



Medical Services Administration

Medical Care Advisory Council (MCAC)

Minutes

Date: Tuesday, October 15, 2013

Time: 1:00 p.m.

Where: Tri-County Office on Aging, Community Room
5303 S. Cedar Suite 1,
Lansing, MI 48911

Attendees: **Council Members:** Jan Hudson, Priscilla Cheever, Warren White, Cheryl Bupp, Robin Reynolds, Alison Hirschel, Elmer Cerano, Jackie Doig, Doug Patterson for Kim Sibilsky, Bev Crider, Mike Vizona, Kim Singh, Pam Lupo, Jane Goetschy, Cindy Schnetzler, Marilyn Litka-Klein, Renee Canady, Roger Anderson, William Mayer, David Herbel, Andy Farmer, Marion Owen, Barry Cargill

Staff: Steve Fitton, Dick Miles, Jackie Prokop, Chris Priest, Debbie Eggleston, Brian Barrie, Pam Diebolt, Marie LaPres, Faye Ruhno, Pete Tommusulo

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

Affordable Care Act Implementation - Chris Priest

Health Insurance Marketplace

Chris reported problems with the Health Insurance Marketplace website. It is unknown whether the open enrollment period will be extended. Despite issues with the Health Insurance Marketplace website, the state based exchanges are doing well after some initial traffic issues. Enrollment numbers will not be released until after November 15, 2013.

Michigan insurance rates were released and the average monthly premium for the bronze insurance plans is \$275 before any tax credits are applied. The Health Insurance Consumer Assistance Program (HICAP) site is fully functioning and has a premium estimator located at www.michigan.gov/hicap. This tool provides individuals with a range of premiums for different insurance options and tax credit information. The premium estimator is receiving a lot of traffic, with over 22,000 views last week.

State Information Technology (IT) systems are running but the Health Insurance Marketplace does not have the ability to send accounts to the Department at this time. Individuals who are eligible for Medicaid must go to MI Bridges to apply.

The Medicaid call center is currently receiving approximately 60-80 calls per day regarding issues with Health Insurance Marketplace website and applying online. The Department of Insurance and Financial Services (DIFS) is receiving about 100 calls per week. It is believed that systems will be back up and running smoothly in November 2013. A member asked whether there is a plan to allow users to "shop around" without first creating a login. Chris reported there are plans to modify systems so that individuals can shop around on the Exchange without first setting up an account, but there is no timeframe in place. Many individuals are currently using paper applications because of the Health Insurance Marketplace website problems.

A member suggested keeping the public up to date regarding when fixes will be completed on the Health Insurance Marketplace. Chris asked the group for suggestions on what should be done. A member suggested a list of the problems, acknowledgment that they exist, and a message suggesting that users come back to apply later might reduce frustration levels. A suggestion was made that members use their newsletters, etc, to communicate that problems exist but that they will be eventually resolved. Chris will bring the suggestions back to his office and ask whether this information can be posted on www.michigan.gov.

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Medicaid Expansion/Reform - Dick Miles and Jackie Prokop

Waiver Development

Despite the Federal Government shutdown the Department is still working with the Centers for Medicare and Medicaid Services (CMS) regularly. A PowerPoint presentation was handed out to each member and Jackie discussed each slide regarding the Waiver Development. (A copy of the presentation is attached to this document for reference.) The implementation date for the Healthy Michigan Plan is tentatively set for April 1, 2014. The Federal Government will pay 100% of the program cost for the first 3 years and will gradually decrease to 90% of the costs in calendar year 2020. The Healthy Michigan Plan will have a positive impact on low income beneficiaries who cannot afford health care. The Department anticipates enrollment of 400,000-500,000 individuals in the program. The Federal eligibility parameters include individuals who are:

- Age 19-64
- Not receiving or eligible for Medicare
- Not eligible for the current Medicaid program
- Not pregnant
- With incomes up to 133% of the federal poverty level with no asset test.

The benefit plan must follow a designated benchmark plan and include 10 essential health care services. In addition to the 10 essential health care services, benefits may also include transportation, adult dental, vision, long term care (LTC), and home help. Most Healthy Michigan Plan beneficiaries will be enrolled into a Medicaid Health Plan (MHP), though there are groups that are exempt from MHP enrollment or may only enroll into a MHP voluntarily. The Prepaid Inpatient Health Plans (PIHP) system will provide behavioral health and substance use services.

The MI Health Account will include copayments at current Medicaid levels for individuals with incomes at 0-133% of the federal poverty level (FPL). As stated in the law, there is an additional 2% contribution required for people at 100-133% of FPL based on annual income and paid each month. Quarterly account statements must be sent out to beneficiaries. Statements will include what was paid, services received, and cost of the services. Copayments will not be collected during the first six months, but an initial average monthly copayment history will be established during this time. The average monthly copayment amounts will be collected and retained by the MHPs starting in the 7th month. The average monthly copayment history will then be recalculated each subsequent six months. If a beneficiary engages in healthy behaviors, the health plans can reduce the copayment amount. A value-based copayment structure must be implemented by July 1, 2014. Copays will not be collected by providers at the point of service and provider payments will not be reduced by the amount of copay required for the service. This will make it easier for enrollees to obtain services and for providers who will not have to collect copays.

A member asked whether spend down is a part of the Healthy Michigan Plan. Spend down will continue for the aged and disabled categories. For individuals with an isolated medical event accompanied by large medical expenses that don't meet the Federal definition of disabled, spend down would benefit them.

A member asked what happens when beneficiaries don't pay their copayments. The law states there must be a range of consequences. Several suggestions were made by members, including working with a behavioral economist and both positive and negative incentives. One member noted that the law allows for other parties to make payments on behalf of a beneficiary. Members generally supported positive approaches rather than punitive consequences – carrots rather than sticks.

MAGI Rules Conversion

The Affordable Care Act (ACA) requires that states implement the Modified Adjusted Gross Income (MAGI) methodology for looking at income and determining Medicaid eligibility. The new MAGI methodology removes the asset test. There will be 3 different ways to apply for Medicaid once MAGI eligibility methodology is functioning correctly, after January 1, 2014. Individuals can apply by phone, paper, or internet applications. The new phone numbers went live on October 1, 2013, but are not being shared as systems are not up and running yet. The webpage for the Healthy Michigan Plan, which is located on the MDCH website, will be up in the near future. A frequently asked questions (FAQ) section will be added so that individuals have a place to go for information regarding the Healthy Michigan Plan. There are plans to create a new email for the Healthy Michigan Program. The MAGI conversions are now listed on the CMS website and Jan will email the website address to attendees.

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Outreach and Enrollment Plans

All individuals who are currently enrolled in the Adults Benefit Waiver (ABW) program will be eligible for the Healthy Michigan Plan. The Department is working with CMS to see if these individuals can be automatically converted over to the Healthy Michigan Plan. The Department is considering using information from individuals receiving food stamps and children on Medicaid for outreach purposes. Members were asked to share outreach ideas with Jackie Prokop via email at prokopj@Michigan.gov.

Dual Eligibles Integration Project – Updates – Dick Miles

The Dual Eligibles Integration Project is winding down its Medicaid plan selection process. In the next couple of weeks the Department will announce the successful bidders to become Integrated Care Organizations. After that is complete, the Memorandum of Understanding (MOU) needs to be signed, then the readiness review process begins. Three way Contracts will then be developed, targeted to begin implementation in July 2014 for the first two regions, then in October 2014 for the remaining two regions. Each implementation begins with opt in enrollment, then passive enrollment two months later.

MI Child Conversion – Steve Fitton

There are problems with coverage in some areas of the state with the MI Child conversion. The capitation rates for MI Child are 35% higher than Medicaid rates, not including the provider tax. Currently, 80% of the MI Child population has been placed in a MHP.

The meeting was adjourned at 4:15 p.m.

Next Meeting: November 21, 2013 – original schedule