

PLAN TO EXPAND AND IMPROVE THE BENEFICIARY MONITORING PROGRAM

(FY2012 Appropriation Bill - Public Act 63 of 2011)

April 1, 2012

Section 1756: The department shall develop a plan to expand and improve the beneficiary monitoring program. 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

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Section 1756: Beneficiary Monitoring Program Expansion

General Overview/Background

The Beneficiary Monitoring Program (BMP) identifies Medicaid fee-for-service (FFS) 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.

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.

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- Social Welfare Act Section 400.111a(5) – states that “The director shall select providers to participate in arrangements such as case management, in supervision 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.”¹

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 established a project team to research opportunities and implement improvements in the design and administration of BMP. The objective of the redesign project is to develop and implement strategies to efficiently and effectively address overuse/misuse of prescription drugs and Medicaid covered services including emergency room services.

Phase I: Review of Existing Program

- In conjunction with Health Management Associates (HMA) research other states Medicaid programs to form recommendations for BMP design
- Perform comprehensive survey of Michigan’s Medicaid Health Plans (MHP) about their programs to manage excessive ER/drug use.

Phase I has been completed. The BMP project team is currently considering the recommendations submitted in order to amend BMP to improve outcomes.

Interim Program Changes

- Beneficiaries are being automatically enrolled into BMP pharmacy lock-in upon disenrollment from the MHP. Since August of 2011, 30 new beneficiaries have been added to BMP through this process.
- Primary Care Providers are being recruited through Provider Enrollment when initially enrolled as a provider for Medicaid
- The hiring process for additional BMP staff has been initiated.

Phase II: Program Design and Policy/Systems Changes

System Changes in Progress

- Design has been completed to allow multiple lock-ins (primary care provider, pharmacy, pain management, etc.) in CHAMPS and is waiting for completion by CNSI.
- Establish an indicator that follows beneficiaries in and out of Medicaid enrollment and MHPs to eliminate opportunities to go without monitoring.
- MDCH is in the process of developing a process for the automatic identification of beneficiaries for possible enrollment in BMP using enhanced criteria.

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- Create an automatic alert system for both FFS and MHPs to identify beneficiaries who meet or exceed established placement criteria.

Policy Changes in Process

- A team has been put together to begin review of present criteria and develop new criteria for inclusion in BMP policy
- Create uniform guidelines to be used by FFS and MHP in identifying misuse of services.
- Remove the ability of MHPs to disenroll beneficiaries unless due to violent behavior.
- Implement minimum intervention strategies such as beneficiary education, case management, specialist referrals, and follow up evaluations.

Summary

Our goal is to have a uniformly applied program that follows the beneficiary regardless if enrolled in FFS or a MHP. There will be common criteria and interventions used by both the MHP and FFS. Criteria will be developed to flag beneficiaries whose utilization falls outside of the set parameters and to allow reporting including cost savings.