

# PROGRESS REPORT TO IMPLEMENT LONG-TERM MANAGED CARE PILOT PROGRAMS

(FY2010 Appropriation Bill - Public Act 131 of 2009)

June 1, 2010

**Section 1775:** The department shall provide a progress report on ongoing efforts to implement long-term managed care initiatives to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

*Michigan Department  
of Community Health*



**Jennifer M. Granholm, Governor**  
**Janet Olszewski, Director**

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH  
FY 2010 BOILERPLATE REPORTING REQUIREMENT  
SECTION 1775**

**Progress Report on Efforts to Implement Managed Long-Term Care Pilots**

In spring of 2009, the department was awarded a technical assistance grant from the Centers for Health Care Strategies (CHCS) to implement an integrated model for providing acute and long term health care services for the Medicaid and Medicare dual eligible population. Since being awarded this grant, the department has met monthly via conference call with CHCS and other state grantees to investigate opportunities for implementing such a model.

The goal of an integrated service model is to achieve a more efficacious delivery system by blending Medicare and Medicaid funding streams, creating one set of comprehensive benefits (primary, acute, prescription drug, and long-term care supports and services), delivering services in a coordinated and seamless fashion, and aligning financial incentives at both the macro and micro levels for cost effectiveness. The department believes that this delivery system will provide higher quality, better coordination and improved access to limited home and community based waiver services for beneficiaries, as well as provide administrative efficiencies and savings for the state and federal governments.

Two important issues must be addressed in moving integrated care forward. First, the department must obtain access to Medicare data to examine and understand the target population's acuity and utilization patterns. While the state has information regarding use of long-term services, little is known about the dual eligible population's use of acute care. Steps have been taken to secure this data. Second, the federal Department of Health and Human Services must grant authority for states to pursue a dual eligible demonstration such as the one Michigan and other states hope to have approved. Historically, there has been limited ability for the Medicaid and Medicare programs to work in tandem while providing coverage for the shared population. With the passage of the Patient Protection and Affordable Care Act, a new federal Coordinated Health Care Office and Center for Innovation were given authority to examine integrated service delivery and payment models for dual eligibles. With this newly created authority at the federal level, the department will continue its pursuit of approval of an integrated care plan.