

## Medical Care Advisory Council

### Minutes

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**Date:** Tuesday, November 13, 2012

**Time:** 1:00 – 4:30 p.m.

**Where:** Michigan Public Health Institute  
2436 Woodlake Circle  
Okemos, MI

**Attendees:** **Council Members:** Jan Hudson, Pam Lupo, Anita Liberman-Lampear, Bev Crider, Larry Wagenknecht, Cheryl Bupp, Kim Singh, Kim Sibilsky, Priscilla Cheever, Warren White, Michael Vizena, Peter Schonfeld, Cindy Schnetzler, Jackie Doig, Robin Reynolds, Renee Canady, Alison Hirschel, Barry Cargill, Dave Herbel, Marian Owen, Deb Brinson

**Staff:** Steve Fitton, Dick Miles, Jackie Prokop, Nick Lyon, Kathy Stiffler

#### **Welcome and Introductions**

Jan Hudson opened the meeting and introductions were made. Jan announced on behalf of the Michigan League for Public Policy (MLPP) that Jared Bernstein, former economic advisor to Vice President Joe Biden, is speaking on December 3, 2012. Flyers are available for members who wish to attend the event. Jan also indicated two reports were published describing the benefits of the Medicaid expansion and are available on the MLPP website at [www.MLPP.org](http://www.MLPP.org).

#### **Department Focus and Direction under Director Haveman**

Nick Lyon explained that the Michigan Department of Community Health (MDCH) goals moving forward include:

- Integration of Service Delivery
- Health and Wellness
- Preparing for the Affordable Care Act (ACA) including possible Medicaid Expansion
- Information Technology (IT)
- Provider Capacity and Access to Care
- Improving Internal Metrics

Nick shared that there are many projects underway related to integration of service delivery, including the integrated care proposal for beneficiaries with dual Medicaid and Medicare eligibility and community based health. A federal grant offered under the ACA called "Pathways to Better Health" was received by the Michigan Public Health Institute (MPHI). MPHI expects the project to be operating by January 1, 2013 in Saginaw, Muskegon, and Ingham Counties. The project is based on the concept that if people can be reached personally, their care can be improved. MDCH has applied for an Innovation Planning Grant to design a statewide health innovation plan. The Primary Care Transformation Grant is also at the forefront of the Department's activities. The establishment of an Aging and Disabilities Resource Collaboration is another important initiative MDCH would like to focus on.

Obesity and infant mortality are priorities of the Department related to health and wellness. Appropriations have been received, and MDCH is going to initiate a limited public education campaign beginning in January 2013.

Regarding the ACA, Nick explained that Medicaid expansion is still under consideration.

The Electronic Health Records Initiative receives 100% federal match funding and is something that MDCH is still moving forward with; it is necessary for effective healthcare delivery.

Improving service and care for veterans is at the forefront regarding provider capacity and access to care, and the Healthy Kids Dental expansion to the remaining eight counties not covered is another priority. Chronic care hotspots and jail diversion are also issues MDCH would like to focus on.

One member asked about the plan for the Insurance Exchange. Nick answered that MDCH is still looking at a federal partnership. Jan added that a Letter of Intent is due on Friday, November 16, 2012 if Michigan wants to pursue a state based exchange.

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### **Children's Special Health Care Services (CSHCS) Transition to Managed Care**

Kathy Stiffler explained that the main reason for the CSHCS transition to managed care is for an improved system of health care for the beneficiaries.

CSHCS beneficiary enrollment in Medicaid Health Plans will provide the following benefits:

- Organized and monitored primary care
- Quality oversight
- A care management approach
- Access to 20 outpatient mental health visits
- Improved access to transportation services
- A family-centered medical home, with additional capitation payment to address the additional work required

The CSHCS transition began October 1, 2012. The first group of children who were transitioned is from the Upper Peninsula making the enrolled population approximately one-third of the dual Medicaid-CSHCS eligibles. An update follows:

- Outreach efforts continue
- Process underway for local health departments and health plans to sign coordination agreements, as well as multidisciplinary centers
- Medical equipment is still an issue with benefit levels and prior authorization requirements
- Private duty nursing has been carved out
- There is interest in establishing an oversight committee

### **Affordable Care Act Implementation**

#### **a. Medicaid Eligibility and Expansion**

Jan shared that the council sent a letter of support for Medicaid expansion in the State of Michigan and a response was received from John Nixon, State Budget Director acknowledging the support and stating they are looking at all options. Steve would like input from the members on how the expansion could be best accomplished to serve the people of the state of Michigan. Steve added that there has been little stakeholder input and he would like any input members are willing to give.

- A member expressed concern about how the state will increase the number of Medicaid providers if the expansion happens. He asked if information is available by geographic location on the number of potential new eligibles? Might MDCH look at increasing reimbursement rates?
- A member asked if the state can opt out at any time if federal funding is reduced. The answer is yes. Also, has it been determined if there is an actual cost to the state or are there savings? Several analyses show savings over the first decade of the expansion; with very modest cost in the years following.
- It is estimated that around 35,000 new individuals would be eligible for Medicaid in Ingham County alone. Another member expressed her fear that there will be lack of providers to provide services to these new beneficiaries. She wondered if there is a way to identify scope of services that could be provided by nurses or nurse practitioners to take pressure off of the lack of physicians.
- A member shared that there is some concern from hospitals that there will be a surge of emergency room visits with the expansion.

Jan shared that the Center for Healthcare Research and Transformation issued a detailed report on the impact of Medicaid expansion. The report is available online at [www.chrt.org](http://www.chrt.org).

#### **b. Reasonable Compatibility Standards**

Jackie Doig explained that as part of the ACA, reasonable compatibility standards will be used for reconciling information provided by an applicant with what the state is able to gather from external data sources. In cases where the information provided is inconsistent, the State can determine if the information provided is reasonably compatible. Jackie asked that those in the advocacy community who work directly with the low income community be allowed/invited to provide input as the policy is developed to both simplify and ensure accuracy of the system.

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### **c. Essential Benefits Development**

Jan shared that the Michigan Department of Licensing and Regulatory Affairs (LARA) has submitted their recommendations for the Essential Benefits Package. Steve explained that MDCH has been directed to carefully examine the recommended coverage and consider a lesser package of benefits than full Medicaid benefits; any input received on this topic is welcomed. Members noted numerous issues with different benefit packages for different income levels and asked Jan to draft a letter of support for the full Medicaid benefits package to policymakers.

### **d. Dual Eligibles Integration Project**

Steve explained that MSA staff responded to a set of questions that the Centers for Medicare and Medicaid Services (CMS) presented about the Care Bridge. The Care Bridge will be used to coordinate the services and supports used by each beneficiary, support collaboration in assessment and planning, and provide real-time coordination of care and services. There has been no subsequent response from CMS.

The target date for implementation is January 2014. Additional information regarding the Dual Eligibles Integration Project and the Care Bridge is available on the MDCH website at [www.michigan.gov/MDCH](http://www.michigan.gov/MDCH).

### **e. Primary Care Rate Increase**

Jackie Prokop shared that the three provider specialties that are identified in the law have been solidified. The specialties in which provider types can receive the increase include family practice, pediatrics and internal medicine. The final rule is clear and there will be no changes. There is more flexibility in terms of payments. Nurse Practitioners and Physician Assistants who work under the direction of a Physician within the three specialties are eligible for the increased payments. Federally Qualified Health Center's (FQHCs), Rural Health Clinics (RHCs), and Local Health Departments (LHDs) will not receive the higher payment. The MICHild program is included in the rate increase.

Jackie explained that there was a meeting with the Medicaid Health Plans about how the increased rates will be paid through fee-for-service (FFS) and the health plans. FFS will pay the increased rate through claims. We are still waiting for CMS guidance in how rates will be paid for the health plan providers. The health plans have asked that information on claims be sent via an L-letter from MDCH. A question was raised whether primary care providers serving the Adult Benefits Waiver population would receive the increase. Jackie confirmed that MSA's understanding is that they would receive the increase.

### **Autism Coverage**

Steve indicated that it is the intention of MDCH to implement this policy effective January 1, 2013. The services under this benefit are habilitative and require a Medicaid waiver. Funding is appropriated for FY 2013; however, the program must be designed to live within the available funding.

### **Possible Adult Benefits Waiver Open Enrollment**

Dick Miles shared that current enrollment is around 32,000. MDCH will likely open enrollment mid-year 2013.

### **Community Based Long Term Care Updates**

Dick explained that the ACA provides a number of options for Community Based Long Term Care, but due to the focus and work required for the Integrated Care Proposal, staff have had little time to pursue.

### **Policy Updates**

#### **1. New Delivery Policy**

This policy is currently in the public comment phase. Any hospital that delivers babies is required to sign an attestation form stating they will not perform elective deliveries prior to 39 weeks gestation. This policy will be effective January 1, 2013.

#### **2. Local Health Department Full-Cost Reimbursement**

LHDs are allowed full cost reimbursement for FFS visits, but previously there was not a mechanism for allowing full cost reimbursement for health plan visits. MDCH submitted a State Plan Amendment (SPA) to the federal government two years ago and it was just recently approved. MDCH can now work with the LHDs to adjust their cost settlements back to January 1, 2011.

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### 3. Hospital Reimbursement Policy Changes

Dick Miles shared that the Department has taken a hard look at hospital reimbursement over the last couple of years. Discussions have been held with hospital partners regarding possible changes to how hospital rates are set. This is a very complex issue since a change in one area will affect other areas. Workgroups have reviewed DSH and graduate medical education, and special financing presents an additional challenge. MDCH is taking a careful look at restructuring the main concepts of hospital reimbursement for a possible effective date of January 1, 2014.

### 4. Wheelchair Policy

Jackie Prokop explained that this policy is effective December 1, 2012. The policy revises form MSA 1656, which was streamlined from approximately 10-12 pages to four pages. Addendums to the form were developed which explain what special features are needed for the wheelchair. Providers are to complete the form once, and subsequent information will be provided on the addendum(s). MDCH made these changes with the intent to simplify the wheelchair request process.

### 5. Addition of Optometrists to Providers Eligible for EHR Incentives

Jackie Prokop explained that initially optometrists were not included in the EHR incentives because they were not identified in the state plan as eligible. After research on the topic, MSA submitted a State Plan Amendment, it was approved and now optometrists can participate in the EHR program.

### Council Membership and Chairperson for 2013

Jan Hudson asked the members whether anyone would like to be the chairperson for MCAC in 2013. Steve Fitton asked if everyone supported Jan continuing as the chairperson for another year. Jan accepted the nomination and was confirmed. Steve also expressed an interest in engaging more advocates and consumers.

For members who require a letter for reappointment to the MCAC, please send an email to Steve Fitton at [Fittons@michigan.gov](mailto:Fittons@michigan.gov).

The meeting was adjourned at 4:30 p.m.