

History, Purpose, Goals, and Objectives

History

In 2016, the Centers for Medicare & Medicaid Services (CMS) approved Michigan's application to establish a five-year Medicaid demonstration entitled "Flint Michigan Section 1115 Demonstration," (Project Number 11-W-00302/5) in response to the public health emergency of lead exposure related to the Flint water system. The demonstration expanded coverage to low-income children up to age 21 years and pregnant women served by the Flint water system during a state-specified time period and who would not be otherwise eligible for Medicaid. This population included children in households with incomes from 212 percent of the federal poverty level (FPL) up to and including 400 percent of FPL and pregnant women in households with incomes from 195 percent of FPL up to and including 400 percent of the FPL. As a result, the demonstration impacted Medicaid eligibility and improved access to care.

Enrollment into the Flint Medicaid waiver program began on May 9, 2016. The Michigan Department of Health and Human Services (MDHHS) used an electronic administrative renewal process to annually redetermine eligibility, based on verification of income and residency, in order to facilitate enrollment and retention.

The demonstration population received care primarily through Medicaid managed care plans and receives all state plan benefits including, for children, Early and Periodic Screening, Diagnostic, and Treatment (EPSDT). Individuals receiving benefits under the demonstration are exempt from cost sharing and premiums. Targeted Case Management (TCM) services and home lead investigation services are available to children and pregnant women serviced by the Flint water system during the defined period who have been determined eligible for Medicaid.

Goals Met

Consistent with the approved waiver, the MDHHS provided eligibility protocol that expanded eligibility to any pregnant woman or child up to age 21 with a household income up to and including 400 percent of the Federal Poverty Level (FPL) served by the Flint water system during the specified time period. Eligibility also applies to any children born to a pregnant woman during the specified time period. Exemptions from premiums are granted to families with children under age 19 covered by MICHild and those subject to premiums and cost sharing under Michigan's Freedom to Work program, provided their income is below 400 percent of FPL.¹ As

¹ [MSA 16-11](#)

of January 2020, a total of 43,421 cumulative children and pregnant women have been enrolled in the program.²

The program also added TCM services as part of the comprehensive benefits available to children and pregnant women served by the Flint water system. TCM services include:

- Face-to-face comprehensive assessment, history, reassessment, and identification of a course of action to determine the specific needs of a beneficiary and develop an individual plan of care
- Planning, linking, coordinating, follow-up, and monitoring to assist the beneficiary in gaining access to services
- Coordination with the beneficiary's primary care provider, other providers, and Medicaid Health Plans as applicable

TCM services are available to all eligible beneficiaries up to age 21 and pregnant women up to 60 days post-delivery.³ As of June 2019, 90 percent of cumulative enrollees had utilized the services of a primary care provider and a cumulative 676 enrollees were actively receiving ongoing TCM services since the start of the program.

Assessment of Enrollment

Demonstration enrollment activity is detailed in this section of the extension application. Enrollment data was derived from the MDHHS Data Warehouse. For reporting purposes, the Children enrollment group is defined as demonstration enrollees under the age of 21. Pregnant women are identified using pregnancy indicators in the MDHHS Data Warehouse. To avoid duplication, pregnant women are excluded from the Children enrollment group. Demonstration years in the following tables are aligned with the definition for demonstration years in the demonstration special terms and conditions (i.e. demonstration year 1 spans March 1, 2016 – February 28, 2017). Since the following data was retrieved in late January 2020, enrollment for demonstration year 4 is not complete.

The following table shows an unduplicated aggregate count of beneficiaries enrolled in Medicaid or CHIP for each year of the current demonstration approval period. The Children and Pregnant Women enrollment groups are a subset of the total Medicaid/CHIP population. For this reason, adding these two enrollment groups together will not add up to the total Medicaid/CHIP

² For reporting purposes, children are defined as individuals under the age of 21 and pregnant women are identified using indicators in the Michigan Department of Health and Human Services' data warehouse. To avoid any duplication, pregnant women are excluded from the children enrollment group.

³ [MSA 16-10](#)

population. The Cumulative Enrollment row shows the total distinct number of Medicaid/CHIP enrollees over the demonstration period.

Medicaid/CHIP Enrollment by Demonstration Year			
Demonstration Year	Enrollment Group		Total Medicaid/CHIP Enrollment
	Children	Pregnant Women	
1	1,265,574	117,935	2,898,870
2	1,255,784	113,813	2,912,025
3	1,246,670	108,516	2,893,218
4	1,213,802	100,594	2,810,810
Cumulative Enrollment	1,625,601	243,859	3,763,368

The following table shows an unduplicated aggregate count of beneficiaries whose coverage is affected by the demonstration for each year of the current demonstration approval period. The Cumulative Enrollment row shows the total distinct number of Flint waiver enrollees over the demonstration period.

Flint Demonstration Enrollment by Demonstration Year			
Demonstration Year	Enrollment Group		Total Flint Demonstration Enrollment
	Children	Pregnant Women	
1	29,985	1,813	31,798
2	32,990	1,735	34,725
3	31,047	1,254	32,301
4	29,681	1,195	30,876
Cumulative Enrollment	39,375	4,046	43,421

The following table shows an unduplicated aggregate count of the beneficiaries who were disenrolled for any period by demonstration year. The Cumulative Disenrollment row shows the distinct number of individuals that disenrolled from the Flint waiver over the course of the demonstration period.

Flint Demonstration Disenrollment by Demonstration Year			
Demonstration Year	Enrollment Group		Total Flint Demonstration Disenrollment
	Children	Pregnant Women	
1	6,223	1,103	7,326

2	8,310	3,629	11,939
3	7,168	927	8,095
4	7,540	862	8,402
Cumulative Disenrollment	23,029	3,975	27,004

Building on Success

The Flint Medicaid waiver will build on success already achieved by first preserving coverage for the thousands of beneficiaries enrolled. There has also been a steady increase in developmental and behavioral screenings, indicating an opportunity for further improving access and awareness. As the full impact of lead exposure and subsequent healthcare needs become more visible in the population, the number of individuals seeking assistance will continue to grow. Further, as trust in state institutions and operations is slowly regained, participation can grow as well. Based on this, the state does not plan to change its program administration.

Building on Core Objectives

Extending the Flint Waiver will continue promoting core objectives of the Medicaid program, including improved access to care and health outcomes for beneficiaries. The waiver has already improved access for many, as shown by the clear increase in blood lead tests for children, increase in blood lead screenings for pregnant women, and consistently high level of access for prenatal care. A majority of beneficiaries also reported that the waiver made it easier to get the care they needed, or access care for a child.

Improved healthcare outcomes have also been realized since implementation of the waiver, with a majority reporting themselves to be in good health overall since enrolling and very few reporting poor physical health.

Implementation

Expenditure Authority

Michigan is requesting the same authorities as those approved in the current demonstration for the same purpose, as approved for the requested extension period. Specifically, MDHHS seeks the continuation of the following waivers of state plan requirements contained in §1902 of the Social Security Act, subject to the Special Terms & Conditions for the FME §1115 Demonstration:

- *Provision of Medical Assistance §1902(a)(8); 1902(a)(10)* – To the extent necessary to permit the state to limit the provision of medical assistance (and treatment as eligible) for

individuals described in the eligibility group under 1902(a)(10)(A)(ii)(XX) and the state plan, to children up to age 21 and pregnant women who were served by the Flint water system at any time from April 2014 to the state-specified date, including any child bonito a pregnant woman served by the Flint water system from April 2014 to the state-specified date. For this purpose, an individual was served by the Flint water system if, for more than one day, the individual consumed water drawn from the Flint water system and: 1) resided in a dwelling connected to this system; 2) had employment at a location served by this system; or, 3) received child care or education at a location connected to this system.

- *Comparability §1902(a)(17) or § 1902(a)(10)(B)* – To the extent necessary to enable the state to not charge premiums to individuals who resided in the area served by the Flint water system from April 2014 up to the date specified in accordance with paragraph 18 of the special terms and conditions (STCs). Also, to the extent necessary to enable the state to provide evaluation of potential lead exposure in the home only for individual~ who meet these nonfinancial criteria.
- *Freedom of Choice §1902(a)(23)* – To the extent necessary to enable the state to restrict freedom of choice of provider for children and pregnant women with respect to targeted case management and evaluation of potential lead exposure in the home. Also, to the extent necessary to enable the state to limit beneficiary choice of providers for beneficiaries enrolled in a Managed Care Entity (MCE) and a Prepaid Inpatient Health Plan (PIHP) under the demonstration to those providers that are within the MCE and PIHP networks. No waiver of freedom of choice is authorized for family planning providers.

Additionally, MDHHS seeks the continuation of the CMS-approved expenditure authority that enables Michigan to implement the Flint Medicaid Section 1115 demonstration:

- Expenditures for evaluation of potential lead exposure in the homes of eligible children under age 21 and eligible pregnant women who resided in the area served by the Flint water system between April 2014 and the date specified in accordance with paragraph 18 of the Special Terms and Conditions, without regard to whether there has been documentation of an elevated blood lead level of an eligible household member.

Quality Assessment Process, Summary, and Changes

Michigan assesses quality, accessibility, and efficiency for the Flint Waiver from both a broad and narrow perspective. MDHHS annually conducts a statewide assessment of its managed care delivery systems by working with the state’s 11 contracted Medicaid Health Plans (MHPs) to facilitate valid reporting of the Healthcare Effectiveness Data and Information Set (HEDIS) measures. Two HEDIS measures, “Child & Adolescent Care” and “Pregnancy Care,” match the Flint Waiver’s extended eligibility categories. Additionally, measures in access and utilization

help evaluate the overall delivery of care in Michigan. In addition, the state conducts monthly evaluations, quarterly reports, and annual reviews of enrollment, changes in enrollment status, service utilization, and other measures. These evaluations are key to measuring access to services and targeted case management.

Quality Assessment Summary

Consistent with the approved waiver, the MDHHS provided eligibility protocol that expanded eligibility to any pregnant woman or child up to age 21 with a household income up to and including 400 percent of the Federal Poverty Level (FPL) served by the Flint water system during the specified time period. Eligibility also applies to any children born to a pregnant woman during the specified time period. Exemptions from premiums are granted to families with children under age 19 covered by MICHild and those subject to premiums and cost sharing under Michigan's Freedom to Work program, provided their income is below 400 percent of FPL.⁴

As of January 2020, a total of 43,421 cumulative children and pregnant women have been enrolled in the program.⁵ The program also added TCM services as part of the comprehensive benefits available to children and pregnant women served by the Flint water system. TCM services include:

- Face-to-face comprehensive assessment, history, reassessment, and identification of a course of action to determine the specific needs of a beneficiary and develop an individual plan of care
- Planning, linking, coordinating, follow-up, and monitoring to assist the beneficiary in gaining access to services
- Coordination with the beneficiary's primary care provider, other providers, and Medicaid Health Plans as applicable

TCM services are available to all eligible beneficiaries up to age 21 and pregnant women up to 60 days post-delivery.⁶ As of February 2019, 90 percent of cumulative enrollees had utilized the services of a primary care provider, for a total of 112,106 primary care provider visits, and a cumulative 621 enrollees were actively receiving ongoing TCM services since the start of the program.

Changes to Quality Assessment

⁴ [MSA 16-11](#)

⁵ For reporting purposes, children are defined as individuals under the age of 21 and pregnant women are identified using indicators in the Michigan Department of Health and Human Services' data warehouse. To avoid any duplication, pregnant women are excluded from the children enrollment group.

⁶ [MSA 16-10](#)

The state intends to maintain its current quality assurance monitoring program.

Costs, Fiscal Impact, and Funding Sources

Member Months and Expenditures

In order to report on past enrollment and expenditures, as well as make projections, the population is separated into two groups: “Full Coverage” beneficiaries and “TCM-Only” beneficiaries. “Full Coverage” beneficiaries are defined as all individuals under 21 years of age and pregnant women (of any age) under 400 percent federal poverty level (FPL) but higher than the FPL for their enrollment category (between 212 and 400 FPL for children under 20, between 133 and 400 for those age 20, and between 195 and 400 for pregnant women). “TCM-Only” beneficiaries are defined as all individuals that were Medicaid-eligible prior to the waiver but receive the additional targeted case management (TCM) services as a result of the demonstration.

Again, demonstration years in the following tables are aligned with the definition for demonstration years in the demonstration special terms and conditions (i.e. demonstration year 1 spans March 1, 2016 – February 28, 2017). Since the following data was retrieved in late January 2020, enrollment for demonstration year 4 is not complete.

	DY 2016	DY 2017	DY 2018	DY 2019
Total Member Months	220,725	341,171	325,798	312,804
TCM-Only Benes	215,908	332,516	315,998	302,506
Full Coverage Benes	4,817	8,655	9,800	10,298
Total Utilization	\$1,520,887	\$3,221,038	\$3,730,902	\$3,863,461
TCM-Only Benes	\$650,859	\$1,646,424	\$1,952,738	\$2,078,898
Full Coverage Benes	\$870,028	\$1,574,615	\$1,778,164	\$1,784,563

Enrollment and Expenditure Projections

Projecting the next five years of cost associated with the waiver entails population projection followed by utilization. Historic enrollment and costs were analyzed for the two enrollment groups. A “per member per month” (PMPM) cost was then calculated for each group, with trends applied to estimate the future costs. This PMPM was then multiplied by the member months expected by year for the two enrollment groups as a projected total waiver utilization.

	DY2020 (Projected)	DY 2021 (Projected)	DY 2022 (Projected)	DY 2023 (Projected)	DY 2024 (Projected)
Total Member Months	305,452	298,502	293,280	289,788	288,020
TCM-Only Benes	294,054	286,180	280,034	275,618	272,926
Full Coverage Benes	11,398	12,322	13,246	14,170	15,094
Total Utilization	\$4,185,264	\$4,496,131	\$4,820,518	\$5,160,882	\$5,521,010
TCM-Only Benes	\$2,164,074	\$2,267,412	\$2,376,775	\$2,494,407	\$2,623,871
Full Coverage Benes	\$2,021,190	\$2,228,720	\$2,443,743	\$2,666,475	\$2,897,139

The state is not requesting any changes to the program. Based on current projections, there would be a large number of individuals in both categories that would lose coverage if the waiver were discontinued.

	DY2020 (Projected)	DY 2021 (Projected)	DY 2022 (Projected)	DY 2023 (Projected)	DY 2024 (Projected)
Annual Members Impacted	25,454	24,875	24,440	24,149	24,002
TCM-Only Benes	24,505	23,848	23,336	22,968	22,744
Full Coverage Benes	950	1,027	1,104	1,181	1,258

These projections reflect an average number of distinct beneficiaries per year based on the overall member months.

Funding Sources

The state’s intended source for financing the non-federal share of expenditures under the demonstration is the state general fund.

Interim Evaluation

A copy of the interim evaluation and accompanying proposal for evaluating the waiver extension are available online at <https://www.michigan.gov/mdhhs/0,5885,7-339-71547-376862--,00.html>.

State Public Notice and Input Process prior to Submission

Public Notice Mechanisms

The following methods were used by the state to provide notice to the public and solicit input from interested parties:

- Public meeting & open comment held by Medical Care Advisory Council on 8/14/19
- Public meeting & open comment held by Medical Care Advisory Council on 11/14/19
- Notice (L 19-44) sent to Tribal Chairs and Health Directors on 12/2/19
- Full public notice posted on department website on 2/14/20
- Public notice issued on 2/20/20
- Public meeting held in Flint, MI on 2/25/20

Full Public Notice

A copy of the full public notice can be found on the department website.

Tribal notice

A copy of the tribal notice can be found on the department website.

Link to Website

The public notice documents and public input procedures can be found online at the following website: <https://www.michigan.gov/mdhhs/0,5885,7-339-71547-376862--,00.html>

Link to Comments

A report of public comments will be added following the public comment period.