



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: Wednesday, August 30, 2017

Time: 1:00 p.m. – 4:30 p.m.

Where: Michigan Public Health Institute (MPHI)
2436 Woodlake Circle, Suite 380
Okemos, MI 48864

Attendees: **Council Members:** Robin Reynolds, Amy Zaagman, Jeff Towns, Emily Schwarzkopf, David Herbel, Stacey Hettiger (for Rebecca Blake), Rod Auton, April Stopczyinski, Kim Singh, Michelle Best (for Amy Hundley), Eric Liu, Barry Cargill, Robert Sheehan, Elmer Cerano, Dan Thompson (for Loretta Bush), Dan Wojciak (for Alison Hirschel), Diane Haas, Marilyn Litka-Klein, Debra Brinson, Dominick Pallone

Staff: Chris Priest, Farah Hanley, Dick Miles, Kathy Stiffler, Jackie Prokop, Cindy Linn, Marie LaPres, Jon Villasurda

Other Attendees: Salli Pung

Welcome, Introductions, Announcements

Robin Reynolds opened the meeting and introductions were made.

Medicaid Managed Care

Healthy Kids Dental Bid Update

Kathy Stiffler reported that bids for a new ***Healthy Kids Dental*** contract were due on July 31, 2017. The Joint Evaluation Committee has met to review the submissions, and is currently in the process of developing its final recommendations. The award winner(s) will be announced on www.buy4michigan.com for the new contract(s) to begin on April 1, 2018. **UPDATE:** following the meeting, the start date for the new ***Healthy Kids Dental*** contract was changed to October 1, 2018.

Member Transportation Survey

MDHHS distributed a survey to Medicaid beneficiaries to identify their utilization experience or knowledge of Medicaid transportation services. Surveys were distributed to both users and non-users of Medicaid transportation services. To date, more users have responded to the survey than non-users. MDHHS plans to conclude the survey process at the end of August 2017 or the first week of September, and will share results at the next Medical Care Advisory Council (MCAC) meeting.

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Integrated Service Delivery (ISD)

MDHHS is in the process of implementing a new universal caseload system known as ISD to provide a single portal for beneficiaries who receive services from multiple MDHHS programs. ISD will also include an assessment tool that individuals can use to indicate if they would like information on programs offered through any agency within the State of Michigan, and a central call center that beneficiaries may contact with questions. A pilot ISD system has been tested in select areas of the State, and MDHHS hopes to launch the system statewide by the end of 2017. As part of ISD implementation, the DHS-1171 – Assistance Application will be revised to allow individuals to apply for health care coverage in addition to other MDHHS programs when completing the form. ISD implementation will not impact the current Medicaid redetermination process, as its focus will be to improve efficiency in the delivery of services.

Behavioral Health Updates

Section 298

As discussed at the previous MCAC meeting, the Stakeholder 298 workgroup that was convened to discuss the integration of behavioral health and physical health services has submitted a final report to the legislature containing 72 policy recommendations. Following the submission of the report, the legislature directed MDHHS through PA 107 of 2017 to pilot three fully integrated financial models based on the policy recommendations and submit a report back to the legislature by November 1, 2017 identifying any barriers to the integration of behavioral health and physical health services. Any savings found as a result of integration must be re-invested into providing behavioral health services.

In response to a concern raised by a meeting attendee, MDHHS staff indicated that the Department intends to involve relevant stakeholders, including beneficiaries in the implementation process as early as possible to assist in the development of a Request for Information (RFI) that MDHHS plans to release in the next month. If three or more entities respond to the RFI, the Department must initiate a competitive bid process for those interested in participating with the pilot. The pilot models must be implemented by March 1, 2018.

Section 1115 Waiver Update

MDHHS conducted a site visit with the Centers for Medicare & Medicaid Services (CMS) related to the submission of its Section 1115 Waiver request to implement all behavioral health services under a single waiver authority. During the site visit, CMS indicated that the B3 services and supports provisions of the waiver, which would expand housing services and supports, are currently under review with general counsel for the federal department of Health and Human Services (HHS). MDHHS staff noted that CMS will proceed with the waiver approval process once general council issues an opinion, and that the Department's 1915(b) and 1915(c) waivers are still in place pending a decision by CMS.

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Other

MDHHS has convened the Michigan Inpatient Psychiatric Access Discussion (MIPAD) to address barriers to access for inpatient psychiatric care.

Long Term Care Services and Supports Updates

Modernizing Continuum of Care (MCC): System and Process Changes

Effective January 2, 2018, MDHHS will implement the MCC project to improve the communication between Bridges and CHAMPS that will reduce processing time for a variety of functions and reduce errors related to admission and enrollment, as well as discharge and disenrollment. Key features of the MCC project include:

- Level of Care (LOC) codes will be replaced by Program Enrollment Type (PET) codes. The PET codes more precisely reflect program options and provide additional information on living arrangements and exemption reasons.
- Specific providers will directly enter admission/discharge or enrollment/disenrollment information in CHAMPS. This will result in real-time changes to the National Provider Identifier (NPI) and the beneficiary's PET code. As part of this change, the MSA-2565-C form will no longer be used for facility admissions.
- Providers will be able to view a roster of all beneficiaries for whom they have submitted admission or enrollment information in CHAMPS. This roster will allow the provider to see an individual's admission or enrollment information, Medicaid status, and information on discharged beneficiaries.
- When a nursing facility enters admission information for an individual who does not have active or pending Medicaid eligibility, a Medicaid Application Patient of Nursing Facility (DHS-4574) will be automatically mailed to the individual.

Three proposed policies that each discuss a different component of the MCC project (1717-MCC, 1718-MCC and 1719-MCC) are currently posted for public comment until October 17, 2017.

Other

In addition to the MCC project, Dick Miles also shared the following updates related to long term care services and supports:

- MDHHS is in the process of seeking a renewal of the MI Choice Home and Community Based Services (HCBS) waiver, which currently expires on December 31, 2018. The Department will hold meetings with interested parties to discuss the waiver extension request beginning in September 2017.
- MDHHS will also host stakeholder meetings to discuss the possibility of moving to a managed long-term care system.

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- In 2016, a new Home Help policy section was established within the Bureau of Medicaid Policy and Health System Innovation, and is now nearly fully staffed.
- To comply with federal requirements, MDHHS is working to implement an Electronic Visit Verification (EVV) system to document Home Help provider visits to a client's home. The EVV system must be in place by January 1, 2019.
- MDHHS is working through the Lean process to establish a sustainable business model for nursing facility transitions.

Budget/Boilerplate Update

2018 Budget Update

Farah Hanley reported that the Fiscal Year (FY) 2018 budget has been approved by the Governor, and includes many of the priorities established by Department leadership and the Governor that were discussed at the previous MCAC meeting.

2019 Budget

In FY 2019, MDHHS anticipates approximately \$200 million in additional general fund costs due to inflation, increased Medicaid caseload, and a reduction in the Federal Matching Assistance Percentage (FMAP) rate that is due to a rise in per capita income in the State of Michigan. The State of Michigan will also need to contribute an additional \$30 million in matching funds for the Healthy Michigan Plan in FY 2019. In addition to increased costs in FY 2019, general fund revenue is expected to decrease by approximately \$400 million due to various tax credits taking effect, including a new homestead property tax credit, a transportation earmark from general income tax receipts, and a use tax earmark. Because of this cost and revenue forecast, Farah Hanley advised meeting attendees that MDHHS expects that while the FY 2019 budget will maintain current Department programs, new investments will likely not be included at the same level as in FY 2018.

Statewide Integrated Governmental Management Application (SIGMA)

On October 3, 2017, MDHHS will implement a new system known as SIGMA to improve the way Michigan performs all financial activities, including budgeting, accounting, payments and grant opportunities. Meeting attendees were advised that with the launch of SIGMA at the beginning of a new fiscal year, payment to providers for Pay Cycle 40 will be delayed by one week, from October 5, 2017 to October 12. On October 12, providers will receive payments for two pay cycles.

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Healthy Michigan Plan

Waiver Renewal and Protocols Out for Public Comment

MDHHS is in the process of preparing to implement the second waiver for the Healthy Michigan Plan. The Healthy Michigan Plan waiver renewal will include and be based on what is approved in the protocols by the federal government. Under the terms of the waiver beginning April 1, 2018, individuals who have been enrolled in the Healthy Michigan Plan for more than 12 months, have incomes above 100% of the federal poverty level, do not meet the criteria for “medically frail” and choose not to engage in one or more healthy behaviors must leave the Healthy Michigan Plan and receive insurance coverage from the Marketplace. As part of the waiver, MDHHS revised the Healthy Behavior Protocol and MI Health Account Protocol, which define the healthy behaviors process and cost-sharing requirements for Healthy Michigan Plan beneficiaries, and created the Marketplace Option Operational Protocol. MDHHS is accepting public comments on the Healthy Michigan Plan second waiver operational protocols until September 13, 2017, which can be accessed on the web at www.michigan.gov/healthymichiganplan.

Healthy Behavior Protocol

Under the current Health Risk Assessment (HRA) process, MDHHS receives notification that a beneficiary has chosen to participate in the healthy behavior only after the beneficiary completes the HRA with their primary care provider (PCP) and attests to one or more healthy behaviors, and the PCP then submits the HRA to the beneficiary’s health plan. As outlined in the revised Healthy Behavior Protocol, MDHHS has modified the HRA form by removing biometric data (e.g., cholesterol levels, blood pressure, etc.) and has added an electronic format and centralized fax number for ease of submission. This will allow for timelier processing of HRAs and help to encourage greater beneficiary participation in the Healthy Behaviors Incentive program. Additionally, a specific group of preventive services that will be identified through encounter data and participation in approved wellness programs will also count as engaging in healthy behaviors.

Marketplace Plan Protocol

Handouts outlining the process for Healthy Michigan Plan beneficiaries to transition to the Marketplace, as well as the process for determining if an individual meets the criteria for “medically frail” as described in the Marketplace Option Operational Protocol, were provided to meeting attendees and discussed at length. In response to an inquiry, MDHHS staff clarified that women who become pregnant after transitioning to Marketplace coverage from the Healthy Michigan Plan may then transition out of the Marketplace and will be exempt from cost-sharing and premium obligations.

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MI Health Account Protocol

The MI Health Account Protocol has been updated per state law to indicate that Healthy Michigan Plan beneficiaries with incomes above 100% FPL and participate in one or more healthy behaviors will now have their premium and cost-sharing obligations suspended once their cost-sharing reaches three percent of their income.

Healthy MI Waiver Renewal Update

MDHHS is working to submit a renewal application for the Healthy Michigan Plan §1115 Demonstration Waiver to CMS, which currently expires on December 31, 2018. The waiver renewal application must be submitted by December 31, 2017, and will be posted for public comment prior submission. MDHHS will also host a public hearing to provide an overview and discussion of the Healthy Michigan Plan waiver renewal application where all interested parties will have an opportunity to provide comments. Details regarding the public hearing will be announced at a later date.

MDHHS has finalized which insurance carriers have agreed to provide coverage to current Healthy Michigan Plan beneficiaries who transition to the Marketplace. At least two products will be offered in all counties in the Lower Peninsula, while Blue Cross Blue Shield of Michigan (BCBSM) will offer coverage to the Healthy Michigan Plan population in all 15 counties in the Upper Peninsula. Other health plans that will offer coverage to the Healthy Michigan Plan population include McLaren Health Plan, Meridian Health Plan, Priority Health Choice Inc., and Total Healthcare Inc.

Federal Update

Health Care Reform Update/Marketplace/Rate Filing

Chris Priest reported that the U.S. Senate was unable to pass the proposal to repeal and replace the Affordable Care Act (ACA) that was discussed at the previous MCAC meeting. Congress is scheduled to conduct hearings on a proposal to reduce cost-sharing amounts for health plans operating on the Marketplace during the week of September 5, 2017, and Mr. Priest noted that the outcome of this legislation will have direct implications for the Healthy Michigan Plan. The federal government is continuing to engage with states regarding waiver requests for their Medicaid expansion programs, which include a request from Arkansas to reduce Medicaid eligibility in their expansion program to 100% FPL. If approved, Mr. Priest advised that other states may submit similar requests. Approximately 120,000 Healthy Michigan Plan beneficiaries have incomes above 100% FPL.

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Children's Health Insurance Program (CHIP) Reauthorization

CHIP currently expires on September 30, 2017, and must be re-authorized as part of a federal spending bill to continue. While Chris Priest expressed optimism that the program will be renewed, congress is also considering an extension of the FMAP increase for CHIP that was authorized by the ACA. If CHIP is not reauthorized, the State of Michigan currently has the resources to fund the program through the second quarter of 2018 at the current FMAP rate.

Policy Updates

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

The meeting was adjourned at 4:00 p.m.