Michigan Department of Community Health
MDCH
Rick Snyder, Governor
James K. Haveman, Director

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Wednesday, February 13, 2013

Time: 1:00 – 4:30 p.m.

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

Attendees: **Council Members:** Jan Hudson, Steve Fitton, Priscilla Cheever, Andrew Farmer, William Mayer, Barry Cargill, Tom Kochheiser, Doug Patterson, Dave Herbel, Larry Wagenknecht, Cindy Schnetzler, Russ Gruber, Pam Lupo, Warren White, Cheryl Bupp, Robin Reynolds, Kim Singh, Marilyn Litka-Klein, Alison Hirschel, Lonnie Barnett, Elmer Cerano, Debbie Brinson, Jackie Doig

Staff: Charles Overbey, Dick Miles, Jackie Prokop, Sue Moran, Brian Barrie, Amy Allen, Jackie Prokop, Marie LaPres, Cindy Linn, Pam Diebolt

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made. She announced that copies of a report published by the Michigan League for Public Policy and a fact sheet on the ten reasons to expand Medicaid are available to council members. She also shared results of a poll, by the American Cancer Society – Cancer Action Network, of Michigan voters indicating strong support for Medicaid Expansion. Jan updated council members regarding the response from Bill Rustem to the letter from the Council to the Governor's Office in support of a full benefits package for Medicaid Expansion.

FY 2014 Executive Budget Recommendation

Charles Overbey shared that the Executive Budget was presented last week. There were no major cuts or program reductions. Transportation, Education, and the Medicaid Expansion were the three main areas that the budget focused on. Overall, the budget office was pleased with the MDCH budget and that Medicaid Expansion was included. The budget included a proposal for Health Innovation Grants to support and improve the manner in which health care is provided, proposed funding for Infant Mortality reduction, and for expanding Healthy Kids Dental to cover beneficiaries in Ingham, Washtenaw, and Ottawa counties. Additional money was budgeted for health and wellness and behavioral health homes, Mental Health Innovation Grants to strengthen Mental Health Services, and for a new jail diversion program. The budget office supports the Medicaid expansion, but recognizes it could be difficult.

A member noted the large reduction in the Indigent Care Agreement DSH payment. Steve Fitton explained that there was an assumption that the Indigent Care Agreement Disproportionate Share Hospital (ICA DSH) enrollees would be eligible for the Medicaid Expansion or subsidies through the Exchange. The need for the ICA DSH program will be slowly diminished. The special payment to the Detroit Medical Center due to the large number of indigent people receiving treatment is recommended for elimination. "One-time funding" is mostly eliminated, including $4.3 million for graduate medical education.

The claims tax is budgeted at $400,000,000, with a recommended rate increase from 1.0% to 1.5% of claims.

The Fiscal Year (FY) 2013 Medicaid caseload is much lower than budgeted, however, long-term care spending increased. Approximately $20,000,000 was added for Autism services to annualize the funding added in FY2013. There are recommended increases in long term care funding: MI Choice funding is increased by $17,000,000 and a $15,000,000 increase for the Program of All-Inclusive Care for the Elderly (PACE). There was also $103,000,000 recommended to annualize the Primary Care Rate Increase implemented in January 2013.

Affordable Care Act Implementation

a. Medicaid Eligibility and Expansion

Steve shared that the Governor announced his plan to support Medicaid Expansion. It is anticipated that an additional 320,000 individuals will be covered by the expansion in 2014. Steve stated there is a concern from some legislators about the expansion in regards to federal constraints.

Jan asked that council members share what their groups are doing in support of the Medicaid Expansion. It is unknown at this time whether the executive budget includes the full Medicaid benefits package for the Expansion population, or a scaled down benefit as allowed under the ACA. She encouraged members to get involved in coalitions to assist with getting the Expansion approved. The FY2014 budget should be completed by June 1st.

Jackie Doig raised the issue that those over age 65 or eligible for Medicare are not eligible for the Medicaid Expansion. This creates significant discrimination for those who are elderly or persons with disabilities. She suggested restructuring the spend down (deductible) program and how it is calculated to raise the protected income levels to allow those with incomes below 138% FPL to be eligible for Medicaid. Jackie shared a proposal that makes recommendations on how to change the spend down program. She provided a copy of the proposal to the council. Steve commented that spend down is very complicated and does not work well for beneficiaries who have chronic conditions. A council member shared that caring for a beneficiary who is on the Medicaid spend down plan is burdensome for orthotics/prosthetics providers. Steve indicated that the climate in the legislature would make it very challenging to fix this problem right now.

One member recommended that people refer to the website www.ExpandMedicaid.com for additional information on the Medicaid Expansion.

b. Modified Adjusted Gross Income (MAGI) Conversion/Rules Engine/Portal

Amy Allen stated that MDCH Medicaid policy is in the process of developing a MAGI equivalent. Amy also shared that MDCH is close to issuing a Request for Proposal (RFP) to link the state system and federal exchange. Amy will share documentation which is highly technical. States are required to begin using the MAGI methodology for eligibility on October 1, 2013. Given the demands of making these changes, it will be difficult to meet this implementation date. The Centers for Medicare & Medicaid Services (CMS) is flexible about benefit design and copayment for those beneficiaries who are above 100% of FPL. Copayments/cost sharing regulations are difficult to implement. The Legislature believes beneficiaries should contribute to cost sharing.

c. Dual Eligibles Integration Project

Dick Miles explained that a lot has happened since the last meeting. MDCH still intends to implement the project in January 2014. MDCH has designated four regions for implementation per CMS. The first region includes eight counties in the southwest corner of the state, the second region is Macomb County, the third region is Wayne County, and the fourth region is all counties in the Upper Peninsula. The preference is to not go statewide right away due to the size and complexity of the project.

MDCH is moving forward with the two-contract approach which requires a robust care coordination model. CMS has not yet approved the model. In the proposal, Medicare funding will flow to the Integrated Care Organization (ICO), then from the ICO to the Prepaid Inpatient Health Plan (PIHP) through the Care Bridge. The Memorandum of Understanding (MOU) is being developed with CMS. Massachusetts, Ohio and Washington already have MOUs. The Ohio template is what Michigan is using to develop this project. The Medicare procurement process will proceed first; the Medicaid procurement process will follow. This effort is coordinating 2 major systems, not merging them.

A council member asked when the RFP will be released. Dick responded that it is expected early to mid-Spring.

An advisory committee is being developed. An Integrated Care Office has been created. Waivers and spend-down issues will have to be addressed.

d. Primary Care Rate Increase

Marie LaPres explained the primary care rate increase is required per the Affordable Care Act (ACA) with the goal of trying to increase the number of providers who participate with Medicaid in anticipation of the Medicaid Expansion. The ACA requires states to raise their Medicaid rates to equal Medicare rates. This is limited to Primary Care Providers (PCPs) who are family medicine, pediatrics, or internal medicine. A specific limited number of codes are included in the increase. Payments are retroactive to January 1, 2013 and will continue for services provided in calendar years 2013 and 2014.

Jackie Prokop added that the reason MDCH did not start paying the rates on January 1st is because CMS did not release the final Medicare rates until the end of January.

e. Innovation Grant

Steve explained that the federal planning grant has not been awarded yet. This is different from the Innovation Grant in the budget; it's coming from CMS. MDCH has applied for the grant, and has been led to believe the grant will be approved. The goal of the grant is to identify system changes that would be transformative.

CSHCS Transition to Managed Care

Sue Moran provided an update regarding the transition of Children's Special Health Care Services (CSHCS) children into Managed Care. Overall, the planning process has gone very well for this complex program. As of February 1, 2013, approximately 13,000 children were transitioned into the Medicaid Health Plans (MHPs). There was an extended period of time for the family to complete their initial enrollment. The Managed Care Plan Division is working with the CSHCS Division on the establishment of a special oversight group.

A council member asked if all plans are participating. The response was that all but one plan are participating. ProCare Health Plan is not accepting enrollments at this time as they have some regulatory issues that must be addressed.

Reviews will be done six to nine months after implementation to review the implementation process and to assure program integrity. The annual compliance review has been expanded to include care and management of the CSHCS population.

There are some issues with therapy for School Based Services (SBS) vs. Medicaid Health Plans (MHPs).

A member asked what measures of quality are in place.

Measures of success include quality measures. One reason for the transition is access to care. There is a survey that will be specific for the CSHCS population. Core competencies also are included.

Autism Coverage

Jackie Prokop explained the new policy that adds a benefit for autism services for Medicaid and MIChild beneficiaries. The benefit covers children ages 18 months through five years of age. The policy is effective April 1, 2013. A waiver amendment had to be submitted and approved prior to implementation, as well as a State Plan Amendment (SPA) for Medicaid and a SPA for the MIChild program. The policy outlines that the PCPs are to provide the screening at age-appropriate times in accordance with the American Academy of Pediatrics Periodicity Schedule. It is the expectation that all children 18 and 24 months of age will be screened for Autism.

There is a modifier being added to the procedure code when PCPs bill for the Autism screenings allowing MDCH to identify Autism screenings from other screenings. If a child tests positive for Autism Spectrum Disorder (ASD), the child will be referred to one of the PIHPs where the remainder of services will be provided.

Full-year funding is included in the Executive Budget.

Adult Benefits Waiver (ABW) Open Enrollment

Dick announced that there will be a one month open enrollment for the ABW program beginning April 1, 2013. A bulletin will be issued March 1. There are approximately 30,000 people currently enrolled in the ABW program. If the Medicaid expansion is approved, the Adult Benefits Waiver will be eliminated.

Policy Updates

1. **E-mail of Policy Updates**

   The Social Welfare Act requires that MDCH notify providers of any policy changes 30 days prior to implementation of the change and that notification must be completed through mail. Medical Services Administration (MSA) staff requested a legal interpretation to determine if the law could be interpreted to allow e-mail distribution of policy bulletins. The legal department ruled that MDCH could e-mail bulletins; however, we would have to verify provider's receipt. MDCH worked with the Department's legislative liaison, Karla Garcia to amend the Social Welfare Act to allow e-mailing and/or U.S. postal mailing of provider bulletins. House Bill 5931 was introduced to allow this change and it was passed, becoming effective April 1, 2013.

2. **Requirements for Children in Foster Care**

   Pam Diebolt explained the policy is currently in the promulgation process regarding health care provided to children/youth who enter into the foster care system. The policy requires that all foster care children/youth under 21 years of age receive a full medical health evaluation within 30 days of entering foster care, and be seen by a dentist within 90 days of entering foster care. The policy just ended the public comment phase, and the comments were positive. The policy will move forward for final review and approval, and should be issued March 1, 2013 with an effective date of April 1, 2013. Also, signed consent from a child's/youth's birth parent must be obtained before psychotropic medication can be administered.

The meeting was adjourned at 4:10 p.m.