. Today, 31 Michigan Community Health Centers are the health care home for nearly 600,000 patients annually at over 160 sites across the state. Of those Community Health Centers, 28 are Federally Qualified Health Centers (FQHCs), 2 are FQHC 'Look-Alikes', and 1 is both a FQHC and a FQHC 'Look-Alike'.