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

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Tuesday February 11, 2014

Time: 1:30 – 4:30 p.m.

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

Attendees: **Council Members:** Jan Hudson, Marilyn Litka-Klein, Cheryl Bupp, Warren White, Kim Sibilsky, Dave Herbel, Barry Cargill, Priscilla Cheever, Jackie Doig, Alison Hirschel, Robin Reynolds, Larry Wagenknecht, Kim Singh, Tewana Nettles-Robinson

Staff: Steve Fitton, Jackie Prokop, Dick Miles, Farah Hanley, Charles Overbey, Cindy Linn, Cathy Stiffler, Amy Allen, Debera Eggleston, Marie LaPres, Pam Diebolt

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

Affordable Care Act Implementation - Healthy Michigan Plan

The Section 1115 demonstration waiver amendment for the Healthy Michigan Plan was approved by the Centers for Medicare and Medicaid Services (CMS) in December 2013 and the Healthy Michigan Plan will begin April 1, 2014.

Waiver Status - Terms and Conditions

The Michigan Department of Community Health (MDCH) has been working with CMS on the special terms and conditions that must be completed for the Healthy Michigan Plan to begin. Some of the items include sending in a waiver acceptance letter, transition planning for the current Adult Benefits Waiver (ABW) population, and finding a way to identify individuals that were denied eligibility on the Federally Facilitated Marketplace and MIBridges that may now be eligible for the Healthy Michigan Plan.

The transition plan for the ABW population has been approved. There are more than 60,000 people in the ABW program that will be automatically transitioned into the Healthy Michigan Plan without having to complete a new eligibility determination. A new Modified Adjusted Gross Income (MAGI) application will be completed at their next annual redetermination date.

Changes to Medicaid Health Plan contracts have been sent to CMS for review. The draft health plan rates for the Healthy Michigan Plan were released last week to the health plans for review, and department staff met with the health plans to receive feedback.

As a part of the special terms and conditions for the Healthy Michigan Plan, the Department must provide additional information to CMS regarding how the MI Health Accounts will work, including how contributions will be collected and a description of how the beneficiary will receive quarterly statements letting them know how much they owe in copayments. MDCH will send in a draft of the plan to CMS by the end of March 2014.

There was a question about consequences for not adhering to Healthy Behaviors. There are two possibilities that MDCH is researching. One is placing the individual into the Benefits Monitoring Program (BMP) though the details have not been worked out. The other possibility is taking money from state tax returns. MDCH is working with the Department of Treasury to see how that could happen and details are being looked at. Jan Hudson suggested community service workers reach out to individuals and see if they need help.

A draft of the Health Risk Assessment form (HRA) was shared with all attendees. The HRA was developed to promote the overall health and well-being of beneficiaries, which when completed, provides beneficiaries the opportunity to earn incentives for actively engaging in the health care system.

Public Act 107 of 2013 calls for copayments to be waived for any visit that is related to a chronic condition, with the goal to promote greater access to services that prevent the progression of and complications related to chronic diseases. A list of chronic conditions will be compiled in the near future.

Under the Healthy Michigan Plan, "Health Saving like Accounts" (HSAs) called MI Health Accounts will be created to engage consumers in the cost of their health care. Copayments will not be collected during the first six months after health plan enrollment, but an initial average monthly copayment history will be established during this time. The average monthly copayment amounts will be collected and retained by the MHPs starting in the 7th month. The average monthly copayment history will then be recalculated each subsequent six months. No Point-Of-Service (POS) copayments will be collected from beneficiaries enrolled in health plans. If a beneficiary is exempt from enrollment in the health plans and is in Fee-For-Service (FFS) they will continue to pay copayments at POS to the providers.

Protocols for the MI Healthy Account and Healthy Behaviors will be available at a later date.

Outreach and Enrollment Plans

MDCH has created a beneficiary handbook that describes the Healthy Michigan Plan. The handbook is in the process of being mailed out to ABW beneficiaries. It will be posted to the website this week. There will also be webinars, provider brochures and posters made available for outreach. A Healthy Michigan Plan logo has been created.

The Department reported it is still exploring expedited enrollment options but they will not be ready to implement by April 1 because of Federal Waiver requirements.

Coordination with DHS

Two follow up questions from the last meeting were answered by DHS.

Are local offices referring to the navigators? Yes, they have resource information and they are referring to the navigators if appropriate. There is a resource guide that lists the link to the navigators and that link has been provided to DHS staff.

Will there be certified application counselors in the local DHS offices? A few urban offices do have certified application counselors. Otherwise, they have resource information and are referring to the navigators if questions arise.

MAGI Implementation Update

MDCH is using the MAGI Methodology for eligibility. The department is working out some system issues, but it is working well overall.

Symposium on High Emergency Room Utilizers - Follow-up

The initial symposium was held in November 2013. A link to the presentations will be sent to the group. Three workgroups are now being established. Anyone interested in joining the workgroups may contact Dr. Eggleston. Workgroup meetings will be held monthly and the first meeting is scheduled for February 27, 2014. Once the three workgroups have completed their reviews, their findings will be presented at a summit with national speakers. Subsequently, a report will be developed to send to the legislature.

Dual Eligibles Integration Project - Update

The Memorandum of Understanding (MOU), which lays out the structure of the program, will be signed soon. MDCH is pleased with the progress that is being made with the Dual Eligibles Integration Project in view of the complexity. A phased enrollment process is planned to begin in July 2014, which begins with opt-in enrollment followed by passive enrollment. Progress continues on the rate structure development.

State Innovation Model (SIM) Update

MDCH received a planning grant to look at ways to implement payment and delivery reforms and will be applying for a testing grant for implementation. After stakeholder meetings and developing several high level recommendations on payment and service delivery reforms, MDCH is ready to move into the Implementation Phase and select the testing regions. Grant award announcements are expected in the near future.

FY 2015 Executive Budget Recommendations

Charles Overbey shared the Executive Budget for fiscal year (FY) 2015. The governor recommended a $52.1 Billion total State budget, with $9.8 billion in the general fund (GF). The GF is up 7% this fiscal year. There are increases in the budget for education. The governor proposed tax relief with a Homestead Property Tax credit. $250 million was proposed for road repairs. One hundred additional state troopers were recommended for public safety. $120 million is proposed to be added to the rainy day fund. Half of the projected savings that will be achieved from the Healthy Michigan Plan, totaling $122 million, will be deposited into the Michigan Health Savings Fund. These monies will help pay for Medicaid expansion in the future as the Federal funding is reduced from 100% to 90%.

The MDCH budget is $17.4 billion total, $2.9 billion GF. Some of the increases that occurred in the budget were replacing losses in the federal medical assistance percentage (FMAP) and increases in Medicaid caseloads. The Medicaid caseload is estimated to increase slightly in FY 2015 to 1.84 million individuals, and 400,000 more individuals are estimated to be found eligible for the Healthy Michigan Plan. The governor proposed $5 million to enhance senior services. The budget recommended $9.6 million in state funds, $16.4 million in federal funds for the MiChoice program, eliminating the waiting list. Healthy Kids Dental will be expanded to Kalamazoo and Macomb counties if the Executive recommendation is approved by the Legislature.

Funding to continue 50% of the primary care rate increase is recommended. While the HICA tax shortfall was acknowledged, no funding solution was recommended within the Executive Budget recommendations.

$2.5 million was recommended for the Michigan Home Visitation Initiative, which will promote better birth and health outcomes for pregnant women and their children residing in rural areas. $2 million was proposed for a pilot project for child and adolescent health to increase access to nursing and behavioral health services.

Mental Health Commission Recommendations

In January 2013, the Governor issued two executive orders (EO) creating the Mental Health and Wellness Commission and the Mental Health Diversion Council. The Mental Health Diversion Council met to talk about improving options and outcomes for people with mental health concerns who are involved in the criminal justice system. The Mental Health and Wellness Commission met to strengthen and improve the system of mental health support and the delivery of services.

Recommendations released in January were focused on person centeredness, personal choice, and integration and innovation. Most discussions surrounded how mental health and physical health connect to create overall wellbeing. The 29 page report is located on www.michigan.gov website for those who would like to read it. The Governor is expected to issue another EO to continue the Commission so that more issues can be addressed as much work remains to be done.

Policy Updates

Healthy Michigan Plan Provider Policy - This policy went out for public comment in December 2013. A fair number of public comments were received and plans are to incorporate many comments into the final bulletin. Internal staff has also added comments that will be incorporated. The policy will be released as a final bulletin on February 28, 2014 with an effective date of April 1, 2014.

1357-NEMT - This policy will affect the Beneficiary Administrative Manual (BAM) and the Bridge's Eligibility Manual (BEM). It makes it clear that those beneficiaries who have provided their own non-emergency medical transportation (NEMT) in the past and now need assistance because a change of circumstance, can receive transportation assistance.

1403-BEM - Comments are due on February 23, 2014. This is a BEM manual update. It modifies eligibility to no longer include Institutional status. This policy will be back dated to October 2013.

The meeting was adjourned at 4:00pm.

Next Meeting - May 27, 2014 1pm-4pm

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

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Tuesday, May 27, 2014

Time: 1:00 – 4:30 p.m.

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

Attendees: **Council Members:** Jan Hudson, Marilyn Litka-Klein, Amy Zaagman, William Mayer, Elmer Cerano, Jeff Wieferich, Amy Hundley, Roger Anderson, Andrew Farmer, Cheryl Bupp, Eric Roads for Larry Wagenknecht, David Lalumia, Alison Hirschel, Barry Cargill, Pam Lupo, Cindy Schnetzler, Jackie Doig, Priscilla Cheever, Doug Patterson for Kim Sibilsky, Robin Reynolds, Kim Singh, Linda Vale

Staff: Steve Fitton, Brian Keisling, Monica Kwasnik, Cindy Linn, Marie LaPres, Jackie Prokop, Pam Diebolt, Kathy Stiffler, Debera Eggleston, Dick Miles

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

Affordable Care Act Implementation

Healthy Michigan Plan

Enrollment Update, including catch-up processing

Enrollment in the Healthy Michigan Plan is above projection at 269,473 individuals. The population is fairly young; 43.5% of those found to be eligible are under the age of 35. The Michigan Department of Community Health (MDCH) continues to address any concerns there may be in regards to enrollment and the eligibility system. Oakland and Livingston Counties have lower enrollment than surrounding areas. Early implementation issues identified include:

- Plan First! terminations, reprocessing and needed system changes,
- Legal immigrants being incorrectly approved for ESO Medicaid,
- 5% disregard not being correctly applied,
- Issues with coverage for pregnant teens

If the Modified Adjusted Gross Income (MAGI) application is filled out electronically with no missing fields, it is consistently returning a result in less than 10 seconds. Individuals can begin to receive services the day they receive an approval. The mihealth cards and enrollment packets have been delivered to beneficiaries within a week of the application approval. MDCH reports that call volumes to the help line are very high, 900 calls/hour but hold times have been manageable with the addition of 50 staff members.

Protocols – Healthy Behaviors and MI Health Account

The Department is in the process of submitting the Healthy Behaviors and MI Health Account protocols to the Centers for Medicare and Medicaid Services (CMS). Approximately 4 weeks ago, MDCH released a public notice and sent out e-mails to staff and Medical Care Advisory Council members requesting input on the draft protocols.

The MI Health Account will be operationalized on October 1, 2014. The MI Health Account removes the majority of cost sharing at the point of service and replaces it with an accounting, payment, and education fund that the Department is working to implement. For health plan covered services, copayments will be paid through the MI Health Account, removing providers from that function. Individuals with income above 100% of the Federal Poverty Level, a small percentage of enrollees to date, will also contribute an additional 2% of income to the MI Health Account.

Payments to the account will be made monthly. The goal of the MI Health Account is to engage and inform individuals about health care costs by sending out health account statements.

Michigan Public Act 107 of 2013 calls for provisions encouraging beneficiaries to engage in or maintain Healthy Behaviors thus allowing contributions to be reduced. With input from stakeholders and health plans, the Health Risk Assessment (HRA) was developed. Once an applicant is approved for the Healthy Michigan Plan and a health plan is chosen, the beneficiary will be asked the first 10 questions from the HRA by Michigan Enrolls. The information provided to Michigan Enrolls is given to the health plan that was chosen by the beneficiary, who can then determine any further action needed. When the beneficiary goes to their Primary Care Physician (PCP) for a visit, the provider will then complete the full HRA. For the Healthy Behaviors incentives to be processed, the PCP must complete the attestation form in the HRA.

The Council discussed the MI Health Account and Healthy Behaviors at length.

Expedited Enrollment Waiver for Supplemental Nutrition Assistance Program (SNAP) and Parents

The waiver was recently signed by the Medical Services Administration and has been sent to CMS. The waiver will allow an expedited enrollment process for the Healthy Michigan Plan for recipients of SNAP benefits and parents of Medicaid-eligible children.

Operational Waivers Update

The Department reports that all three (enrollment and eligibility, alternate benefit plan, and 100% federal funding) State Plan Amendments (SPAs) required for the Healthy Michigan Plan have been approved by CMS.

Plan First! Termination

Concern was expressed about the termination of the Plan First! Program, access to services for those who relied on that program, and issues with Healthy Michigan Plan enrollment.

Community Mental Health (CMH) Funding and Transition Issues

There were many concerns raised and a long discussion concerning the transition of CMH clients to the Healthy Michigan Plan. The variation in services from CMH to CMH adds confusion. The Department explained the payment process and their intent to forward fund as much as possible to keep at least as many dollars flowing into the system as previously. Lynda Zeller requested stories of those who were losing services to understand what services are being discontinued, and offered to work with CMH's to resolve issues.

Dual Eligibles Integration Project – Update and Review of MI Health Link Quality Strategy

The Memorandum of Understanding (MOU) was approved by CMS at the beginning of April 2014 which gives the Department opportunity to move forward with the project. The Department is on target for a phased implementation beginning January 1, 2015 in the first two regions: the eight counties in the southwest part of the state, and the Upper Peninsula; to be followed by Macomb and Wayne Counties three months later. Implementation dates are contingent upon CMS approving the capitation rates so

that the waivers can be completed. The Department is working with the actuary on rate development. MDCH is pleased with the progress that is being made with the Dual Eligibles Integration Project in view of the complexity of the project.

The Department is in the process of developing the three-way contract among the Integrated Care Organizations (ICOs), MDCH, and CMS. The contract must be signed by October 7, 2014 in order to meet the timelines for implementation on January 1, 2015.

Dick Miles requested council member input on the MI Health Link Quality Strategy document. This document was sent with the meeting agenda via e-mail. For questions or comments on this document, send an e-mail to the MDCH Integrated Care mailbox at integratedcare@michigan.gov. Dick explained that MDCH is also looking for public input on the Quality Strategies. A public forum will be held on June 4, 2014 at the Macomb County Intermediate School District (ISD).

FY 2015 Budget

Steve reported that, roads, Detroit bankruptcy, and the Health Insurance Claims Assessment (HICA) and Use Tax issues are top budget priorities and must be resolved before funding targets can be set. Unresolved major issues in the MDCH budget include:

- actuarially sound rates for Health Maintenance Organizations (HMOs),
- small and rural hospital pool, and
- funding to keep primary care rates near Medicare and from falling back to previous rates. Jan Hudson will draft a letter in support of continuing the increased primary care rate increase at whatever level the Legislature can fund.

ER High Utilizers Project – Update

A High Utilizers Project handout was shared with the Council members. The initial symposium was held in November 2013 to discuss the overuse and misutilization of Emergency Room (ER) visits. Two patient populations were identified at the symposium and data was collected to help identify reasons for high ER utilization. It was discovered that 66% of Medicaid recipients are not high utilizers, but 6% have 5 or more visits in a year.

After the symposium, three work groups were established.

- Coordination and Integration of Care
- Innovations and Reimbursement
- Preventable ER Use

A forum will be held on June 5, 2014 at the Michigan State University Union Building to continue the ongoing work group activities. The forum will include a presentation of the findings from each of the work groups and the Council will receive feedback on those findings.

A follow-up report to the Legislature describing the main issues and broad recommendations must be completed by December 31, 2015.

Steve raised the issue of whether there can be significant cost savings from reduced ER use in view of hospital cost structures and their methods for allocating costs.

Policy Updates

A policy update handout was given to each attendee.

MSA 14-06 – This policy was issued on February 27, 2014. The policy is the quarterly update bulletin and also included information regarding the new Document Management Portal in CHAMPS. This portal will be another option to upload documents in addition to the EZ Link portal. There is a tutorial on the new Document Management Portal at www.michigan.gov/medicaidproviders.

1328-EPSDT - This policy is out for its third public comment until June 12, 2014. The policy will result in a new Early and Periodic Screening, Diagnosis and Treatment (EPSDT) chapter for the Medicaid Provider Manual and will include the most recent American Academy of Pediatrics (AAP) Periodicity recommendations.

1421-DME – This policy is out for public comment until June 6, 2014. This is a follow-up to a policy that was issued last year regarding coverage of wearable cardioverter defibrillators.

Next Meeting: August 13, 2014, 1:00 p.m. – 4:00 p.m. at the Michigan Public Health Institute (MPHI)

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

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Tuesday August 19, 2014

Time: 1:00 pm – 4:00 pm

Where: Michigan Health and Hospital Association Headquarters
2112 University Park Drive
Okemos, MI

Attendees: **Council Members:** Jan Hudson, Jackie Doig, Kim Singh, Dave Herbel, Kim Sibilsky, Diane Haas, Amy Hundley, Vicki Kunz for Marilyn Litka-Klein, Marion Owen, Cindy Schnetzler, Mike Vizena, Cheryl Bupp, April Stopczynski, Elmer Cerano

Staff: Steve Fitton, Dick Miles, Jackie Prokop, Brian Barrie, Pam Diebolt, Marie LaPres, Kathy Stiffler, Monica Kwasnik, Michelle Best

Attendees: Jamie Galbraith

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

Healthy Michigan Plan

As of August 18, 2014, there are 364,929 beneficiaries enrolled in the Healthy Michigan Plan.

Enrollment Update, Including Catch-Up Processing

There are still many pending applications that are being processed. No significant problems with processing were reported. Approximately 30 percent of all applicants who apply through MIBridges are able to complete the application process without needing to contact a caseworker, which is noted as a significant process benefit for submitting electronic applications. A request was made for information about the specific number of pending Healthy Michigan Plan applications to be sent to the Medical Care Advisory Council (MCAC). Jan Hudson will send those numbers to the council.

The Michigan Department of Community Health (MDCH) has begun processing Healthy Michigan Plan Applications that were received through the Federally Facilitated Marketplace (FFM). The applications that are being processed are going through the system at a much higher rate than was expected, though some pending applications are still anticipated for applicants who need to provide additional information. Though the FFM initially reported receiving 110,000 applications for the Healthy Michigan Plan, to date there have been 85,000 applications received by MDCH from the FFM. Many of those applicants were found to have already been enrolled in the Healthy Michigan Plan or other Medicaid programs.

What's Working Well

- The Healthy Michigan Plan applications that have been submitted through MIBridges are mostly going through the system without any problems.

- A meeting attendee asked if those applicants who apply for insurance in the FFM would be notified if they are eligible for the Healthy Michigan Plan. In response, it was noted that the FFM is able to assess potential eligibility for Michigan Medicaid programs, including the Healthy Michigan Plan, using the Modified Adjusted Gross Income (MAGI) methodology, but only Michigan Medicaid can make a final eligibility determination. Once an application is received by MDCH from the FFM, MDCH will send a notice to the applicant if they are found to be eligible for a Medicaid program. The two-way communication process between Michigan Medicaid and the FFM is still in development, but the Department is hoping to have it completed in time for the next Marketplace open enrollment period in November.
- The Federally Qualified Health Centers (FQHCs) have begun using Health Risk Assessments (HRAs), and they have been communicating well with the Department.
- The Medicaid Health Plans (MHPs) have reported that more people are getting dental coverage as a result of the Healthy Michigan Plan.
- Michigan Enrolls has added staff to the call center reduce wait times for beneficiaries applying for health care coverage by phone.

What's Not Working Well

- The MHPs have been experiencing problems with communication between the MIBridges system and Community Health Automated Medicaid Processing System (CHAMPS), resulting in retroactive enrollments into the Health Plans. Such enrollments should always be prospective. This problem has since been resolved.
- The Department of Human Services (DHS) has been experiencing computer problems that affect the department's ability to retroactively enroll beneficiaries into Medicaid programs prior to the first of the month in which they apply, regardless of determined eligibility prior to that date.
- Community Mental Health (CMH) Provider Organizations are facilitating enrollment into health plans for people from the community who come in with behavioral health illnesses, including substance use disorder. These beneficiaries require up to two months until their health plan selection is complete. The provider organizations are not being allowed to enroll with CHAMPS, since they are being told they are not a specialty provider. Medicaid does not currently enroll licensed psychologists and social workers into CHAMPS, but this is proposed as a future possibility. In many cases it was found that many Behavioral Health claims were being denied due to being improperly billed.
- A request was made for primary care physicians to be reimbursed using Mental Health assessment codes for initial behavioral health evaluations, in order to better serve the expanded Healthy Michigan Plan-eligible population. In response, MDCH indicated that this issue has been brought up before and will be revisited in future meetings.
- Some individuals are being denied Healthy Michigan Plan coverage if they have children who are already covered by Medicaid and therefore do not check the box on the MAGI application indicating that they want to apply for coverage for their children at the time they submit their own application. It was also reported that those applying for coverage through the FFM have not had any problems.
- Beginning August 2, 2014, applicants who apply for Medicaid and self-attest to legal residency or citizenship are being given full Medicaid benefits but will still go through a 90 day verification process. Previously, beneficiaries who self-attested to legal residency or citizenship were

given Emergency Services Only (ESO) Medicaid until their status could be verified. If the individual doesn't answer the residency question or attest citizenship, MDCH is having DHS caseworkers verify that ESO should be given instead of full Medicaid coverage. Council members indicated that issues continue.

- There was discussion regarding whether current communication about Medicaid benefits is sufficient in the case where clients apply for Medicaid Health Care Coverage and are only eligible for a deductible plan or ESO.
- There have been implementation problems identified with Presumptive Eligibility (PE) that have forced its delay. The federal regulations have also changed to restrict coverage, including restrictions on hospitalization for pregnant women. The Department has been encouraging patients to fill out the entire MAGI application to avoid potential problems with PE.
- Income and the 5 percent disregard may not be appropriately determined in some instances. MDCH responded that the 5 percent disregard is being applied correctly, and goes to applicants whose income exceeds 133 percent of the Federal Poverty Level (FPL).
- There have been reports of some DHS offices not knowing how to handle certain issues regarding applicants' income.

Protocols – Healthy Behaviors and MIHealth Account

A public notice has been issued for the Healthy Behaviors and MIHealth Account protocols, and the Department is anticipating approval from the Centers for Medicare and Medicaid Services (CMS) by the end of August. There were several changes made as a result of comments on the draft protocols. For more information, a consultation summary containing comments and MDCH responses on the protocols has been posted to the Healthy Michigan Plan website at: www.michigan.gov/healthymichiganplan >> Healthy Michigan Plan Waiver Protocols. In addition, MIHealth account statements will be shared with focus groups to obtain feedback.

Expedited Enrollment Waiver for the Supplemental Nutritional Assistance Program (SNAP) and Parents

Approval from CMS has been granted for the Expedited Enrollment Waiver for SNAP. No timeline for implementation is yet known.

Fiscal Year (FY) 2015 Budget

Dick Miles gave an overview of the MDCH budget for FY 2015, including the expansion of the Healthy Kids Dental program to Kalamazoo and Macomb counties, the addition of $26 million to the MI Choice program, and the expansion of the Program of All-Inclusive Care for the Elderly (PACE). An appropriation for the continued Primary Care Rate increase (at about 50% of the original increase) was included, as well as for the Disproportionate Share Hospital (DSH) Pool to support OB/GYNs, and the rural hospital pool, expanded Medicaid coverage for Breast Pumps and additional money for Home Help program providers. The state law regarding the primary care rate increase restricts the increase to Pediatrics, Family Practice and Internal Medicine. An attendee asked why OB/GYNs were not included in the rate increase, and staff noted that they are still being reimbursed up to 95 percent of the Medicare rate.

Staff voiced concern about the potential impact that the recent Michigan Supreme Court ruling in *International Business Machines (IBM) v. Department of Treasury* could have on the Medicaid program, noting that the decision in favor of IBM could cost the State of Michigan more than $1 billion in tax revenue.

Steve Fitton summarized the general fund appropriation for CMH, noting that it was not spread equally throughout the State of Michigan. He also expressed concern about dual eligibles, those on spend-down, and the differences among communities. Lynda Zeller added that the Behavioral Health and Developmental Disabilities Administration (BHDDA) is working with MSA to cover beneficiaries who need mild to moderate behavioral health services immediately before they are able to enroll in a health plan. Steve noted that FY 2015 funding is potentially an issue.

Long-Term Care

MI Choice

The MI Choice Program transitioned from a FFS payment model to a capitated payment model in October 2013. As a result of this transition, the payment structure to MI Choice waiver agencies was modified to pay agencies at the highest end of the trend rate in order to accommodate individuals with significant support needs who were not transitioning out of nursing homes. Additional funding has also been allocated to ease the transition for those with significant financial needs. MI Choice waiver agencies are now classified as Prepaid Ambulatory Health Plans (PAHPs) under the new capitated payment model, which requires the waiver agencies to submit to more federal regulations.

Currently, each long-term care program has its own Level of Care Determination (LOCD), and the state is working to implement a system (part of the waiver terms and conditions) in which the LOCD is completed in a conflict-free setting. This would allow the three long-term care programs (nursing facilities, MI Choice and PACE) to use the same LOCD. Financial eligibility is different for all three programs.

Integrated Care for Dually Eligible Beneficiaries

MDCH is working to have three-way contracts in place for integrated care among CMS, Integrated Care Organizations (ICOs) and the State of Michigan by early October, in order to implement the first two pilot regions of the state by January 1, 2015. Discussion continues between the ICOs and PIHPs concerning roles and responsibilities. Staff reiterated the complexity of this project.

Home Help Audit

An audit of the Home Help program at the end of June revealed 13 findings and two material issues. The potential liability for state repayment to the federal government is about $1.5 million. It was also discovered that some Home Help providers had criminal backgrounds, though it was noted that beneficiaries are free to choose their own providers.

Two policies are currently in process to provide for criminal background checks for home help personal care service providers. A policy outlining mandatory exclusions for home help personal care service providers (e.g., Medicare fraud, elder abuse, etc.) has been issued as a final policy for implementation on September 1, 2014. A separate policy discussing permissive exclusions is to be implemented in October. This policy would allow providers convicted of certain crimes to serve as a home help aide if a beneficiary signs a consent form acknowledging awareness of the provider's criminal past.

A policy that would limit Home Help agency providers to hiring employees rather than using contract workers, and restrict family members of beneficiaries to working as individual providers rather than agency employees, is currently out for public comment. The intent of the policy changes is to protect the beneficiary but not limit access.

Managed Care Rebid – Issues to Address to Improve Contracts

There is a planned re-procurement for the Health Maintenance Organizations (HMOs) that contract with Medicaid. The Department is seeking input on what should be included in the bid and in the contracts to improve the quality of the program. Some suggestions were to include dental coverage in Managed Care Plans and improve Non-Emergency Medical Transportation (NEMT) coverage, and to standardize data collection, formularies, quality measures and reporting across all Managed Care Plans. The current contracts expire on September 30, 2015. An announcement was made about a stakeholder meeting to discuss the rebid prior to the November MCAC meeting. This procurement will be the largest in state history ($40 billion for 5 years). Awards are not expected until the end of July 2015. The Department is exploring folding the MIChild program into this bid.

Policy Updates

A policy update handout was given to each attendee.

1427-HMP – This policy discusses updates to Healthy Michigan Plan Provider policy, and is posted for public comment until August 27.

Children's Health Insurance Program (CHIP) Reauthorization

Steve Fitton voiced support for a reauthorization of CHIP. He also solicited input on budget priorities for FY 2016.

Next Meeting: November 19, 2014

Michigan Department of Community Health
Rick Snyder, Governor
Nick Lyon, Director

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Wednesday, November 19, 2014

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Robin Reynolds, David Herbel, Jan Hudson, Marilyn Litka-Klein, Michael Vizena, Larry Wagenknecht, David Lalumia, Doug Patterson, (for Kim Sibilsky), Alison Hirschel, Cheryl Bupp, Marion Owen, Chris Rodriquez, Rebecca Blake, Andrew Farmer, April Stopczynski, Barry Cargill, Warren White, Katie Linehan (for Elan Nichols), Bill Mayer, Kim Singh, Tawana Robinson (for Kate Kohn-Parrott)

Staff: Steve Fitton, Dick Miles, Jackie Prokop, Cindy Linn, Pam Diebolt, Marie LaPres, Kathy Stiffler, Monica Kwasnik, Kim Hamilton, Debera Eggleston, Cynthia Edwards, Lynda Zeller

Attendees: Abigail Larsen

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

ER High Utilizers Project

The draft of the Emergency Room (ER) High Utilizers report was recently issued for comment and distributed to MCAC members. Comments were due by December 3, 2014. The draft report includes the recommendations that were proposed during the ER High Utilizers Project work group that met earlier in the year. These recommendations include: creating standard definitions; developing an advisory committee regarding ER high utilizers; promoting a health information exchange; payment reform; statewide narcotic guidelines; increasing access to primary care; incentivizing providers to see patients immediately after ER visits; educating the public on proper use of the ER; and to promote care coordination. A council member also suggested the creation of guidelines for the disposal of unused narcotics by providers.

Many of the programs for ER high utilizers have been funded through grants, and MDCH has been looking into requesting permanent funding from the legislature. This issue will be included in the report that is due to the legislature December 31, 2014.

Healthy Michigan Plan

Jackie Prokop and Monica Kwasnik gave an update on the implementation of the Healthy Michigan Plan. As of November 17, 2014, the official enrollment in the Healthy Michigan Plan was reported at 459,207 beneficiaries, and enrollment has been increasing at a rate of 1,000 to 1,500 new beneficiaries per day. To bring new meeting attendees up-to-date, Jackie reviewed the eligibility requirements for the Healthy Michigan Plan.

The on-line application process for the Healthy Michigan Plan continues to run quite smoothly; those who complete an application with all information included are able to receive an eligibility determination within 10 seconds. Council members were provided with a handout of a PowerPoint presentation for additional information.

A study is underway at the University of Michigan to review access to primary care.

Eligibility Issues and Fixes

MDCH has experienced a problem with some beneficiaries were being placed into Emergency Services Only (ESO) Medicaid when the Modified Adjusted Gross Income (MAGI) application was unable to immediately verify their citizenship status, even if they did meet federal citizenship requirements. As a solution, MDCH will now grant full Medicaid benefits to applicants who indicated that they are citizens at the time of application, if a check against federal records is not able to immediately verify this information, for a period of 90 days until a final determination of their citizenship status can be made. The Department of Human Services (DHS) is currently in the process of reaching out to applicants who were incorrectly placed into ESO Medicaid in order to grant them the full Medicaid benefits for which they are eligible. Jackie encouraged meeting attendees to share any problems they see with Medicaid eligibility with MDCH so that solutions can continue to be addressed. Issues were also identified with refugees and Plan First!

Changes to Eligibility Determination System

Steve Fitton gave an update on coming changes to the Eligibility Determination System, noting that the Healthy Michigan Plan legislation requires MDCH to submit a report to the legislature by December 31, 2014 about future plans for implementing the Healthy Michigan Plan. Because the Medicaid caseload has more than doubled in the last decade, MDCH is continually looking for ways to improve service to an expanded population of beneficiaries with new technology.

MIHealth Account Statements and Payments

The first round of MIHealth account statements were sent out in mid-October to beneficiaries who were moved to the Healthy Michigan Plan from the Adult Benefits Waiver (ABW). Of these, approximately 3,400 beneficiaries are required to pay copayments. Approximately 20,000 beneficiaries are not required to contribute any payment. Copayment amounts will be recalculated every three months.

Over $5,000 in copayments has already been collected from 821 individuals. Most paid for the full quarter instead of the monthly amount due. The November statements will include those that need to pay both copayments and contributions.

Protocols – Healthy Behaviors

Monica Kwasnik shared an update on the use of Health Risk Assessments (HRAs) by Healthy Michigan Plan beneficiaries enrolled in health plans. As of November 19, 2014, MDCH had received 25,000 completed HRAs. Data collected from these HRAs will be available in future HRA reports, which are released monthly and posted to the Healthy Michigan Plan website at: www.michigan.gov/healthymichiganplan >> Health Risk Assessment. Meeting attendees were provided with a copy of the September 2014 HRA report.

Healthy Michigan Plan beneficiaries who are enrolled in a health plan may complete an HRA and have their contribution amounts reduced. Once the HRA is completed, signed by the beneficiary's Primary Care Physician (PCP) and submitted to the appropriate health plan, the beneficiary will be

eligible to have their contribution amount reduced by half if their income is between 100% and 133% of the Federal Poverty Level (FPL). Beneficiaries with an income at or below 100% of the FPL will receive a $50 gift card for completing an HRA.

The council discussed the impact of the Healthy Michigan Plan on access to primary care and dental care for beneficiaries. Despite the expanded patient population, no significant problems have been reported with new beneficiaries gaining access to a primary care physician, even though some other states reporting problems in this area. One study by the University of Michigan found that because of extensive outreach efforts, access to primary care has actually increased with the implementation of the Healthy Michigan Plan.

Due to problems reported by some dental providers, a council member suggested that many Healthy Michigan Plan beneficiaries who are able to receive dental care for the first time could benefit from education on proper etiquette for dental office visits. MDCH and the health plans currently distribute information to new beneficiaries about their rights and responsibilities in a health plan.

Second Waiver Development

The second waiver for the Healthy Michigan Plan must be submitted by September 30, 2015 and approved by December 31, 2015. Steve Fitton stressed the importance of highlighting the successes of the Healthy Michigan Plan to the incoming members of the legislature in order to ensure continued support for the direction of the program. Steve indicated that the number of people impacted will be relatively small, as the vast majority of Healthy Michigan Plan enrollees have incomes below the Federal Poverty Level.

Managed Care Rebid

Following the August 2014 MCAC meeting, a stakeholder survey for the Managed Care Rebid was administered by the Michigan State University Institute for Health Policy and distributed to 317 different groups, including the MCAC and MSA. As a result of the survey, there were four major pillars for the rebid that were identified, including population health management, pay-for-value, integration of care, and structural transformation. It was acknowledged that each of these pillars may not have a universally-accepted definition, with population health management having the greatest variation in its definition among interested parties. MDCH has been working with independent consultants to gain a better understanding of how to implement the four pillars.

A council member asked if the managed care rebid would provide an opportunity for MDCH to remove the carve-out for the integration of behavioral health and physical health services. In response, Steve assured the member that MDCH is committed to improving the integration of care between behavioral health and physical health. Discussions are ongoing for how to accomplish this goal. Kathy Stiffler added that major changes to the integration of care are needed to make the system work well.

The current Managed Care contract will expire on September 30, 2015, and the Department of Technology, Management and Budget (DTMB) is seeking a new contract effective October 1, 2015 for five years, with three optional one-year extensions. There are no plans to expand or reduce the number of health plans contracted with Managed Care, as the focus will be on having the right number of plans for each region. Health plans may be able to submit a bid for operating in part of a region rather than the whole. The number of regions for the rebid has not yet been finalized. The Request for Proposal is expected by the end of January 2015.

The results of the survey were discussed, including information on the topics that received the most comments. Several stakeholders who participated in the survey commented on the lack of access to transportation for health plan beneficiaries. MDCH staff acknowledged that transportation access is a state-wide problem in Michigan, as many health plans are unable to find vendors to transport beneficiaries. Other topics that received multiple comments on the survey include the complexity of the enrollment system process, concerns about whether there are adequate networks in place for behavioral health and the number of visits, and for greater emphasis to be placed on quality and quality reporting. Council members each received a summary of the survey results.

Medicaid Caseload Decline

Jan Hudson raised concern over the recent decline in Medicaid caseloads, mainly among children and pregnant women. In this category, enrollment has declined from almost 615,000 beneficiaries in October 2013 to 530,000 in September 2014. The possible reasons for this decline in enrollment were discussed at length.

Integrated Care for Dual Eligibles

MDCH now has contracts in place with seven Integrated Care Organizations (ICOs) for the new Integrated Care Demonstration project, called MI Health Link. These ICOs include one located in the Upper Peninsula, two in Southwestern Michigan, and six in the Southeastern region. Implementation will occur in two phases, with implementation planned for the Upper Peninsula and Southwestern Michigan in the beginning of 2015, and for Wayne and Macomb Counties later in the year.

Before implementation can occur, MDCH needs approval of 1915(b) and 1915(c) waivers for the community-based long-term care component of the program, as well as approval of 34 different letters from the Centers for Medicare and Medicaid Services (CMS) to cover multiple aspects of implementation. Additionally, MDCH needs to set up outreach and educational opportunities, ensure provider network adequacy, and take steps to comply with Medicare requirements for the program. All of the health plans have passed their readiness reviews, and MDCH has received a $12 million implementation grant to help launch the program. A council member expressed concern that funds are not being made available to educate and prepare individuals in a reasonable amount of time. Some policies are not yet in place. There are still several contracts that need to be finalized, but Dick Miles expressed encouragement that the program is moving forward.

Policy Updates

A policy handout was given to each attendee.

MSA 14-30 – This policy was issued October 9, 2014. The policy added a new Early and Periodic Screening, Diagnosis and Treatment (EPSDT) chapter in the Medicaid Provider Manual and includes the most recent American Academy of Pediatrics (AAP) Periodicity recommendations.

MSA 14-47 – This policy was issued October 31, 2014. The policy will adopt the American Academy of Pediatric Dentistry (AAPD) recommendations for Pediatric Oral Health Assessment, Preventive Services, and Anticipatory Guidance/Counseling schedule.

Member Terms/Chairperson for 2015

Jan Hudson noted several members of the MCAC whose terms were expiring at the end of 2014, and encouraged the members to indicate their interest in renewing their term via email. Jan accepted the council's nomination for another term as Chairperson.

Medicaid Enactment 50th Anniversary July 30, 2015

The council discussed ideas for commemorating the 50th anniversary of Medicaid enactment. Jan asked council members to share suggestions with her.

4:30 – Adjourn

Next Meeting: To be scheduled

Michigan Department of Community Health
MDCH
Rick Snyder, Governor
Nick Lyon, Director

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Thursday, February 19, 2015

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Katie Linehan (for Elan Nichols), Cindy Schnetzler, Robin Reynolds, Cheryl Bupp, David Lalumia, Pam Lupo, Rebecca Blake, Amy Hundley, April Stopczynski, Roger Anderson, David Herbel, Dianne Haas, Jan Hudson, Barry Cargill, Vickie Kuhns (for Marilyn Litka-Klein), Larry Wagenknecht, Alison Hirschel, Amy Zaagman, Priscilla Cheever, Kim Sibilisky, Mark McWilliams (for Elmer Cerano) Bill Mayer, Mike Vizena

Staff: Steve Fitton, Charles Overbey, Dick Miles, Kathy Stiffler, Jackie Prokop, Pam Diebolt, Cindy Linn, Monica Kwasnik, Erin Emerson, Marie LaPres, Lynda Zeller

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

Managed Care Rebid

The Michigan Department of Community Health (MDCH) has issued three press releases regarding the Managed Care Rebid since the previous Medical Care Advisory Council (MCAC) meeting in November 2014. In the first press release, issued January 6, 2015, it was announced that the coverage regions for the Medicaid Health Plans (MHPs) will be re-structured into Governor Snyder's ten "Prosperity Regions." Currently, MHPs operating within a region are not required to cover all counties within that region, but will be required to do so under the new contract. The first press release also discussed the planned conversion of MIChild, Michigan's Children's Health Insurance Program (CHIP), to a Medicaid expansion program with all current Medicaid benefits. Beneficiaries enrolled in this program will still have the same cost-sharing responsibilities currently required under MIChild ($10 per month per family). MDCH expects that this conversion will result in increased efficiency in the delivery of services to MIChild beneficiaries.

MDCH issued a second press release on January 26, 2015 to announce that the implementation date for the new MHP contracts would be delayed by a full quarter, to begin on January 1, 2016 instead of October 1, 2015. The Request for Proposal (RFP) is expected to be issued by May 1, 2015, and MHPs will have until early August to submit proposals.

The third press release, issued February 12, 2015, announced that pharmacy benefits would be carved out of the MHP benefit package. It was noted that many pharmaceuticals are currently carved-out of the existing MHP contracts. MDCH is also proposing a managed care adult dental benefit. An opportunity for public comment was given for each press release, and the questions and answers from the first two press releases have been posted to the MDCH website at www.michigan.gov/mdch. Interested parties were given until February 27, 2015 to comment on the most recent press release. No additional press releases on this topic are anticipated.

Budget

Charles Overbey provided the council with an update on MDCH budgets for Fiscal Year (FY) 2015 and FY 2016.

FY 2015 Adjustments

The State of Michigan has a $450 million budget shortfall for FY 2015. Of this amount, $250 million was due to tax credits awarded to businesses for job creation and job retention, and the future liability to the state for these tax credits is estimated at $500 million per year for the next ten years. As a result of the budget shortfall, the state reduced expenditures in FY 2015, including a $53 million reduction in MDCH spending. Some of the programs affected by the reduction include hospital Graduate Medical Education (GME), rural Disproportionate Share Hospital (DSH) payments, health and wellness initiatives, and local public health services. MDCH funding was reduced by $100 million due to a recent but unexplained decline in Medicaid caseloads.

FY 2016 Executive Budget

Governor Snyder's executive budget recommendation for FY 2016 calls for $260 million in total spending reductions and $300 million in new investments. The budget recommendation for MDCH totaled $19 billion gross, with $3 billion in General Fund (GF). The GF recommendation was reduced by $145 million from FY 2015, with $24 million in new investments. Investments for FY 2016 include a Healthy Kids Dental expansion into Oakland, Kent, and Wayne counties to cover children up to the age of nine years, a phase-in of adult dental managed care coverage in the fourth quarter of FY 2016, and new funding for the Mental Health Commission and university autism programs. Proposed GF reductions for FY 2016 include cuts in payments to hospitals, the conversion of GME and rural hospital payments to provider taxes as the match for the federal funds from GF, and savings from the carve-out of the pharmacy benefit from the MHP benefit package.

Steve Fitton clarified that adult dental services are currently covered by Medicaid, but that access to providers is limited due to low reimbursement rates. MDCH hopes to phase in new funding for adult dental coverage in the last quarter of FY 2016, with the goal of annualizing the funding in subsequent years.

Jan Hudson added that there was a $20 million increase to non-Medicaid mental health services from the GF for FY 2016, and that the FY 2015 costs to support primary care rates were annualized. (The FY 2015 primary care rates were set at 50% of the Affordable Care Act (ACA) mandated two year increase that expired.) Overall, the GF appropriation for Medicaid has remained relatively flat since 2001, despite a twofold increase in the caseload in that same time period.

The council discussed the potential impact of the FY 2016 budget proposal at length. Topics discussed include the proposed reduction of hospital payments, a potential GF shortfall in behavioral health programs, and legislation that is needed to implement various provisions of the MDCH budget. Among the needed legislation, the administration is requesting an increase in the Health Insurance Claims Assessment (HICA) tax from 0.75% to 1.3%. This increase is projected to preserve $450 million in Medicaid payments.

Merger of MDCH and DHS – Department of Health and Human Services

Governor Snyder signed Executive Order 2015-4 to merge the Department of Human Services (DHS) with MDCH to form the Michigan Department of Health and Human Services (MDHHS) effective April 10, 2015. The executive budget recommendation included separate budgets for MDCH and DHS, but those will be combined once the creation of MDHHS is effective for a total estimated gross appropriation of $25 billion, with $4 billion to come from the GF. Work groups have been established to decide how the two departments can best be combined. No budget reductions for the two current departments are planned as a direct result of the merger; Steve stressed that recent layoffs are due to FY 2015 spending reductions and are not related to the planned creation of MDHHS.

Healthy Michigan Plan

Eligibility Issues and Fixes

Although the process of enrolling beneficiaries into the Healthy Michigan Plan using the new Modified Adjusted Gross Income (MAGI) application has been largely successful, there were issues with implementation that resulted from the systems changes, and MDCH is continuing to work to correct them. Some of these issues include:

- Parents were incorrectly denied Medicaid or Healthy Michigan Plan coverage when they did not include dependent children who were already enrolled in Medicaid on their application. In December, MDCH suspended the logic in the system that caused these individuals to be denied coverage, and a permanent fix is scheduled in a future release.
- New Healthy Michigan Plan beneficiaries were incorrectly denied retroactive coverage at the time of enrollment; MDCH corrected this problem in October 2014. The Department will review and correct cases going back to January 2014.
- The Centers for Medicare and Medicaid Services (CMS) requires that, for individuals who are granted presumptive Medicaid eligibility, Medicaid benefits must be discontinued immediately when the individual is subsequently found to be ineligible for Medicaid coverage based on a full MAGI application. Currently, if an individual were to submit a presumptive eligibility application in Michigan, they would be granted Medicaid eligibility automatically through the end of the following month. MDCH systems will not have the ability to discontinue Medicaid benefits prior to the end of a month until a system change is implemented in October, 2015. MDCH has submitted a formal letter to CMS requesting to continue to receive federal matching funds for services provided to presumptively eligible beneficiaries through the end of the month following the submission of their MAGI application until the system change is implemented.
- MDCH is working to incorporate logic into the Community Health Automated Medicaid Processing System (CHAMPS) to end copays for services for beneficiaries once they contribute 5% of their income in cost-sharing, in order to comply with CMS rules. The 5% cap on contribution responsibilities is calculated on a per-household basis, rather than per individual.
- MDCH has experienced problems transitioning beneficiaries to the Transitional Medical Assistance (TMA) program when their eligibility ends for Family Independence Program payments. The system was transferring cases to other Medicaid program categories. A fix for this problem is scheduled for mid-March.

Healthy Behaviors Update

Monica Kwasnik provided an update on the Healthy Behaviors Incentive Program. When new Healthy Michigan Plan beneficiaries enroll in a MHP, they are encouraged to visit their primary care physician as soon as possible and complete a Health Risk Assessment (HRA) to address healthy behaviors that the beneficiary would like to engage in. Once the beneficiary and their physician submit a signed attestation to MDCH indicating the healthy behaviors to be addressed, the beneficiary's monthly income-related contribution requirement will be reduced (for those with incomes above 100% FPL). First-time completion of the HRA process will result in a 50% reduction in monthly contribution requirements, and beneficiaries above 100% FPL who complete the HRA process with their primary care physician for a second time within 11-15 months will have their contribution requirement reduced by 100%. Additionally, copayments may be reduced for beneficiaries who have completed the HRA process once their annual accumulated copayments reach 2% of their income. MDCH will also review the HRA form annually to assess the need for any changes.

If an individual calls Michigan ENROLLS to enroll in a MHP, Michigan ENROLLS staff will ask the beneficiary the first nine questions found on the HRA. MDCH has found that 96% of individuals who call Michigan ENROLLS to select a health plan are responding to those questions. The data gathered during these calls is sent directly to the new member's health plan.

To date, 35,000 Healthy Michigan Plan beneficiaries who enrolled in April, May and June of 2014 have completed the full HRA process. Many beneficiaries are selecting multiple behaviors to work on, such as weight loss, tobacco cessation, follow-up for a chronic illness, etc. Within five months of enrollment, 70% of new Healthy Michigan Plan beneficiaries were able to see their primary care physician. The HRA Report is available on the MDCH website at www.michigan.gov/healthymichiganplan.

Steve Fitton reported that as of February 19, 2015, approximately 567,000 beneficiaries had enrolled in the Healthy Michigan Plan. Roughly 75% of these individuals are currently enrolled in a health plan.

Data on Utilization

A handout was distributed to attendees containing data on Healthy Michigan Plan utilization, and key areas of interest were highlighted. A council member requested additional information on beneficiary utilization of dental benefits provided through the Healthy Michigan Plan, in order to assist with provider outreach and increase access to care for the newly-eligible Healthy Michigan Plan population.

MIHealth Account Statements and Payments

MDCH issued 53,000 MIHealth account statements in December, and 69,000 were sent out in January. The call center is receiving 10,000 calls per day, many of which are related to MIHealth account statements. Since beneficiaries do not receive their first statement until they have been enrolled in a health plan for six months, there has been some confusion among beneficiaries, who, until they received their first statement, did not believe they were responsible for contributions during that period. MIHealth account statements are mailed to all beneficiaries, including those who were not required to contribute copayments. MDCH is working to clarify language on the MIHealth account statements to eliminate confusion. Most payments (70% - 80%) are by mail.

Second Waiver Development

Public Act 107 of 2013 requires MDCH to submit a second waiver for the Healthy Michigan Plan to CMS by September 1, 2015. This waiver would require that beneficiaries who have had Healthy Michigan Plan coverage for 48 months and have incomes over 100% of the FPL to purchase insurance from the Federally Facilitated Marketplace (FFM) and receive a subsidy, or remain on the Healthy Michigan Plan and be required to contribute a higher rate for cost-sharing. Contribution responsibilities for beneficiaries who choose to remain in the Healthy Michigan Plan would increase from 2% of income to 3.5%, and the total cap on cost-sharing would be increased from 5% of income to 7%. If the new waiver is not approved by December 31, 2015, the law requires that the Healthy Michigan Plan be discontinued. Due to the uncertainty of such an increase in cost-sharing requirements receiving approval from CMS, Steve stressed the importance of educating Michigan legislators on the successes of the program. The Michigan House and Senate are scheduled to hear testimony on the Healthy Michigan Plan on March 3, 2015, and the council discussed coordinating a common message among providers and MDCH to share at the hearings.

High Emergency Room (ER) Utilizer Report

The final ER High Utilizer Report that was discussed at the November MCAC meeting was submitted to the Michigan Legislature at the end of 2014. The legislature is working with MDCH on a joint press release that should be issued within a month. The report will be made available to the public at that time, and will be posted on the MDCH website. Discussions are ongoing about incorporating recommendations made as a result of the findings in the report.

Integrated Care for Dual Eligibles

Services for beneficiaries enrolled in the MI Health Link program in Michigan's first two demonstration regions, Southwest Michigan and the Upper Peninsula, are scheduled to begin March 1, 2015 for those who opted into the program, while services for beneficiaries who are passively enrolled in MI Health Link will begin May 1, 2015. As of February 19, 2015, 63 individuals had already enrolled in these two regions. MDCH recently sent letters to 12,000 eligible individuals in the first two demonstration regions who can be passively enrolled May 1, 2015, and outreach efforts are ongoing to individuals in regions that are scheduled to begin MI Health Link at later dates.

MDCH has been experiencing some issues with MI Health Link implementation, including long wait times and dropped calls for individuals who have been calling Maximus, the MI Health Link enrollment broker, and some calls to the Medicare/Medicaid Assistance Program (MMAP) are not being answered due to staffing issues. MDCH also needs to receive approval for a separate Ombudsman program specific to MI Health Link, and there have been some verification issues related to guardianship over MI Health Link beneficiaries. While Dick Miles acknowledged that these issues present some concerns for MDCH, he expressed optimism that they will be resolved soon. Comments and questions related to the MI Health Link Program may be emailed to integratedcare@michigan.gov.

Behavioral Health Initiatives

MDCH is working to establish Health Homes to coordinate care for Medicaid beneficiaries with both behavioral health and physical health chronic conditions. The first of Michigan's planned Health Homes has been established in Grand Traverse, Manistee, and Washtenaw counties to address behavioral health needs. The local Community Mental Health (CMH) agencies are serving as providers, and are responsible for directing person-centered care and facilitating access to a full array of behavioral health and primary and acute physical health services. The target population for this health home demonstration is individuals with serious mental health conditions; they must also have chronic physical conditions as well (i.e., diabetes, congestive heart failure). Enrollment began July 1, 2014, and there are 361 beneficiaries currently being served in the three pilot counties. Within these three counties, it is expected that no more than 500 individuals will be enrolled in a Health Home at a single time. Additionally, funding has been allotted to begin another Health Home in Michigan to be run by the Federally Qualified Health Centers (FQHCs). MDCH is hoping to have the FQHC Health Home established by January 2016.

Policy Updates

A policy handout was distributed to each attendee.

MSA 15-01 – This policy was issued on January 2, 2015. It delays the implementation of Bulletin MSA 14-58, which provided guidelines for Electronic Services Verification for Home Help providers.

MSA 14-66 – This policy was issued December 29, 2014, and discusses removing Medicaid and Healthy Michigan Plan beneficiaries with a diagnosis of inherited diseases of metabolism who receive metabolic formula from their MHP and transitioning them to FFS Medicaid. The policy also establishes payment guidelines for enteral nutrition.

MSA 14-61 – This policy was issued December 1, 2014, and discusses an update to the Practitioner Services fee schedule and implementation of a rate adjustment for specified primary care practitioner services effective for dates of service on or after January 1, 2015

MSA 14-60 – This policy was issued December 1, 2014, and discusses expanded Medicaid coverage of breast pumps.

MSA 14-57 – This policy was issued December 29, 2015, and provides the beginning framework for the MI Health Link Program; MDCH plans to add a chapter specific to MI Health Link to the Medicaid Provider Manual at a later date.

Proposed Policy 1462-Dental – This proposed policy discusses registering mobile dental providers in CHAMPS effective April 1, 2015, and is being issued in response to a legislative mandate set forth in PA 100 of 2014.

Medicaid Enactment 50th Anniversary July 30, 2015

Jan discussed ideas for commemorating the 50th anniversary of Medicaid enactment, and recommended that the MCAC form a committee to plan activities for the occasion. Alison Hirschel, Priscilla Cheever, Cheryl Bupp, Dianne Haas and Katie Linehan/Elan Nichols volunteered to serve on the committee, and David Lalumia accepted the committee's nomination to serve as its chair.

4:30 – Adjourn

Next Meeting: May 4, 2015

Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Tuesday, May 5, 2015

Time: 1:00 pm – 4:30 pm

Where: Michigan Health and Hospital Association Headquarters
2112 University Park Dr.
Okemos, MI

Attendees: **Council Members:** Jan Hudson, Michael Vizena, Marilyn Litka-Klein, Cheryl Bupp, Kimberly Singh, Alison Hirschel, David Herbel, Priscilla Cheever, Amy Zaagman, Linda Vail, Robin Reynolds, Marion Owen, Barry Cargill, Warren White, Rebecca Blake, Kim Sibilsky

Staff: Steve Fitton, Tim Becker, Dick Miles, Kathy Stiffler, Jackie Prokop, Susan Yontz, Marie LaPres, Cindy Linn, Pam Diebolt, Eric Kurtz, Elizabeth Hertel, Christina Severin, Leslie Asman, Sarah Slocum, Farah Hanley

Other Attendees: Tori Johnson

Welcome and Introductions

Jan opened the meeting and introductions were made. Steve Fitton also announced that he will be retiring from his position as director of the Medical Services Administration in June 2015.

Healthy Michigan Plan

Eligibility Issues and Fixes – Schedule for Fixes

The Department has implemented two of the first three planned releases in Bridges to correct systems problems related to Healthy Michigan Plan eligibility. The third release is scheduled to begin June 20, 2015, and will address the issue of parents being denied Healthy Michigan Plan coverage when they do not include dependent children on their application who already have coverage, problems with shifting beneficiaries into the Transitional Medical Assistance (TMA) program when their eligibility ends for Family Independence Program payments, and the incorrect denials of retroactive coverage for new Healthy Michigan Plan beneficiaries at the time of enrollment. The release will be issued in multiple parts, with the goal of being completed within 6-8 weeks. The first two releases in R6 primarily included Bridges, Modified Adjusted Gross Income (MAGI) and HUB system updates related to technical changes, system fixes addressing previous work around issues, account transfers, and security enhancements.

The next release is planned for September 2015, and will focus on a long-term fix for Presumptive Eligibility (PE). Since it was last discussed at the February Medical Care Advisory Council (MCAC) meeting, MDHHS has received approval from the Centers for Medicare and Medicaid Services (CMS) to offer PE to beneficiaries through the end of the month if they are subsequently found to be ineligible for coverage based on the submission of a full MAGI application. MDHHS has also received CMS approval to make changes to the eligibility criteria for the Freedom to Work program, and the needed systems changes should be included in a release in Bridges no later than September 2015.

Second Waiver Development

Public Act 107 of 2013 requires MDHHS to submit a second waiver to CMS by September 1, 2015, with approval by December 30, 2015, in order to continue to provide benefits under the Healthy Michigan Plan. As discussed at the February MCAC meeting, the second waiver would require that beneficiaries who have had Healthy Michigan Plan coverage for 48 cumulative months and have incomes over 100% of the FPL to:

- Purchase insurance from the Federally Facilitated Marketplace (FFM) and receive a subsidy, or
- Remain on the Healthy Michigan Plan and contribute a higher rate for cost-sharing.

Contribution responsibilities for beneficiaries who choose to remain in the Healthy Michigan Plan would increase from 2% of income to 3.5%, and the total cap on cost-sharing would be increased from 5% of income to 7%. In order to implement these changes, the Department has been researching several different types of waivers to use, including a Section 1115 Demonstration waiver amendment, a 1916(f) cost-sharing waiver, and a Section 1332 waiver. The Section 1332 waiver is typically tied to the health care exchanges established by the Affordable Care Act (ACA), and MDHHS is exploring its potential applications for the Healthy Michigan Plan. MDHHS staff discussed details related to the 1115 waiver amendment and the requirements of the 1332 waiver, and how they apply to the Healthy Michigan Plan. The Department has been discussing the state-mandated waiver requirements with CMS and other stakeholders, and is working toward developing waivers that can be approved. MDHHS staff once again stressed the importance of educating lawmakers on the successes of the Healthy Michigan Plan, and noted that only a very small percentage of Healthy Michigan Plan beneficiaries would be affected by the cost-sharing requirements in the second waiver, and under current law, the program would be discontinued for all enrollees if the waiver is not approved, not just those with incomes above 100% FPL. Steve also noted that no one can meet the 48 months criteria until April 1, 2018 – two years after the program would be terminated if the waiver is not approved or the Healthy Michigan Plan law is not changed.

MIHealth Account Payments

To date, 250,000 MIHealth account statements have been mailed to Healthy Michigan Plan beneficiaries who have enrolled in a health plan. MDHHS is working with Maximus to compile an executive report to simplify data from these statements, and the report is expected to be available for distribution to the MCAC soon. The Department is also working with the University of Michigan to interview beneficiaries who have received a MIHealth account statement in order to assess the need for future changes.

High Utilizer Report

The Emergency Room (ER) High Utilizer report that was discussed at the February MCAC meeting is now available on the MDHHS website at www.michigan.gov/medicaidproviders >> High Utilizers. The report details 11 recommendations to the legislature for addressing the needs of high utilizer patients in Michigan, and implementation discussions have begun.

Integrated Care for Dual Eligibles (MI Health Link)

MI Health Link has now been implemented in each of the first four demonstration regions (Upper Peninsula, Southwest Michigan, Macomb County and Wayne County). Voluntary enrollment across all four regions totaled 1,144 beneficiaries as of May 4, 2015, while approximately 8,500 beneficiaries have been passively enrolled in the Upper Peninsula and Southwest Michigan as of May 1, 2015. Approximately 18,000 individuals have opted out of MI Health Link enrollment since February. MDHHS currently has contracts in place with seven health plans to provide benefits under the MI Health Link Program, including the Upper Peninsula Health Plan (UPHP), Meridian Health Plan, Aetna Better Health of Michigan, AmeriHealth Michigan, Fidelis SecureCare of Michigan, Molina Healthcare, and HAP Midwest Health Plan.

MDHHS has engaged in numerous outreach activities to promote the MI Health Link program, including provider webinars, conferences, informational forums, and beneficiary letters to provide information about MI Health Link to individuals who may not have other opportunities to learn about the program. Many third-party organizations and the health plans are also engaging in outreach on behalf of the Department. Attendees were invited to email integratedcare@michigan.gov with any comments or questions related to the MI Health Link program, and also visit www.michigan.gov/mihealthlink for additional information.

In addition to implementing MI Health Link, MDHHS has also opened new Program of All-Inclusive Care for the Elderly (PACE) organizations in Saginaw and Lansing, with several more planned in the near future.

Managed Care Rebid

Kathy Stiffler gave an update on the Managed Care rebid, announcing that the Request for Proposal (RFP) is on track to be released by May 8, 2015, with bids to be due in early August. Two bid meetings are planned following the release of the RFP, and questions and answers from these meetings will become an official part of the bid. Additionally, the council was provided with a progress report on the following items that were discussed at the February MCAC meeting:

- The conversion of MIChild, Michigan's Children's Health Insurance Program (CHIP), from a stand-alone program to a Medicaid expansion program is planned for January 1, 2016, but could possibly be delayed pending CMS approval of a Section 1115 waiver and systems changes in CHAMPS and Bridges.
- Pharmacy benefits will remain part of the Medicaid Health Plan (MHP) benefit package, but all MHPs will be required to use a common formulary and the same administrative rules for pharmacy services.
- In order to improve access and to provide more comprehensive care for all Medicaid Fee-for-Service and MHP beneficiaries, MDHHS plans to issue a separate RFP specific to dental benefits to provide improved access to all Medicaid beneficiaries, not just those enrolled in a health plan.

FY 2016 Budget

Discussions for both the Michigan Department of Community Health (MDCH) and Department of Human Services (DHS) budgets are now in the conference workgroup negotiation stage, and meetings among MDHHS staff, the State Budget Office, and legislators are scheduled for the week of May 11, 2015 to discuss Medicaid funding and caseload projections. The Revenue Estimating Conference is scheduled to take place on Friday, May 15, 2015. Projected revenue to fund the FY 2016 department budgets will be agreed upon as will the caseloads to be funded.

MDHHS staff noted several spending reductions in the legislature's version of the budget, including a $14 million reduction in General Fund (GF) appropriation for the Mental Health and Wellness Commission, to be replaced with money from the Michigan Health Endowment Fund, $3 million in GF reduction for MDHHS administration associated with the merger of MDCH and DHS, and several county office closures. Staff also reported that the proposed increase in the Health Insurance Claims Assessment (HICA) tax from 0.75% to 1.3% that was included in the Executive Budget Recommendation did not receive approval from the legislature, which created a budget shortfall of approximately $180 million in State GF or $540 million in program expenditures when federal funds are included.

The legislature also approved increases in funding for certain program areas, including an increase in actuarial soundness for the Prepaid Inpatient Health Plans (PIHPs) of 1.5% and a 2% increase for the MHPs, and an increase of $20 million for Community Mental Health (CMH) non-Medicaid services. The primary care rate adjustment that was implemented on January 1, 2015 was annualized, and was also approved by both chambers. The House of Representatives approved funding for an expansion of ***Healthy Kids Dental*** into Kent County, Oakland County, and Wayne County for children up to the age of 9, while the Senate proposal offered coverage to all children with an effective date of July 1, 2016. The House and Senate also offered different proposals for improving access to Medicaid adult dental coverage in the fourth quarter of FY 2016. The legislature rejected the proposed changes and reductions in hospital financing related to graduate medical education, small and rural hospital adjustor and the OB/GYN special payment to rural hospitals.

Approximately $100 million gross in managed care savings was identified among three program areas, including $54.5 million in savings by implementing a common formulary for pharmacy benefits, $15 million in savings from the new Medicaid RFP for three quarters, and $31.8 million in savings assumed by moving all MHP laboratory rates to Medicaid Fee-for-Service rates. Significant savings were also realized through a projected decline in Medicaid caseloads in FY 2015 and continued in FY 2016.

CHIP Extension

Steve Fitton reported that CHIP funding was extended with a federal match rate of approximately 98% in FY 2016, but the primary care rate increase for CHIP was not approved.

Merger of MDCH and DHS – Michigan Department of Health and Human Services

On April 10, 2015, Executive Order 2015-4 became effective to create MDHHS by merging MDCH and DHS. A revised budget proposal was submitted to the legislature to combine the MDCH and DHS budgets following the merger, totaling approximately $24 billion, nearly 46% of the state budget. No additional staffing reductions or other savings were proposed as a direct result of the creation of MDHHS; staff indicated that a main goal of the merger is to facilitate a more efficient delivery of services to Michigan citizens.

Eight guiding principles for the new department were also outlined, including treating a person as a whole person, delivering services in a smarter way with less fragmentation, supporting dignity in all stages of life, improving outcomes through integration and coordination, interrupting generational poverty and supporting self-sufficiency of those who are able, ensuring the safety, well-being and permanence of children in the State's care, ensuring the safety and wellness of vulnerable adults and the elderly, and improving the health of Michigan citizens in a cost-effective manner. A handout of the new organization chart for MDHHS was provided to meeting attendees, and several areas were discussed.

Council members expressed concern about issues related to non-emergency medical transportation. Tim Becker requested specific examples of transportation issues.

Jan Hudson invited meeting attendees to share any problems they encounter related to services being combined in MDHHS, as well as any proposed solutions, with herself or Tim Becker. If emailing Tim Becker, attendees were reminded to also copy his assistant, Patricia Ray.

State Implementation Model (SIM) Grant Implementation

MDHHS has started the assessments for both the Accountable Systems of Care capacity, which closed on May 4, 2015, and the Community Health Innovation Region Assessment, which will close on May 11, 2015. Once all assessments have closed, the Department will begin identifying which responses are possible to follow up on and begin scheduling site visits with respondents. The results from the assessments will be used to make decisions about where to start piloting the SIM Grant in Michigan. The State has received $70 million from the federal government for SIM Grant implementation over the next 4 years. The FY 2016 recommendation includes $20 million for the project. The current focus includes: payers, doctors and hospitals; who can/will become Accountable Care Organizations; and high users of services.

Consolidation of 1915B&C Waivers to 1115 Waiver

The Medicaid Managed Specialty Service System covers persons with substance use disorders, severe mental illnesses, intellectual and developmental disabilities, and children with serious emotional disturbances. The program operates under five different waivers, including three 1915(c) waivers for the habilitation support for persons with developmental disabilities, the Serious Emotional Disturbances Waiver (SEDW) and Children's Waiver Program, a 1915(i) autism waiver, and a 1915(b) waiver. MDHHS is exploring several options for consolidating these waivers, including using a section 1115 waiver or a combination of a section 1115 and 1915(i) waiver. Moving the system onto a single Section 1115 waiver would allow the system to maintain the Managed Care delivery system that is currently offered. CMS encouraged the use of a 1915(i) waiver, but it would impose an income limitation of 150% of the FPL for beneficiaries in the waiver program. All of the current waivers for the Behavioral Health and Developmental Disabilities Medicaid Managed Specialty Service System are tied together under the 1915(b) waiver, which will expire on December 31, 2015.

Policy Updates

A policy bulletin update handout was distributed to meeting attendees, and several bulletins were highlighted.

Medicaid Enactment 50th Anniversary July 30, 2015

Jan Hudson reviewed the list of individuals who volunteered in February to serve on a committee to plan events commemorating the 50th anniversary of Medicaid enactment, and also invited others present to participate.

4:30 – Adjourn

Next Meeting: August 12, 2015

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Wednesday, August 12, 2015

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Jan Hudson, Kim Sibilsky, Bill Mayer, Marion Owen, David Lalumia, Cheryl Bupp, April Stopczynski, Elmer Cerano, Pam Lupo, Warren White, Rebecca Blake, Kimberly Singh, Katie Linehan, Robin Reynolds, Marilyn Litka-Klein, Barry Cargill, Alison Hirschel, Andrew Farmer, Mark Swan (for Cindy Schnetzler), Larry Wagenknecht

Staff: Kathy Stiffler, Dick Miles, Jackie Prokop, Lynda Zeller, Farah Hanley, Erin Emerson, Marie LaPres, Pam Diebolt, Cindy Linn, Sarah Slocum, Priscilla Cheever, Carrie Waggoner, Leslie Asman, Robert Hovenkamp, Abbey Babb, Christina Severin

Other Attendees: Denise Cushaney

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made. Members of the planning committee for the Medicaid 50th Anniversary Celebration that took place on July 30, 2015 were recognized, and handouts from the event were made available for those who were unable to attend.

Fiscal Year (FY) 2016 Budget Implementation and FY 2017 Development

The Michigan Department of Health and Human Services (MDHHS) budget for FY 2016 is now in place. Several provisions affecting the Medicaid program were discussed, including an adjustment for actuarial soundness to keep Health Maintenance Organizations (HMOs) operational as they cover 75% of the Medicaid population, an adjustment for Prepaid Inpatient Health Plans (PIHPs), funding for an expansion of the ***Healthy Kids Dental*** program to cover children in Wayne, Oakland and Macomb counties up to the age of 13, and funding for a new psychiatric residential treatment wing of the Hawthorn Center for one quarter. In addition, an appropriation was included for an expansion of Program of All-Inclusive Care for the Elderly (PACE) programs, as well as for full funding for the Healthy Michigan Plan for FY 2015 and FY 2016. MDHHS staff also reported the closure of the W.J. Maxey Boys Training Center and several county MDHHS offices, but noted that no staff layoffs will result from the county office closures. Staff will be reassigned to other locations.

A council member expressed concern about cuts to Community Mental Health (CMH) services. In response, MDHHS staff reported that the Department received a $20 million supplemental appropriation to recognize unmet needs in FY 2015 and FY 2016.

In FY 2017, MDHHS anticipates additional GF needs of approximately $420 million, which includes over $100 million required in General Fund (GF) matching funds for the Healthy Michigan Plan, an anticipated $120 million shortfall if the legislature declines approval of an increase in the Health Insurance Claims Assessment (HICA) tax, as well as the expiration of the use tax, which brings in about $200 million per year, but ends on December 31, 2016.

Adult Dental Remains Fee-for-Service (FFS)

Kathy Stiffler reported that the Legislature did not approve funding to include adult dental benefits in the Managed Care Rebid. The MHPs are currently only required to cover adult dental benefits for the Healthy Michigan Plan population. Adult dental benefits for non-Healthy Michigan Plan Medicaid beneficiaries remain a FFS benefit.

Medicaid Director Search

The MCAC was informed that MDHHS has not yet named a new director for the Medical Services Administration (MSA), and that Kathy Stiffler will continue to serve as acting director until the position is filled.

Healthy Michigan Plan

Second Waiver Development/Progress

MDHHS staff discussed the details of Public Act 107 of 2013 requirements as they relate to the waiver amendment. MDHHS released a concept paper regarding the second waiver for the Healthy Michigan Plan on May 27, 2015, which is available on the MDHHS website at www.michigan.gov/healthymichiganplan >> Healthy Michigan Plan Second Waiver Document(s) and Public Hearing Information. A public hearing was also held on June 24, 2015 to discuss the waiver, which must be submitted to the Centers for Medicare and Medicaid Services (CMS) by September 1, 2015 and approved by December 31, 2015 for the Healthy Michigan Plan to continue. The Department has received many positive comments in response to the concept paper and public hearing, and council members were encouraged to continue to share their comments with MDHHS once the waiver is submitted to CMS for approval. Discussions between MDHHS and CMS regarding the second waiver have been productive throughout the waiver development process, and MDHHS believes that the requirements of the law can be met through a Section 1115 waiver. If an additional waiver is needed to meet the requirements of the law, the Department will also consider submitting a Section 1332 waiver for approval.

The waiver would require beneficiaries who have been enrolled in the Healthy Michigan Plan for 48 cumulative months and have incomes between 100% and 133% of the Federal Poverty Level (FPL) for each of the 48 months to:

- Leave the Healthy Michigan Plan and receive a subsidy to purchase health insurance from the Federally Facilitated Marketplace (FFM); or
- Remain on the Healthy Michigan Plan and pay a larger portion of their income toward cost-sharing and contributions.

MDHHS anticipates that the increased cost-sharing requirements of the second waiver will affect only a subset of the 100,000 beneficiaries with incomes greater than 100% FPL out of approximately 600,000 currently enrolled. If the second waiver is not approved, State law requires that the Healthy Michigan Plan must end on April 30, 2016, even though April 1, 2018 is the earliest date that any beneficiary can reach 48 cumulative months of enrollment. Jan Hudson noted that other states, such as Iowa and Arkansas, have received approval from CMS to implement hardship waivers for Medicaid beneficiaries who have difficulty meeting cost-sharing obligations, and encouraged MDHHS to consider seeking such a waiver as well.

Eligibility Issues and Fixes

Jackie Prokop provided attendees with an update regarding the Medicaid eligibility issues that were discussed at the May 2015 MCAC meeting, including parents who were denied Healthy Michigan Plan coverage when they did not include dependent children on their application, problems with shifting beneficiaries into the Transitional Medical Assistance (TMA) program when their eligibility ends for Family Independence program payments, and the incorrect denials of retroactive coverage for Healthy Michigan Plan beneficiaries at the time of enrollment. MDHHS implemented a release in Bridges to fix these issues, and began to re-process Medicaid applications for affected beneficiaries the weekend of August 8-9. Reprocessing is expected to be completed in September.

Each beneficiary affected by reprocessing will receive a letter from MDHHS as Bridges corrects his/her file. In response to an inquiry from the council, MDHHS staff noted that regardless of a beneficiary's current enrollment status in a Medicaid Health Plan (MHP), claims for services provided during the beneficiary's retroactive eligibility period will be processed through the Medicaid FFS system. All providers will also receive a letter containing information regarding the reprocessing efforts, and what to expect if a beneficiary for whom they provided services is granted retroactive eligibility upon reprocessing. Jan Hudson requested that the MCAC receive a copy of the provider letter when it is distributed.

MI Health Account Payments

Kathy Stiffler reported that MDHHS is currently working with MHPs and Maximus to develop an executive report containing information about MI Health Account payments. A draft report has been completed, and MDHHS plans to have a final report ready to publish on the MDHHS website within a month following the MCAC meeting. A council member sought clarification about who a beneficiary should contact if they have questions regarding their MI Health Account statement. In response, MDHHS staff explained that if a beneficiary's income changed since their previous statement, they should contact their MDHHS caseworker to make the adjustment to their case. Other questions regarding MI Health Account statements should be directed to Maximus or the Beneficiary Help Line.

The MCAC was provided with statistics from the draft version of the Executive Report regarding the payment rate of contributions owed from beneficiaries by cohort, and council members were reminded that beneficiaries can reduce the contribution amount that they owe by completing a Health Risk Assessment (HRA) and choosing one or more healthy behaviors to address. MDHHS will not reduce contribution amounts for beneficiaries who complete an HRA unless they choose to engage in one or more healthy behaviors. An HRA report is published monthly on the MDHHS website at www.michigan.gov/healthymichiganplan >> Health Risk Assessment.

As of July 2015, about $1.5 million had been collected. It is important to note that the Healthy Michigan Plan is a new program and MIHealth account billings are a totally new process for everyone. In addition, the University of Michigan, as part of their evaluation, is conducting focus groups of beneficiaries to determine the level of beneficiary understanding and obtain comments on the statements.

Managed Care Rebid

MDHHS issued a Request for Proposal (RFP) for a new managed care contract on May 8, 2015, and bids from MHPs were due on August 3, 2015. The new contracts will begin on January 1, 2016, while the current contracts have been extended through December 31, 2015. The first contract year will run for nine months to get back on the state fiscal year schedule.

Common Formulary Development

At the May 2015 MCAC meeting, it was announced that pharmacy benefits would remain part of the MHP benefit package and that pharmacies would be required to use a common formulary and the same administrative rules for pharmacy services. A draft version of the MHP common formulary was released for public comment on August 4, 2015 with proposed Medicaid policy 1540-Pharmacy, and comments are due on September 8, 2015. MDHHS plans to publish the final version of the MHP common formulary on January 1, 2016. MHPs will then integrate the common formulary in their claims system and will begin transitioning members' drug therapies to the common formulary starting April 1, 2016, with an expected completion date of September 30, 2016. A stakeholder meeting was held on August 11, 2015 to discuss the common formulary, and MDHHS received several comments, including concerns about coverage for the drugs that remain carved out of the MHP benefit package. In response, MDHHS staff clarified that the individual drugs that remain carved out of the MHP benefit package will be covered through Medicaid FFS. An additional stakeholder meeting is scheduled for November 19, 2015 to present the final version of the common formulary and take questions.

Integrated Care for Dual Eligibles (MI Health Link)

Dick Miles gave an update on the MI Health Link demonstration, reporting that it became operational in March 2015, and currently serves approximately 35,000 beneficiaries among the four demonstration regions (Upper Peninsula, Southwest Michigan, Macomb County and Wayne County). A majority of beneficiaries are passively enrolled, and 40 to 50 percent of passive enrollees typically opt out of the program. After the final phase of the program's implementation in the four demonstration regions is complete at the end of September 2015, it is anticipated that 50,000 or more beneficiaries will be enrolled in MI Health Link.

MDHHS has experienced some problems with MI Health Link implementation that it is working to resolve, which include:

- Many MHPs reported that they were not receiving payment from MDHHS for services provided to MI Health Link beneficiaries.
- The Department has found eligibility inconsistencies in the Medicaid and Medicare files for some beneficiaries.
- Problems with billing Medicare and Medicaid claims from Mental Health providers who previously did not participate with both programs have also been experienced.
- Guardianship issues continue and are being worked on to resolve.

CMS has also granted MDHHS the option to send in a letter of support for extending the MI Health Link Demonstration by an additional two years. The letter would be non-binding, but extending the MI Health Link Demonstration would provide for its operation through 2020 and allow a more valid evaluation.

Dick also announced that Susan Yontz will be retiring from her position as director of the Integrated Care Division at the end of August 2015.

Merger of the Michigan Department of Community Health (MDCH) and the Department of Human Services (DHS) – Issues

At the May 2015 MCAC meeting, Tim Becker and Jan Hudson invited the MCAC members to share comments with them regarding any issues related to the merger of MDCH and DHS; problems with access to Non-Emergency Medical Transportation (NEMT) were raised. Jan again asked meeting attendees to share their concerns, and in response, several council members reported instances of beneficiaries who have experienced long wait times or who have difficulty receiving transportation services, particularly in the Metropolitan Detroit area. Also reported were caseworker denials for services indicating there are no funds for transportation. Kathy Stiffler observed there are not sufficient, reliable providers statewide. Several suggestions for addressing these problems were discussed, including providing for an exemption to the Limousine Act for personal care services providers to allow them to transport patients to medical appointments.

Implementation of Home Help Program Changes

The Medicaid Home Help program provides services to qualified beneficiaries who need assistance with activities of daily living. The program currently serves approximately 55,000 beneficiaries with an equal number of providers. An audit of the Home Help program in June 2014 revealed several areas of concern, including discrepancies between provider logs submitted and the services that were provided, and enrolled providers with criminal backgrounds. MDHHS has implemented several changes to the program to address these issues, including moving to an Electronic Services Verification (ESV) system within the Community Health Automated Medicaid Processing System (CHAMPS) for the submission of provider logs, which requires individual home help providers to enroll in CHAMPS, and the Department now conducts criminal background checks on all current and prospective individual home help providers. A parallel paper services verification system was also put into place for providers who meet certain criteria.

Per bulletin MSA 15-06, the ESV system was implemented on June 1, 2015, but due to problems with some providers having difficulty accessing the system, MDHHS has decided to delay negative action toward providers who are unable to submit provider logs via ESV while the issues are addressed. Critical decisions must be made on electronic verification. MDHHS has also issued bulletin MSA 14-40, which allows beneficiaries to sign a consent form in order to continue working with providers who have been convicted of certain types of crimes. Providers convicted of crimes such as Medicare or Medicaid fraud, patient abuse, etc., are ineligible to participate in the program, per bulletin MSA 14-31.

Behavioral Health Initiatives

Lynda Zeller acknowledged that there are pockets of the state where service and service delivery are issues. Some regions are doing really impressive work, particularly around the coordination of physical and behavioral health services.

MDHHS is working to implement several new projects related to behavioral health, including:

- The Department has applied for a planning grant to set up Certified Community Behavioral Health Clinics (CCBHCs). If selected for planning grant money, Michigan would be able to set up a prospective payment system for behavioral health clinics that take on additional responsibility, such as for physical health. Eight states will be selected to receive the planning grant from the federal government. The grant would allow for up to 10 CCBHCs to be established in Michigan.
- MDHHS currently provides Specialty Managed Care Services under section 1915(b) and 1915(c) waiver authorities. Under the section 1915(b) waiver, MDHHS is able to provide wraparound services to individuals in their homes or work places, rather than in an institutional setting. Due to cost-effectiveness issues with the current 1915(b) waiver services, MDHHS is in the process of exploring other waiver options to continue providing these services, including a section 1115 waiver or a 1915(i) waiver. No cuts to services or eligibility are planned as a result of this change.
- While the Healthy Michigan Plan has greatly increased access to behavioral health services for its 600,000 beneficiaries, nine out of ten Prepaid Inpatient Health Plans (PIHPs) were found to have been serving a much lower percentage of this population than MDHHS anticipated. The Department is working to identify barriers that might prevent beneficiaries from accessing these services. In addition, funding to serve those eligible for Medicare and Medicaid and spend-down individuals continues to be a challenge.
- A State Medicaid Directors letter was issued to discuss ways to strengthen Substance Use Disorder (SUD) services, including the use of the Innovation Accelerator Program (IAP) to identify coverage gaps that currently exist within states. MDHHS is scheduled for a conference call with CMS on Friday, August 14 to discuss the IAP. Governor Snyder has also created The Prescription Drug and Opioid Abuse task force to discuss SUD services, which meets weekly. A list of recommendations for SUD treatment services developed by the task force is expected to be released in the fall.
- Lynda clarified that the uniform consent form for SUD services needs to be signed by a clinician from each provider with an active relationship with a beneficiary to be valid. It does not provide for an automated gateway for providers to share information among each other.
- The Behavioral Health and Developmental Disabilities Administration (BHDDA) is also working with MSA on the Defending Childhood Initiative, which is focused on early intervention and prevention of trauma in early childhood.
- Michigan has been selected to be part of the National Governor's Association task force on high users of emergency room services. As a component of the project, the Department is looking for options/opportunities to implement recommendations from Michigan's report *Recommendations for Addressing the Needs of High Utilizer/Super Utilizer Patients in Michigan.*

Policy Updates

A policy bulletin update handout was distributed to each attendee, and several policy changes were discussed.

Chairperson and Consumer Representation for 2016

MDHHS requested a consumer representative(s) be added to the MCAC in 2016, and the council discussed outreach ideas to find the right individual(s) to fill the role. Jan also announced that she will be retiring in early 2016, and asked the council to begin considering candidates to fill the MCAC Chair position.

4:30 – Adjourn

Next Meeting: November 18, 2015

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Wednesday, November 18, 2015

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Jan Hudson, Kim Singh, Pam Lupo, Dave Herbel, Warren White, Marion Owen, Linda Vail, Dave Lalumia, Robin Reynolds, Karlene Ketola, Cindy Schnetzler, Cheryl Bupp, April Stopczynski, Andrew Farmer, Roger Anderson, Alison Herschel, Robert Sheehan, Larry Wagenknecht, William Mayer, Joe Neller (for Rebecca Blake), Mark McWilliams (for Elmer Cerano), Vicki Kuhns (for Marilyn Litka-Klein), Amy Zaagman, Priscilla Cheever

Staff: Chris Priest, Dick Miles, Kathy Stiffler, Lynda Zeller, Leslie Asman, Jackie Prokop, Cindy Linn, Pam Diebolt, Marie LaPres, Matt Lori, Monica Kwasnik, Michelle Best, Denise Stark-Phillips, Elizabeth Hertel

Other Attendees: Mark Swan, Betsy Wile

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made.

Welcome back to Chris Priest, Medicaid Director

Chris Priest was introduced to the council as the new director of the Medical Services Administration.

State Innovation Model (SIM) Update

The Michigan Department of Health and Human Services (MDHHS) has been working internally on the Blueprint for Health Innovation, which is the final product for Michigan's SIM planning process, and began reaching out to stakeholders once the bid period closed. Over 60 organizations interested in becoming an Accountable System of Care (ASC) or a Community Health Innovation Region completed the Department's assessment, and MDHHS is now communicating with many of these groups in addition to payers. A press release announcing a regional approach for the Blueprint for Health Innovation was issued on September 21, 2015. MDHHS expects to announce the names of the organizations that have been selected to participate in the SIM in early 2016, and is currently working with MPHI to develop an operational plan that must be submitted to the Centers for Medicare and Medicaid Services (CMS) by December 1, 2015. Jan Hudson offered to share with the council the PowerPoint presentation on the SIM project that Elizabeth Hertel prepared for another group.

Jan also requested that MDHHS take steps to ensure that patients are involved in the SIM development process. In response, MDHHS staff reported that the Department plans to engage with patients once the structure of the project is in place.

Healthy Michigan Plan

Waiver Amendment Progress

The second waiver for the Healthy Michigan Plan was submitted to CMS on September 1, 2015, and Jan and Chris both thanked the Council for drafting letters of support. Chris also reported that the feedback received by MDHHS during the public comment period for the waiver was overwhelmingly positive. MDHHS has been engaging in constructive discussions with CMS up to this point, and while Chris expressed optimism that the waiver would be approved, he cautioned that the process will take time. The waiver must be approved by December 31, 2015 for the Healthy Michigan Plan to continue after April 30, 2016.

Copay Increases for Enrollees with Incomes above 100% of the Federal Poverty Level (FPL)

Section 1631 of the State of Michigan appropriations bill for Fiscal Year (FY) 2016 requires that MDHHS must double most copayment amounts for Healthy Michigan Plan Enrollees with incomes above 100% of the FPL. The Department is currently in discussion with CMS to determine whether a waiver or State Plan Amendment will be needed to pursue approval for this requirement, but is awaiting a decision by CMS on the second waiver before taking action. Copays, by federal law, must be "nominal and not greater than 10% of the cost of the service." Beneficiaries may continue to reduce their copay amounts by completing a Health Risk Assessment (HRA) and engaging in one or more healthy behaviors.

MIHealth Account Report

MDHHS published a final MIHealth Account Executive Summary on November 18, 2015, which is available on the MDHHS website at www.michigan.gov/healthymichiganplan. Since Healthy Michigan Plan Enrollees have the option of paying their entire MIHealth Account balance at the end of each quarter, rather than making monthly payments, meeting attendees were advised that data for completed quarters most accurately reflects the amount of money collected by MDHHS as a percentage of the total amount owed by beneficiaries who received a MIHealth Account statement. MDHHS staff also encouraged attendees to share any suggestions for clarifying language in the summary with the Department, as it will be updated monthly.

Since the first MIHealth Account Statements were issued, MDHHS has collected no more than approximately 50% of the total amount owed in a single quarter. The Department is required by State law to garnish the State income tax returns and lottery winnings of Healthy Michigan Plan enrollees who consistently fail to pay their copayments and contributions, and MDHHS notified approximately 5,000 individuals in October 2015 that they met these criteria. Of this amount, 60 individuals requested a review of their account, and many others began making payments. Approximately 4,600 enrollees were reported to the Michigan Department of Treasury for garnishment. MDHHS staff and council members discussed ideas to increase the MIHealth Account payment rate among enrollees, such as the possibility of allowing payment by credit card.

U of M Evaluation of MIHealth Account Statements

MDHHS commissioned the University of Michigan to conduct a review of the MIHealth Account Statements, which has now been completed. The University spoke with over 50 enrollees who received a MIHealth Account Statement, and submitted recommendations to the Department for changes to the Statements to address the findings of their review. A council member offered to share a report, The Power of Prompts, submitted to the U.S. Department of Health and Human Services in August that detailed recommendations for increasing beneficiary participation in the programs in which they are enrolled, and noted that President Obama issued an executive order requiring all federal agencies to implement the report's recommendations. MDHHS staff also offered to share a redacted MIHealth Account Statement with the council.

Fiscal Year (FY) 2016 Budget Implementation and FY 2017 Development

Chris Priest reported that the MDHHS budget for FY 2016 went into effect on October 1, 2015, and the Department is beginning to develop the FY 2017 budget. Several areas of concern related to the development of the FY 2017 budget were discussed, including:

- MDHHS is anticipating a loss of approximately $60 million related to a reduction in the Federal Medical Assistance Percentage (FMAP) rate for FY 2017.
- The State's "clawback" payment for Medicare Part D will increase by 11%.
- The State will be required to contribute matching funds for the Healthy Michigan Plan.
- The use tax on Medicaid Health Plans (MHPs) is scheduled to phase out on December 31, 2016, which will activate an increase in the Health Insurance Claims Assessment (HICA) rate from 0.75 % to 1%. Despite the increase in the HICA rate, the State is expecting a loss of revenue as a result of the expiration of the use tax. Legislation has been introduced in the State legislature to extend the HICA, which is scheduled to sunset on December 31, 2017.

Autism Services Expansion through Age 21 (Currently 18 Months to Age 5)

MDHHS is on track to expand autism services through age 21 effective January 1, 2016.

Specialty Drugs

Chris reported that many new high-cost specialty drugs are becoming available on the market for treatment of hepatitis C, cystic fibrosis, etc., which may contribute to budget challenges in the future for MDHHS. The Department is currently in the process of working internally to identify budget priorities for FY 2017.

Managed Care Rebid

Recommendations for Contract Awards

MDHHS issued a press release on November 13, 2015 announcing the final recommendations for the MHPs to receive contract awards at the conclusion of an allotted protest period. A final synopsis of the results of the bid is posted online at www.buy4michigan.com. The recommended MHPs have received approval from the State Administrative board, and the Department is on track to implement the new MHP contracts on January 1, 2016. After the implementation of the new MHP contracts, 125,000 beneficiaries will no longer be served by their current health plan in their county of residence. Of these affected beneficiaries, 112,500 have already been transferred to other plans, while MDHHS has notified the remaining beneficiaries that they have 90 days to select a new MHP covering their area. In response to an inquiry regarding the impact of the new MHP contracts on provider networks, MDHHS staff noted that a statewide analysis found 94% of providers to be contracted with more than one health plan, so the Department expects network coverage gaps to be minimal. A meeting attendee also recommended that MDHHS take a proactive approach toward implementing performance metrics for the MHPs in order to address potential problems before complaints are filed. In response, MDHHS staff agreed to consider the suggestion, and reminded meeting attendees that providers should first discuss problems with the MHPs directly before contacting the Department.

Common Formulary Update

MDHHS held a stakeholder meeting on August 11, 2015 to discuss the implementation of a MHP common formulary for drug coverage, and incorporated many suggested changes into the final common formulary. The Department is now on track to implement the common formulary on January 1, 2016, and will be holding a second stakeholder meeting on November 19, 2015 at Lansing Community College West for the purpose of describing changes made and to answer questions. Once the common formulary is finalized, providers will have the opportunity to submit feedback each quarter.

Quality Strategy

MDHHS staff provided meeting attendees with a copy of the MDHHS managed care quality strategy, and discussed several areas of the document. The Department has incorporated several changes requested by CMS and intends to submit the final document to CMS by November 25, 2015. Attendees were advised that comments must be submitted by November 24, 2015 to be considered for incorporation into the final document.

MIChild Conversion

On January 1, 2016, the MIChild program will be converted to a Medicaid expansion program. MDHHS has distributed two proposed policies for public comment related to the MIChild conversion: project #1541-Eligibility, which discusses eligibility requirements for MIChild as a Medicaid expansion program, and project #1554-Eligibility, which discusses covered services. Both policies will be issued as final bulletins on December 1, 2015, and current MIChild beneficiaries have been notified of the change. MDHHS staff discussed the changes outlined in the proposed policies with meeting attendees. A number of Medicaid services will become available to these children, including EPSDT, comprehensive behavioral health services, Healthy Kids dental, non-emergency medical transportation as well as retroactive coverage. Enrollment will be through Bridges, not Maximus as in the past, but Maximus will continue to collect the $10/family monthly premium.

National Governor's Association (NGA) Emergency Room (ER) High Utilizer Project

Matt Lori reported that MDHHS was awarded a grant by the National Governors Association from July 2015 – October 2016 to participate in the NGA ER High Utilizer Project, and provided meeting attendees with an update on its progress. The five goals for the project include: data-driven decision making; use payment to leverage best practices and models of care; revise and/or add services to address gaps identified by data analysis to strengthen the system or provide clinical teams with data and support tools that enable the right care at the right time within the right setting; and use the progress from the above goals to make a case for sustainability. The project's data have shown that one of the contributing factors to high ER utilization is homelessness, and the council discussed ideas to address this problem at length, including specific projects in Kent and Kalamazoo counties.

Integrated Care for Dual Eligibles (MI Health Link)

The MDHHS Integrated Care Demonstration, known as MI Health Link, is now operational in the four demonstration regions (Upper Peninsula, Southwest Michigan, Wayne County and Macomb County) to provide integrated services to beneficiaries who are dually eligible for Medicare and Medicaid. Enrollment as of September 2015 was 42,500; it has dropped to 36,200 in November. If dually eligible individuals do not voluntarily enroll in MI Health Link during an "active" enrollment period, then they are automatically enrolled into the program by MDHHS during a "passive" enrollment period unless they choose to opt out. The number of individuals who choose to enroll voluntarily has not met Department expectations. MI Health Link has also experienced issues with enrollment related to yearly Medicaid redetermination, systems changes and personal care services. The council discussed possible changes to the Medicaid redetermination process, which included the prospective implementation of a passive redetermination process.

MDHHS has established an ombudsman program specific to the MI Health Link Program to address problems experienced by enrollees.

A public forum to discuss MI Health Link was held in the Upper Peninsula in October, and a forum is also scheduled for December 9, 2015 in Benton Harbor.

Implementation of Home Help Program Changes

MDHHS is in the process of implementing changes to the Home Help program to address the findings of a program audit that were released in 2014, as well as the findings of an internal department business process review. These changes include conducting criminal background checks of home help providers and moving to an electronic services verification system. In October 2014, MDHHS implemented a process to enroll new providers in the

Community Health Automated Medicaid Processing System (CHAMPS) and began conducting criminal background checks on home help providers. Providers who have been convicted of a Mandatory Exclusion, as outlined in Bulletin MSA 14-31, are prohibited from participating in the Home Help Program, while providers who have been convicted of a Permissive Exclusion, as outlined in Bulletin MSA 14-40, may continue to provide services with a signed acknowledgement form from the beneficiary. MDHHS is now in the process of enforcing these provisions. Continuity of care remains a concern. The Department also implemented a process for electronic services verification in June 2015, which included a parallel paper verification process for home help providers who do not have access to a computer. The compliance rate for the new electronic services verification system among providers is lower than expected, and MDHHS is working to find solutions to this problem.

Behavioral Health Issues

Certified Community Behavioral Health Clinics (CCBHCs)

Lynda Zeller announced that the State of Michigan has received a planning grant for CCBHCs, and is working with the Medical Care Advisory Council (MCAC) and the Behavioral Health Advisory Committee (BHAC) to form a steering committee to advise the department as the planning for CCBHCs proceeds. CCBHCs provide more comprehensive health care services than are currently offered through a Community Mental Health (CMH) clinic, and accept all beneficiaries. The focus will be population health, specifically improvements in physical health/behavioral health outcomes. All clinics established prior to April 1, 2014 are eligible to become CCBHCs in the eight states that will be awarded final implementation grants. The State of Michigan plans to establish no more than 10 CCBHCs if selected. In response to an inquiry regarding how the CCBHCs would coordinate with the State Innovation Model (SIM) Grant, Lynda explained that the CCBHCs are classified as specialty providers, and would be able to belong to multiple Accountable Systems of Care (ASCs) within a SIM region and easily share information with the Community Health Innovation Region.

Common Consent Form

MDHHS is working to develop a common consent form to better integrate behavioral health and physical health services, and has been meeting with stakeholder groups for input. Current federal law creates barriers.

Michigan Prescription Drug and Opioid Abuse Task Force Report of Findings and Recommendations for Action

The Michigan Prescription Drug and Opioid Abuse Task Force Report recommended action in five areas, which include prevention, treatment, regulation, policy enforcement and outcomes. The Behavioral Health and Developmental Disabilities Administration will be working to address the recommended changes in the areas of prevention and treatment, while the Governor's office will work with the MDHHS director's policy office and others to address changes to regulation, policy enforcement and outcomes. The Task Force identified numerous issues for which solutions will be very challenging.

Policy Updates

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

Chairperson and Consumer Representation for 2016

Since Jan Hudson will be stepping down as chairperson of the MCAC at the end of this year, Chris Priest announced that Robin Reynolds has accepted his invitation to take over the role beginning in 2016. The council also continued to discuss ideas for finding individuals to provide consumer representation on the MCAC.

4:30 – Adjourn

Next Meeting: February 29, 2016

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Minutes

Date: Monday, February 29, 2016

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Robin Reynolds, Karlene Ketola, Cheryl Bupp, Marie DeFer, Warren White, Cindy Schnetzler, Jan Hudson, Barry Cargill, Marion Owen, Alison Hirschel, Marilyn Litka-Klein, Robert Sheehan, Amy Zaagman, Elmer Cerano, Linda Vail, Rebecca Blake, Mark Klammer, Kimberly Singh, Dave Lalumia, Andrew Farmer, Eric Roath, Susan Yontz, (for Dave Herbel), William Mayer, April Stopczynski, Lydia Starrs (for Rebecca Cienki)

Staff: Chris Priest, Dick Miles, Kathy Stiffler, Lynda Zeller, Farah Hanley, Jackie Prokop, Brian Keisling, Erin Emerson, Pamela Diebolt, Cindy Linn, Michelle Best, Logan Dreasky

Other Attendees: Marc Arnold, Dominic Pallone

Welcome and Introductions

Robin Reynolds opened the meeting and introductions were made.

Update on Flint

The Michigan Department of Health and Human Services (MDHHS) has submitted a waiver request to the Centers for Medicare and Medicaid Services (CMS) to address issues related to the Flint water crisis. Pending CMS approval, MDHHS will:

- Expand Medicaid eligibility to children up to age 21 and pregnant woman who;
  - Are served by the Flint water system or were served by the Flint water system between April 2014 and the date on which the Flint water system is deemed safe by the appropriate authorities, AND
  - Have household incomes up to 400 percent of the federal poverty level (FPL). Individuals up to age 21 and pregnant women with household income above 400 percent FPL can buy in to unsubsidized coverage under the program.
- Establish a targeted case management group and services for children up to age 21 and pregnant women as described above.
- Utilize Medicaid resources for lead abatement in Flint.

The waiver documents are available on the MDHHS website at www.michigan.gov/mdhhs >> Section 1115 Waiver – Expanded Medicaid Eligibility for Flint Residents. Individuals may submit comments related to the waiver to MSAPolicy@michigan.gov until March 17, 2016. MDHHS expects that up to 15,000 individuals will be newly eligible for Medicaid coverage under the waiver, and is working with its health plan partners in the area on testing and outreach to vulnerable populations.

A council member requested that MDHHS consider submitting a State Plan Amendment to expand Children's Health Insurance Program (CHIP) coverage to lawfully present immigrant children and pregnant women in the Flint area who have resided in the United States for less than five years.

Healthy Michigan Plan

Waiver Approval

MDHHS has received CMS approval for a second waiver related to the Healthy Michigan Plan. Under the terms of the waiver beginning April 1, 2018, which is 48 months after the initial implementation of the Healthy Michigan Plan, individuals who have been enrolled in the Healthy Michigan Plan for at least 12 months and have incomes above 100 percent FPL may either:

- Complete a Health Risk Assessment (HRA) and choose to engage in one or more healthy behaviors, and remain on the Healthy Michigan Plan, or
- Leave the Healthy Michigan Plan and receive insurance from the Federally Facilitated Marketplace (FFM).

Copayment and cost-sharing obligations for beneficiaries who elect to leave the Healthy Michigan Plan and receive insurance through the FFM will remain the same; however, they will only be eligible for reductions in their copayment and cost-sharing requirements if they remain on the Healthy Michigan Plan and choose to engage in one or more healthy behaviors. Wraparound services will be available to Healthy Michigan Plan beneficiaries who purchase coverage on the FFM through Medicaid Fee-for-Service. MDHHS must also seek approval for revised Healthy Behavior Protocols from CMS.

As discussed at the Medical Care Advisory Council (MCAC) meeting in November, Kathy Stiffler announced that MDHHS intends to distribute a Provider Satisfaction Survey for providers who actively participate with the Medicaid Health Plans in the spring of 2016.

A meeting attendee also requested that MDHHS allow beneficiaries to submit their own documentation related to the HRA and Healthy Behavior attestations instead of relying on the Medicaid Health Plans (MHPs).

FY2017 Executive Budget Recommendation

Budget Recommendation

The Governor recommended an appropriation of $24.7 billion gross and $4.4 billion General Fund (GF) for MDHHS in FY 2017, which accounts for an expected decline in traditional Medicaid caseload in FY 2017. Other highlights of the Executive Budget Recommendation include:

- $26.3 million in spending to reflect cost increases driven by a new policy that expands autism coverage for children up to age 21
- $118 million in spending for a 2% actuarial soundness rate increase for Medicaid Health Maintenance Organizations (HMOs) and a 1.5% increase for Prepaid Inpatient Health Plans (PIHPs)
- Approximately $105 million in GF savings anticipated in FY 2017, FY 2018 and FY 2019 from the Healthy Michigan Plan hospital provider tax payments
- $58 million revenue adjustment from the anticipated discontinuation of the use tax on December 31, 2016 and corresponding increase in the Health Insurance Claims Assessment (HICA) tax from 0.75% to 1%
- $7.6 million to support opening a wing at the Center for Forensic Psychiatry in Ypsilanti to treat an additional 30 patients
- Approximately $50 million Gross and $4.9 million GF Information Technology (IT) funding for the Integrated Services Delivery (ISD) Model
- $7.7 million GF for the Michigan State Automated Child Welfare System (MiSACWS)
- $26 million Gross and $9 million GF to expand the ***Healthy Kids Dental*** program in Wayne, Oakland and Macomb Counties to cover children up to age 21
- $5.2 million reduction for the counties related to services for foster care due to the implementation of a county cost-sharing requirement
- $4.7 million Gross and $1 million GF to expand the current supplemental for food-related resources in Flint, including $150,000 for food inspection costs

- $1.1 million to support Child and Adolescent Health Centers in Flint, including 6 additional Pathways to Potential Community Health Workers (CHWs)
- $7 million Gross and $5 million GF for behavioral health services in Flint
- $1.5 million Gross and $1 million GF for additional lead investigations
- $2.2 million GF supplemental appropriation for Flint

In response to an inquiry regarding the proposed IT funding for the ISD model, MDHHS staff noted that the Department intends to streamline service delivery into a single system, and that existing systems are not being replaced.

A meeting attendee also asked whether additional funds will be made available to assist adults who have been exposed to lead in Flint. In response, MDHHS staff noted that most funds appropriated in response to the Flint water crisis are not age-specific, such as supplemental Community Mental Health (CMH) funding, and Local Health Department (LHD) funds for blood lead testing.

Specialty Drugs

The legislature has approved a supplemental appropriation of $164 million Gross and $46 million GF in FY 2016 for coverage of a new hepatitis C drug, and the Governor has requested an additional $164 million Gross and $45 million GF for continued coverage in FY 2017. MDHHS is expecting that approximately 7,200 beneficiaries will qualify for the medication. In addition, the Governor has requested $66.3 million Gross and $44 million GF for coverage of a new cystic fibrosis medication. Both medications are expected to become available on March 1, 2016.

Impact of Minimum Wage Increase

Farah Hanley reported that the Governor has requested funding for an adult home help provider wage increase in FY 2017. No funding has been requested at this time for a wage increase for direct care workers, though the Department has discussed the issue with the legislature.

Integration of Behavioral Health and Physical Health Boilerplate

The Michigan House of Representatives has held hearings to discuss section 298 of the FY 2017 Executive Budget Bill, which would require MDHHS to transfer funds currently provided to Prepaid Inpatient Health Plans (PIHPs) through the Medicaid mental health services, Medicaid substance use disorder services, and Healthy Michigan Plan – behavioral health and autism services lines to the Health Plan services line by September 30, 2017. The consensus is that while people believe there is a great opportunity to discuss whether the current system of integrating behavioral health and physical health is best organized to provide the best outcomes for beneficiaries, there are concerns about language that moves PIHPs and MHPs together. A workgroup has been called by the Lieutenant Governor, which is currently in the process of conducting a call for facts related to the proposed transfer of funds. Lynda Zeller encouraged the MCAC to share facts with her at zellerl2@michigan.gov. A meeting attendee requested that the workgroup consider incarcerated individuals who develop behavioral health issues that were not present prior to imprisonment.

Behavioral Health Updates

Certified Community Behavioral Health Clinics (CCBHCs)

Michigan has been selected for a planning grant to establish CCHBCs, which provide more comprehensive care than Community Mental Health Services Programs (CMHSPs). In order to be chosen as one of the eight states to receive final demonstration grants, MDHHS must submit a final application by October 31, 2016. A request for certification will be sent to clinics eligible to become CCBHCs in Mid-March, and the Department will choose the 10 applicants that present the best opportunity for success in the demonstration. MDHHS must complete all prospective CCHBC site visits by July 2016.

Managed Care

Implementation of Rebid

Kathy Stiffler provided an update on the implementation of new MHP contracts, which became effective on January 1, 2016. MDHHS is continuing to work to develop resources to define MHP expectations in several areas, including coverage of Targeted Case Management (TCM) services for children with elevated blood lead levels. The new contract also includes plans to move coverage of Maternal Infant Health Program (MIHP) services into the MHPs effective October 1, 2016. Kathy noted that that some MHPs have changed service areas as a result of the rebid, and offered to share a map of areas covered by each MHP with the MCAC (see attached map).

Common RX Formulary

MDHHS is working to implement a common drug formulary for all MHPs, and is on track to begin communications with beneficiaries regarding the transition on April 1, 2016 and complete the transition by October 1, 2016. The Department will provide an opportunity for interested stakeholders to submit comments related to the Common Formulary once each quarter.

Eligibility Redetermination Letter

MDHHS staff and meeting attendees discussed ongoing issues with the Medicaid eligibility redetermination process, including inconsistencies in the process among different areas, and beneficiaries with no change in income or assets being denied coverage upon redetermination. As a possible solution to this problem, a meeting attendee requested that MDHHS implement a simplified redetermination process for beneficiaries with no change in circumstances. Attendees also discussed the need for improved coordination among MDHHS and the MHPs for communication with beneficiaries regarding the redetermination process.

Since MI Health Link enrollees who lose eligibility upon redetermination may only be passively enrolled into an Integrated Care Organization (ICO) once per calendar year, MDHHS staff discussed the possibility of requiring ICOs to continue to provide coverage for these individuals for up to 90 days following redetermination. The Department also plans to issue a policy to allow a beneficiary to keep their case open while working through the redetermination process in both Modified Adjusted Gross Income (MAGI) and Supplemental Security Income (SSI) groups, as part of a systems release in June 2016. MDHHS staff and meeting attendees also discussed several ideas for improving the redetermination process, including the possibility of temporarily suspending redetermination while systems problems are addressed, the feasibility of using IRS tax returns for eligibility redeterminations and simplifying beneficiary notices and forms.

Long-Term Care Services and Supports Updates

MI Health Link

Dick Miles provided an update on the MI Health Link Program, and noted that enrollment is a concern. At the end of the passive enrollment period in September, total enrollment in MI Health Link included 42,500 beneficiaries, and has since declined to 32,800. In addition to the issues related to eligibility redeterminations experienced by many Medicaid programs, MI Health Link is also experiencing problems with enrollment discrepancies and systems glitches that MDHHS is working to resolve. Dick also shared that marketing will be a priority for the MI Health Link program in the future, in order to encourage more individuals to voluntarily enroll.

Nursing Home Transition

The State of Michigan was awarded a grant in 2009 to help with nursing home transitions, called "*Money Follows the Person*", and has since used those funds to transition 3,000 individuals. However, due to a recent reduction in funding by the federal government, MDHHS is currently in the process of developing a plan to reduce the size of the program.

Level of Care Determination (LOCD)

MDHHS is currently considering the conflict-free LOCD, and has received funds for the project as part of the implementation grant for MI Health Link. However, some waiver agencies have expressed concern about how the new system will impact their processes. No successful bidders were received after the Department issued a Request for Proposal (RFP) for conflict-free LOCDs in the fall of 2015. MDHHS is in the process of working with CMS to determine CMS's legal authority for the conflict free LOCD mandate.

Policy Updates

A policy bulletin handout was distributed to meeting attendees, and several items were discussed.

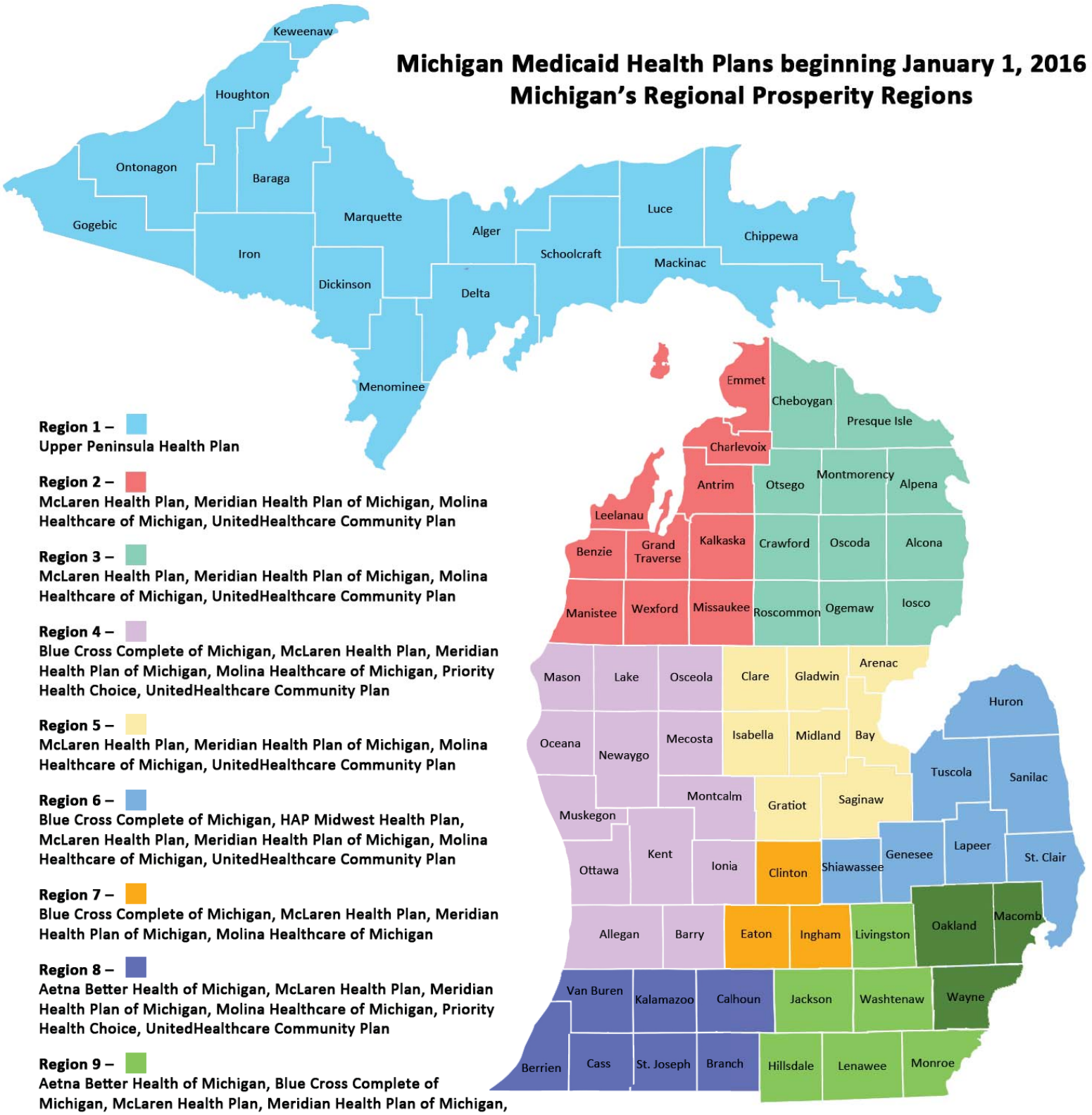
Consumer Representation for 2016 Update

Robin Reynolds welcomed a new MCAC member as a consumer representative, and discussed with MDHHS staff and meeting attendees ideas for reaching out to other beneficiaries who may be interested in providing their input to the MCAC.

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

Next Meeting: May 10, 2016

Michigan Medicaid Health Plans beginning January 1, 2016
Michigan's Regional Prosperity Regions



Region 1 –
Upper Peninsula Health Plan

Region 2 –
McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 3 –
McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 4 –
Blue Cross Complete of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Priority Health Choice, UnitedHealthcare Community Plan

Region 5 –
McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 6 –
Blue Cross Complete of Michigan, HAP Midwest Health Plan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 7 –
Blue Cross Complete of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan

Region 8 –
Aetna Better Health of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Priority Health Choice, UnitedHealthcare Community Plan

Region 9 –
Aetna Better Health of Michigan, Blue Cross Complete of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 10 –
Aetna Better Health of Michigan, Blue Cross Complete of Michigan, Harbor Health Plan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan

MDHHS
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

Minutes

Date: Tuesday, May 10, 2016
Time: 1:00 pm – 4:30 pm
Where: Michigan Public Health Institute (MPHI)
2436 Woodlake Circle
Okemos, MI

Attendees: **Council Members:** Robin Reynolds, David Herbel, Cheryl Bupp, Cindy Schnetzler, Amy Zaagman, Marie DeFer, Dave LaLumia, Barry Cargill, Kimberly Singh, Marilyn Litka-Klein, Elmer Cerano, Alison Hirschel, Dianne Haas, Lisa Braddix (for Kate Kohn-Parrott), Eric Roath, Warren White, Rebecca Blake, April Stopczynski, Pam Lupo, Mark Klammer

Staff: Chris Priest, Kathy Stiffler, Dick Miles, Brian Keisling, Jackie Prokop, Pam Diebolt, Cindy Linn, Marie LaPres, Erin Emerson

Other Attendees: Dominic Pallone

Welcome and Introductions

Robin Reynolds opened the meeting and introductions were made.

Update on Flint

The Michigan Department of Health and Human Services (MDHHS) has received approval from the Centers for Medicare and Medicaid Services (CMS) to implement a waiver to provide coverage for children and pregnant women with incomes up to 400 percent of the federal poverty level (FPL) who were impacted by Flint water. The waiver became effective on May 9, 2016, and 94 people applied for coverage in the first day of implementation. All systems are operating smoothly, and MDHHS is focusing on outreach now that the waiver is operational. Eligible individuals may apply for coverage online at www.michigan.gov/mibridges, over the phone, or in person at any MDHHS County office. MDHHS is also working to implement a system for children and pregnant women over 400 percent of the FPL to buy unsubsidized coverage under the waiver by fall 2016.

Budget Update/Boilerplate

Chris Priest reported that the House of Representatives and the Senate have each passed a budget for fiscal year (FY) 2017, and the two bills are awaiting reconciliation in a conference committee before a final version is submitted to the governor for signature. Several differences in the two budgets were discussed, including the increase in the Private Duty Nursing (PDN)

rate (10 percent increase provided in the House budget, 20 percent increase in the Senate), and the expansion of the Healthy Kids Dental program (the Senate also allocated funds for expansion of adult dental services). The Senate also allocated funds for long-term care housing and outreach specialists in response to a reduction in the federal Money Follows the Person grant.

Healthy Michigan Plan

MDHHS has received CMS approval for a second waiver related to the Healthy Michigan Plan, and is now working to implement its provisions. Under the terms of the waiver beginning April 1, 2018, which is 48 months after the initial implementation of the Healthy Michigan Plan, individuals who have been enrolled in the Healthy Michigan Plan for at least 12 months and have incomes above 100 percent FPL may either:

- Complete a Health Risk Assessment (HRA) and choose to engage in one or more healthy behaviors, and remain on the Healthy Michigan Plan, or
- Leave the Healthy Michigan Plan and receive insurance from the Federally Facilitated Marketplace (FFM).

To implement the waiver, the Department will need to seek approval from CMS for revised Healthy Behavior Protocols, define "medically frail" for purposes of the demonstration, and provide plan guidance to the health plans on the FFM. The health plans must receive guidance by no later than fall 2016 in order to develop products to offer on the FFM beginning April 1, 2018. CMS also requires that at least two plans must be offered in each county. Approximately 120,000 Healthy Michigan Plan beneficiaries currently have incomes above 100 percent FPL, though MDHHS staff noted that the number of individuals who may move to the FFM after April 1, 2018 is difficult to project. A meeting attendee requested that Healthy Michigan Plan beneficiaries be permitted to submit their own paperwork related to Health Risk Assessments to the health plans instead of relying on the physician's office.

Behavioral Health Updates

Integration of Behavioral Health and Physical Health

Since the release of the governor's FY 2017 executive budget recommendation in February 2016, which called for the integration of behavioral health and physical health services, the Lieutenant Governor has convened a stakeholder group to discuss the issue. The stakeholder group has met three times to date, with two additional meetings scheduled through June 2016. The group has defined a set of core concepts to make up the framework for a new system to integrate behavioral health and physical health services, and will discuss critical design elements for a new system and core concepts for boilerplate language at future meetings. The House and Senate budgets also propose language related to the integration of behavioral health and physical health services, and call for ongoing workgroups, as well. The stakeholder group has indicated a preference for the language proposed by the House. Additional information

related to the stakeholder group is available on the MDHHS website at www.michigan.gov/stakeholder298.

Certified Community Behavioral Health Clinics (CCBHCs)

In October 2015, Michigan became one of 25 states to receive a planning grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to establish CCBHCs. The planning grant will allow the State of Michigan to certify at least two clinics to provide intensive person-centered multi-disciplinary evidence-based screening, assessment, and diagnostic treatment and prevention services for individuals with mental health concerns. MDHHS released a request for certification in March 2016 for non-profit and government organizations, tribal health centers and federally qualified health centers to apply for certification as a CCBHC. Responses were due on May 5, 2016, and MDHHS received 28 requests for certification. The Department is now in the process of reviewing the applications to select the potential sites to participate in the planning grant, which it hopes to complete within three to four weeks. Once the sites are selected, MDHHS must conduct site visits and develop a prospective payment system. The Department must also submit an application by October 23, 2016 to be selected as one of eight states to participate in the SAMHSA demonstration grant for CCBHCs.

Eligibility Redetermination Update

MDHHS is in the process of implementing a system for passive redetermination of Medicaid eligibility for beneficiaries with a systems release scheduled in June 2016 for the Modified Adjusted Gross Income (MAGI) group. Passive redetermination for non-MAGI groups will be included in future Bridges releases. Beneficiaries who wish to be part of the passive redetermination process may provide their consent when applying for coverage. Once consent is given the Department will examine federal and state tax returns to determine subsequent eligibility for Medicaid programs without the need for additional action by the caseworker or beneficiary. In response to an inquiry, MDHHS staff and meeting attendees also discussed the income and asset limitations for Medicaid eligibility.

Federal Regulatory Guidance

Chris Priest reported on several pieces of federal regulatory guidance that have been issued by CMS recently, including:

- New rules related to Medicaid managed care with implications for MDHHS payment mechanisms, Prepaid Inpatient Health Plans (PIHPs), and many other areas;
- A new access regulation that requires MDHHS to develop a process by the end of 2016 to determine that access to care would not be harmed if Medicaid Fee-for-Service (FFS) rates are reduced;
- A new outpatient drug regulation that changes the reimbursement methodology for pharmacists as it relates to dispensing fees and ingredient costs; and
- New regulations related to mental health parity.

Chris encouraged meeting attendees to contact MDHHS with any concerns related to any new guidance from CMS, and noted that all federal rules for Medicaid are available on the CMS website at www.medicaid.gov >> Federal Policy Guidance.

Managed Care

Common RX Formulary Update

Kathy Stiffler reported that two stakeholder meetings have been held related to the implementation of a common formulary among all health plans to discuss coding changes that will need to be made as a result of the transition. The transition to a common formulary began on April 1, 2016, with a planned completion date of October 1, 2016.

Provider Surveys

MDHHS is working to develop a survey for primary care providers to give input to MDHHS related to their experience in working with the Medicaid health plans. When the survey is released, providers will be randomly assigned a health plan to evaluate, but may complete additional health plan evaluations as well.

Maternal Infant Health Program (MIHP) Transition

MDHHS has released project #1611-MIHP for public comment, which discusses the planned transition of MIHP services to the Medicaid health plans. This change will be effective October 1, 2016. In addition to accepting written comments on the proposed policy change, MDHHS has also planned meetings with MIHP providers, both in-person and through a webinar, to discuss its impact and help to ensure a smooth transition.

Long Term Care Services and Supports Updates

MI Health Link

Dick Miles announced that Pamela Gourwitz has been hired as the new director of the Integrated Care Division, which oversees the MI Health Link program for individuals who are dually eligible for Medicare and Medicaid, and provided an update on the program. Currently, 30,800 individuals total are enrolled in MI Health Link, including 1,800 individuals in nursing homes. Dick noted that enrollment has declined from 42,500 beneficiaries in September 2015, which is a result in part from beneficiaries losing Medicaid eligibility. As a solution to this problem, he reported that MDHHS is working to implement a new process known as deeming, in which MI Health Link beneficiaries who lose Medicaid eligibility may remain enrolled in MI Health Link for up to 90 days while their eligibility status is resolved. The next passive enrollment period for MI Health Link begins in June 2016, in which all individuals in the four demonstration regions (Upper Peninsula, Southwest Michigan, Wayne County and Macomb County) who are dually eligible for Medicare and Medicaid will be enrolled into MI Health Link if

they have not chosen to opt out. MDHHS is also working with its integrated care organization partners and provider groups to update its marketing strategy for the demonstration in order to encourage more eligible individuals to enroll voluntarily. A stakeholder meeting is planned for fall 2016.

A meeting attendee asked how the process of deeming within MI Health Link would affect PIHPs. In response, Dick noted that the Medical Services Administration has discussed the issue with the Behavioral Health and Developmental Disabilities Administration and determined that the PIHPs who participate with MI Health Link would continue use their own discretion regarding whether to provide services to an individual who has lost Medicaid eligibility. Unlike Integrated Care Organizations, PIHPs are not entitled to retroactive reimbursement for services rendered in the event that a beneficiary's Medicaid eligibility is restored.

A meeting attendee also requested information on why the individuals currently enrolled in MI Health Link chose to remain in the program while others disenrolled. In response, Dick reported that MDHHS is working with Michigan State University (MSU) to conduct a survey of MI Health Link beneficiaries regarding their experience with the demonstration.

Policy Updates

Revised Organizational Chart for MDHHS

MDHHS staff reported on organizational changes within the Department, including the migration of Children's Special Health Care Services (CSHCS) to the Medical Services Administration within the Bureau of Medicaid Care Management and Quality Assurance.

Health Homes/MI Care Team

MDHHS will implement a health home model known as MI Care Team for individuals with certain chronic conditions on July 1, 2016, with the goal of better integrating physical health and behavioral health treatment services. The Department has selected 10 federally qualified health centers in 18 counties throughout the State of Michigan to help implement the program, and expects to serve approximately 10,000-12,000 individuals per year based on available funding.

Other

MDHHS staff also discussed bulletin MSA 16-10, regarding targeted case management services for beneficiaries who were served by the Flint water system, and bulletin MSA 16-11, regarding Flint Water Group medical assistance. The public comment portion of the policy promulgation process for both bulletins is being conducted concurrently with their implementation, and interested parties may submit comments until June 8, 2016. A policy bulletin handout was also distributed to attendees.

A meeting attendee also requested clarification on eligibility requirements for the Women, Infants and Children (WIC) program. In response, MDHHS staff reported that women who are pregnant or nursing, infants and children under the age of five who are eligible for Medicaid are also eligible for WIC. The Department is also preparing to issue a press release to clarify WIC eligibility requirements.

The meeting was adjourned at 3:45 p.m.

Next Meeting: August 9, 2016

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Tuesday, August 9, 2016
Time: 1:00 pm – 4:30 pm
Where: Michigan Public Health Institute (MPHI)
2436 Woodlake Circle
Okemos, MI 48864

Attendees: **Council Members:** Robin Reynolds, Rebecca Blake, Susan Steinke (for Alison Hirschel), Marie DeFer, Michelle Best (for Amy Hundley), Barry Cargill, Amy Zaagman, Priscilla Cheever, Dianne Haas, William Mayer, Pam Lupo, Jeffrey Towns, Vicki Kunz (for Marilyn Litka-Klein), David Herbel, Robert Sheehan, Lisa Dedden Cooper, Kim Singh, Cheryl Bupp, Eric Roath, April Stopczynski, Warren White, Karlene Ketola, Travar Pettway

Staff: Chris Priest, Dick Miles, Kathy Stiffler, Tom Renwick, Deb Eggleston, Jackie Prokop, Erin Emerson, Marie LaPres, Cindy Linn, Susan Kangas, Phillip Bergquist

Other Attendees: Tiffany Stone, Aimee Dedic, Brad Christiansen

Welcome and Introductions

Robin Reynolds opened the meeting and introductions were made.

Update on Flint

The Michigan Department of Health and Human Services (MDHHS) received approval from the Centers for Medicare and Medicaid Services (CMS) on May 9, 2016 to implement a waiver to provide coverage for children and pregnant women with incomes up to 400 percent of the federal poverty level (FPL) who were impacted by Flint water. To date, approximately 23,000 beneficiaries have enrolled in coverage under the waiver, and MDHHS is continuing to work with its partners operating in Genesee County to conduct outreach to eligible individuals.

Budget/Boilerplate Implementation

The State of Michigan budget for Fiscal Year (FY) 2017 (Public Act 268 of 2016) was signed into law on June 29, 2016, and includes an appropriation of $24.8 billion gross and $4.4 billion General Fund (GF) for MDHHS. The FY 2017 GF allocation for MDHHS represents an increase of approximately 5.5% ($230 million) from FY 2016. MDHHS staff discussed several

items contained within in the FY 2017 MDHHS budget, including:

- $110 million GF for coverage of specialty drugs to treat Cystic Fibrosis and Hepatitis C
- $83 million GF to account for a decrease in federal revenues
- $177 million GF to account for an adjustment to the Federal Medical Assistance Percentage (FMAP) for FY 2017
- $7.6 million GF to open a new wing at the Center for Forensic Psychiatry
- $8.9 million GF to complete the expansion of the ***Healthy Kids Dental*** program to cover all beneficiaries up to age 21 in Kent, Oakland and Wayne counties
- $3 million GF to increase non-Medicaid mental health services
- $1.7 million GF for a 15% Medicaid Private Duty Nursing rate increase
- $5.6 million GF for an increase of $5 per day to private foster care agencies that perform case management services
- $2.5 million GF for Senior Community Services
- A large investment in information technology for Integrated Service Delivery at MDHHS county offices and for modernization of the Michigan Statewide Automated Child Welfare Information System (MiSACWIS)
- $2.7 million GF for housing and outreach specialists to offset a reduction in federal resources for the Money Follows the Person Grant
- $172 million total reduction in funding for various MDHHS programs, which includes the discontinuation of the Health Insurance Claims Assessment (HICA)

Chris Priest provided an update on the implementation of the budget, and noted that while the Department's outlook on the budget is positive overall, several items contained in Governor Snyder's executive recommendation did not receive approval from the legislature, including a proposed reserve fund for coverage of specialty drugs.

Federal Regulatory Guidance

L Letter re: RX Reimbursement

On February 11, 2016, the Centers for Medicare and Medicaid Services (CMS) issued a new regulation to change the reimbursement methodology for pharmacists as it relates to dispensing fees and ingredient costs. MDHHS has issued a survey to Michigan pharmacists related to the new rule, and meeting attendees were reminded that completion is mandatory, as the results will be used to determine Medicaid reimbursement rates for outpatient drugs. In response to an inquiry regarding the confidentiality of information submitted with the survey, Chris Priest indicated that MDHHS has been working with legal counsel to ensure the privacy of respondents.

Other

MDHHS is also continuing to work through CMS guidance related to Medicaid managed care and is in the process of establishing a framework to assist all impacted areas.

Healthy Michigan Plan

Beginning April 1, 2018, under the terms of a second waiver for the Healthy Michigan Plan, beneficiaries who have been enrolled in the Healthy Michigan Plan for 48 months and have incomes above 100 percent of the Federal Poverty Level (FPL) may either:

- Remain on the Healthy Michigan Plan, complete a Health Risk Assessment and engage in one or more healthy behaviors, or
- Leave the Healthy Michigan Plan and receive coverage from the Federally Facilitated Marketplace (FFM).

MDHHS is currently working with the Department of Insurance and Financial Services (DIFS) to implement the provisions of the second waiver, including:

- Establishing guidelines for Qualified Health Plans (QHPs) to offer products on the FFM for marketplace-eligible beneficiaries,
- Defining “medically frail” individuals, and
- Revising the Healthy Behaviors protocols.

In response to an inquiry, MDHHS staff noted that QHPs are not required to be Medicaid Health Plans in order to provide coverage to marketplace-eligible beneficiaries.

Managed Care

Provider Surveys

MDHHS is in the process of developing a survey for providers to give input on their experience working with the Medicaid Health Plans, and plans to distribute a draft copy to members of the Medical Care Advisory Council (MCAC) for review by the end of August 2016. When the survey is released, providers will be randomly assigned a health plan to evaluate. Once the survey is completed, the Department will share the results with the Medicaid Health Plans prior to public release.

Other

Kathy Stiffler reported that many areas within the State of Michigan continue to experience a shortage of providers of Non-Emergency Medical Transportation (NEMT) for Medicaid beneficiaries. The Department met with LogistiCare, the State's Medicaid NEMT contractor, and the participating Health Plans on June 6, 2016 to discuss ways to improve access to NEMT services, and Kathy offered to share notes from the meeting with the MCAC. MDHHS staff and meeting attendees also discussed several ideas to improve access to NEMT, including providing mileage reimbursement to Medicaid beneficiaries who own their own vehicles, and providing special arrangements for Maternal Infant Health Program (MIHP) beneficiaries.

Behavioral Health Updates

Integration of Behavioral Health & Physical Health (298)

Following the release of the Governor's Executive Budget Recommendation in February 2016, which called for the integration of behavioral health and physical health services, the Lieutenant Governor convened a work group to discuss the issue. The stakeholder group has met several times to date, and has been working to complete a set of draft recommendations for the integration of behavioral health and physical health services by October 2016 for stakeholder comment before the final report is due to the legislature in mid-January. MDHHS also plans to establish at least three "affinity groups," each consisting of a select group of stakeholders (i.e., consumers and their families, providers, and state association representatives) to provide feedback on the work group's recommendations. Additional information regarding the Stakeholder 298 Work Group is also available on the MDHHS website at www.michigan.gov/stakeholder298.

Certified Community Behavioral Health Clinics (CCBHCs)

In October 2015, the State of Michigan received a planning grant to certify at least two clinics as CCBHCs, which provide intensive person-centered multi-disciplinary evidence-based screening, assessment, and diagnostic treatment and prevention services for individuals with mental health concerns. MDHHS has received 26 applications from potential sites seeking certification as CCBHCs, and plans to choose up to 10 clinics to participate in the demonstration. A minimum of two clinics (one rural and on urban) are needed for MDHHS to submit an implementation grant application for CCBHCs, which is due by October 31, 2016.

Other

MDHHS submitted a Section 1115 waiver application to CMS in July 2016, which will allow the Department to administer behavioral health services under a single waiver authority once approved. The 30 day public comment period for the waiver application is now closed, and the Department is continuing to work through the approval process with CMS.

Eligibility Redetermination Update

Implementation Progress

In June 2016, MDHHS issued a release in Bridges to implement a system for passive redetermination of Medicaid eligibility for the Modified Adjusted Gross Income (MAGI) group, which included approximately 50 percent of the beneficiaries enrolled in MAGI programs. A second release is scheduled for October 2016 to passively enroll the remaining MAGI beneficiaries. Implementation of a system for passive redetermination for non-MAGI groups (e.g., Supplemental Security Income [SSI] recipients) is planned for in future releases beginning in January 2017. Beneficiaries who wish to be a part of the passive redetermination process must provide their consent at the time of application. Once consent is given, MDHHS will be able to access the beneficiary's federal and state tax returns for the purpose of determining subsequent eligibility for Medicaid programs. MDHHS staff and meeting attendees also discussed ideas to simplify the redetermination process.

State Innovation Model (SIM) Update

MDHHS staff provided an update on the implementation of the SIM project and gave an overview of its many components, including: a patient-centered medical home related strategy through accountable systems of care; testing of new community health innovation regions; an investment in health information technology and health information exchange; and a collaborative learning network and overall stakeholder engagement approach to policy development. MDHHS has been actively involved in stakeholder engagement regarding the SIM in recent months, and has scheduled a summit for potential SIM participants on August 10 and 11 to discuss the project.

Michigan was announced as a statewide region for the Comprehensive Primary Care Plus (CPC+) program during the week of August 1, 2016, with Medicare, Blue Cross Blue Shield of Michigan and Priority Health participating as partners. Since this announcement, MDHHS has been exploring opportunities to align its work with Patient Centered Medical Homes (PCMHs) through the SIM initiative to the CPC+ program. MDHHS staff indicated that the CPC+ program has a care model focus similar to that which was included in the Blueprint for Health Innovation and the SIM. The Department is also in the process of developing a concept paper for a custom demonstration option to engage providers that were excluded from the CPC+ program. Medicaid is not included as a participating partner in CPC+, though a practice may

participate with Medicare, Medicaid, and commercial payers by taking part in CPC+ and the PCMH SIM initiative simultaneously. For more information related to the PCMH SIM initiative, providers may visit the MDHHS website at www.michigan.gov/mdhhs >> Doing Business with MDHHS >> Health Care Providers >> State Innovation Model or email SIM@mail.mihealth.org.

Long Term Care Services and Supports Updates

MI Health Link

Dick Miles reported on several updates in the implementation of the MI Health Link program for individuals who are dually eligible for Medicare and Medicaid, including:

- In July 2016, MDHHS implemented a process within the MI Health Link program known as deeming, in which MI Health Link beneficiaries who lose their Medicaid eligibility may remain enrolled in MI Health Link for up to 90 days while their eligibility status is resolved.
- The Department began to passively enroll eligible individuals into MI Health Link on a monthly basis in June 2016, and enrollment in the demonstration has now stabilized at approximately 37,800 beneficiaries. MDHHS is also working to encourage individuals who are dually eligible for Medicare and Medicaid to enroll in MI Health Link voluntarily.
- MDHHS is working collaboratively with the Michigan Association of Health Plans and Integrated Care Organizations to develop a process to address ongoing issues with enrollment discrepancies in Medicare and Medicaid for MI Health Link beneficiaries.
- MDHHS is in the process of working with various stakeholders to organize a summit to educate providers on the MI Health Link program, with a focus on care coordination and person-centered planning. The summit is planned for November 9, 2016.

Home Help

MDHHS is working to develop a new section within the Medical Services Administration that will serve as a single point of accountability for the Home Help program, and will post a position for a Section Manager in the near future. The Department also plans to begin requiring Home Help workers to submit a new Electronic Services Verification (ESV) or Paper Services Verification (PSV) log to receive payment for services beginning in October 2016. The Department is also in the process of implementing the provisions of the Fair Labor Standards Act Home Care Rule, which establishes guidelines for minimum wage, travel and overtime pay.

Conflict-Free Level of Care Determination (LOCD)

As discussed in previous meetings, MDHHS issued a Request for Proposal (RFP) for conflict-free LOCDs in the fall of 2015, but did not receive any successful bidders. The Department has since met with CMS to determine CMS' legal authority to implement the conflict-free LOCD

mandate, whether it is through the use of independent entities or using existing agencies with a firewall.

Brain Injury Waiver

MDHHS is currently accepting public comments on a Section 1115 waiver application that will provide necessary services and supports to individuals suffering a qualifying brain injury. A webinar will be held to discuss the waiver on August 10, 2016, as well as an in-person public hearing on August 17, 2016. Additional information regarding the waiver application is available on the MDHHS website at www.michigan.gov/mdhhs >> Assistance Programs >> Health Care Coverage >> Michigan Brain Injury (BI) Waiver.

Home Health

Dick Miles and participants discussed the fact that the State of Michigan has not allowed enrollment of new Home Health providers in Southeast Michigan since 2013, and that CMS is expanding the moratorium statewide. The Department may be allowed to seek a waiver in certain areas to prevent coverage gaps. A meeting participant also expressed concern about coverage gaps in home health services for beneficiaries who transition from Medicaid to private insurance coverage, and requested information about existing programs within MDHHS that offer assistance with transitioning beneficiaries from Medicaid to private insurance.

Policy Updates

MI Care Team

Bulletin MSA 16-13 was issued on June 1, 2016, and established the MI Care Team Primary Care Health Home benefit effective July 1, 2016. Ten Federally Qualified Health Centers (FQHCs) are participating in MI Care Team, and are currently providing services to 276 beneficiaries with an additional 61 enrollees pending.

Temporary Relocation

MDHHS staff located on the seventh floor of the Capitol Commons Center (400 S. Pine Street in Lansing), have moved temporarily to the fourth floor of the Lewis Cass Building (located at 320 S. Walnut Street in Lansing).

Zika Update

Letter L 16-39, regarding covered services related to the Zika virus was issued to all Medicaid providers on July 11, 2016. To date, 17 Michigan residents have contracted the Zika virus while traveling.

A policy bulletin handout was distributed to meeting attendees, and proposed policy 1611-MIHP, regarding changes in benefit administration of Maternal Infant Health Program services for beneficiaries enrolled in a Medicaid Health Plan was also discussed, in addition to Letter L 16-40, regarding increasing access to Naloxone for opioid overdose.

The meeting was adjourned at 3:45 p.m.

Next Meeting: Wednesday, November 16, 2016

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Wednesday, November 16, 2016

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Robin Reynolds, Dianne Haas, Marilyn Litka-Klein, Veronica Perera, Mark Swan (for Jeff Towns), Alison Hirschel, Pam Lupo, Pat Anderson (for Dave LaLumia), Marion Owen, Warren White, Karlene Ketola, Barry Cargill, Dominick Pallone, Kim Singh, Eric Roath, April Stopczynski, Dave Herbel

Staff: Chris Priest, Lynda Zeller, Kathy Stiffler, Brian Keisling, Dick Miles, Jackie Prokop, Erin Emerson, Cindy Linn, Craig Boyce, Michelle Best

Other Attendees: Tiffany Stone

Welcome, Introductions

Robin Reynolds opened the meeting and introductions were made. Chris Priest addressed the results of the November 8, 2016 Presidential election, and reported that the Michigan Department of Health and Human Services (MDHHS) is continuing to work with its federal partners to implement the Department's programs as planned.

Update on Flint

MDHHS received approval from the Centers for Medicare and Medicaid Services (CMS) on May 9, 2016 for a waiver to provide coverage for children and pregnant women with incomes up to 400% of the Federal Poverty Level (FPL) impacted by Flint water. To date, 24,171 eligible individuals have enrolled in health coverage under the Flint Waiver. MDHHS has also received CMS approval to use Children's Health Insurance Program (CHIP) funding for the purpose of lead abatement in Flint and targeted communities around the State of Michigan. A residence located in Flint or other targeted areas of the state, which will be identified by MDHHS, may be eligible for lead abatement services if a Medicaid or CHIP-eligible child or pregnant woman lives in the home. In response to an inquiry, MDHHS staff discussed some of the non-Medicaid resources available to assist individuals impacted by Flint water who are not eligible for Medicaid or CHIP.

Budget/Boilerplate Update

Medicaid Health Plan (MHP)/Prepaid Inpatient Health Plan (PIHP) Allocation Adjustments for Fiscal Year (FY) 2017

MDHHS staff provided an update on MHP and PIHP rate allocation adjustments for FY 2017, and reported that MHP rates have been reduced by 6% for the Healthy Michigan Plan population, while PIHP rates have been reduced by 3%. MDHHS examined data for FY 2015 for the purpose of setting MHP and PIHP rates for FY 2017, and the allocation reduction is a reflection of reduced utilization during the review period. However, MDHHS staff noted that the MHPs have reported increased utilization, particularly for pharmacy claims, during plan years following FY 2015. For the general Medicaid population, MHP claim costs have decreased by 0.2% for FY 2017, while the actuarial sound rate for PIHPs has increased by 1%. MDHHS staff and meeting attendees discussed the implications of the recently reported increase in utilization at length. MDHHS and the MHPs continue to hold meetings to discuss the rates.

Health Insurance Claim Adjustment (HICA) Tax Update

Chris Priest reported that a bill to reconfigure the way in which the current 6% use tax on Medicaid Health Maintenance Organizations (HMOs) is utilized recently passed the legislature but was vetoed by the governor. CMS has disallowed the use tax, and as a result, it will sunset on December 31, 2016. MDHHS is currently working with the Michigan House and Senate on subsequent legislation to place a moratorium on the use tax in order to implement the CMS requirement. Dominick Pallone indicated that the Michigan Association of Health Plans supports an amendment to the legislation to specify that the use tax will be suspended on December 31, 2016 and not require CMS to provide a written declaration indicating their decision to disallow its use in Michigan. Robin Reynolds will share the proposed amendment with the Medical Care Advisory Council (MCAC) for review, and called for a motion to support sending a letter on behalf of the MCAC in support of the legislation. A motion was made in support of sending a letter on behalf of the MCAC by Barry Cargill, with a second by Dianne Haas. The motion carried. The use tax currently accounts for $460 million in revenue.

Federal Regulatory Guidance Update

Chris Priest provided an overview of new federal regulatory guidance that is anticipated in the final months of the Obama administration, including:

- A State Medicaid Director letter on Community First Choice;
- Additional regulation on pass-through payments;
- A final Payment Error Rate Measurement (PERM) regulation; and

- A potential new rule regarding Disproportionate Share Hospital (DSH) and supplemental payments.

MDHHS has retained Health Management Associates to assist the Department in working through the new federal requirements related to Medicaid managed care.

Medicaid Managed Care

Provider Surveys

MDHHS and the Michigan State University Institute for Health Policy developed a draft survey for providers to give input on their experience working with the Medicaid Health Plans, which has been distributed to the MCAC for review. Once the survey is finalized, the Department will randomly select Primary Care Providers (PCPs) contracted with a Medicaid Health Plan and ask them to provide feedback on a particular plan. When the PCP completes their assigned survey, they may complete additional surveys to provide feedback on their experience working with other Medicaid Health Plans. MDHHS staff and meeting attendees also discussed the possibility of developing future provider surveys for specialist providers to give input on their experience working with the Medicaid Health Plans pending the results of the PCP survey. Meeting attendees were asked to submit comments on the draft survey to Kathy Stiffler by November 28, 2016.

Healthy Kids Dental Bid

Kathy Stiffler announced that MDHHS is planning to bid for a new ***Healthy Kids Dental*** contract, and reported that a Request for Information (RFI) was posted to www.buy4michigan.com on November 7, 2016. Comments from potential bidders were due on November 14, 2016, and MDHHS must respond to the questions by November 23, 2016. Final RFI submissions are due November 30, 2016, though Kathy noted that RFI submissions are not binding, and that potential vendors who did not respond to the RFI may still submit proposals when the bid is issued. MDHHS plans to implement the new contract effective October 1, 2017, and would like to issue contracts to more than one statewide vendor. In response to a meeting participant's concern regarding the proposed timeline for implementation, Kathy noted that the safe transition of members can extend at least 90 days beyond the start date of the new contract.

Medicaid/Other

MDHHS staff announced that Gretchen Backer has been hired as the director of the Program Review Division following the retirement of Sheila Embry, and that Dr. Debra Eggleston will retire as the director of the Office of Medical Affairs effective December 31, 2016.

2016 Access Monitoring Review Plan

MDHHS staff provided an overview of the 2016 Access Monitoring Review Plan, which was developed at the request of CMS to demonstrate that the Department is using data-driven decisions to set Medicaid Fee-for-Service rates and that rate changes do not negatively impact beneficiaries' access to care. The Plan was posted for a 30-day public comment period, which concluded on October 16, 2016, and has been submitted to CMS.

Healthy Michigan Plan

Second Waiver Update

Under the terms of the second waiver, beginning April 1, 2018, Healthy Michigan Plan beneficiaries above 100% of the Federal Poverty Level (FPL) who do not meet the criteria for "Medically Frail" and who have not completed a Health Risk Assessment (HRA) must leave the Healthy Michigan Plan and receive coverage from the Federally Facilitated Marketplace (FFM). MDHHS is continuing to work with the Department of Insurance and Financial Services (DIFS) to develop guidelines for health plans on the FFM that will serve this population.

Eligibility Redetermination Update

MDHHS staff reported that the Department began the process of implementing a system of passive redetermination of eligibility for Medicaid beneficiaries in June 2016. As of September 2016, MDHHS has the ability to conduct passive redetermination of eligibility for approximately 80-82% of beneficiaries enrolled in Modified Adjusted Gross Income (MAGI) categories. In order to conduct passive redetermination on the remaining MAGI beneficiaries, the Department must receive their income information from the Internal Revenue Service (IRS). However, MDHHS has experienced systems problems when attempting to retrieve data from the IRS, and is working to resolve the issue. The Department also plans to implement passive redetermination for non-MAGI groups in the future. In order to participate in the passive redetermination process, beneficiaries must provide their consent at the time of application.

Behavioral Health Updates

Integration of Behavioral Health and Physical Health

MDHHS staff provided an update on the Stakeholder 298 work group, which was convened to develop recommendations around the coordination of physical and behavioral health services. The work group is working to complete a report, which is due to the legislature by January 15, 2017. The FY 2017 budget requires a report with policy recommendations; financial model recommendations; and benchmarks for measuring progress toward better coordination, both in terms of delivery and outcome. MDHHS hopes to release a draft report containing policy recommendations, summaries of the affinity groups and consensus recommendations from the

affinity group meetings along with background on the process by November 28, 2016. The draft report will then be posted for public comment for a period of at least 30 days, and MDHHS plans to host at least one public forum to accept comments as well.

Certified Community Behavioral Health Clinics (CCBHCs)

In October 2015, the State of Michigan received a planning grant for CCBHCs, which provide intensive person-centered multi-disciplinary evidence-based screening, assessment, and diagnostic treatment and prevention services for individuals with mental health concerns. MDHHS submitted an application to be one of eight states chosen for a CCBHC demonstration grant, and has selected 14 sites that would serve as CCBHCs in Michigan under the demonstration. No public announcement has been made to identify the sites, as the states have not yet been selected for participation in the demonstration grant; however, MDHHS staff offered to share the names of the proposed CCBHC sites with the MCAC. CMS is expected to announce the eight states chosen to participate in the CCBHC demonstration grant by the end of December 2016, with implementation to begin as early as January 1, 2017. States that are chosen to participate have until June 30, 2017 to establish operational CCBHCs. MDHHS staff indicated that the intent of the CCBHC demonstration is to expand access to care for behavioral health services and maximize the existing health plan provider network, and noted that the program's impact on the budget is currently unknown.

State Innovation Model (SIM)

Leadership Changes

Chris Priest announced that Elizabeth Hertel has left MDHHS and that Matt Lori is now overseeing the SIM project.

Medicare Patient-Centered Medical Home (PCMH) Model

The PCMH model currently operates within the Michigan Primary Care Transformation (MiPCT) project, which will end on December 31, 2016. Beginning January 1, 2017, the PCMH model will move to the SIM, as required by the new contract between MDHHS and the Medicaid Health Plans. Eligible PCMH sites that currently participate in MiPCT and those located within a SIM region may take part in the SIM. For additional information on the PCMH SIM initiative, providers may visit the MDHHS website at www.michigan.gov/mdhhs >> Doing Business with MDHHS >> Health Care Providers >> State Innovation Model or email SIM@mail.mihealth.org.

Long Term Care Services and Supports Updates

MI Health Link

Dick Miles reported that MDHHS hosted a provider summit on November 9, 2016 to discuss MI Health Link, and provided meeting attendees with an update on the implementation of the Demonstration. Enrollment in MI Health Link has remained stable at approximately 37,500 beneficiaries following the implementation of a process known as deeming, in which MI Health Link beneficiaries who lose their Medicaid eligibility may remain enrolled in MI Health Link for up to 90 days while their eligibility status is resolved. MDHHS has also renegotiated its contract with the Integrated Care Organizations (ICOs) to provide services to MI Health Link beneficiaries, which took effect on November 1, 2016. One change noted in the new contract is that beneficiaries who elect hospice services may now remain enrolled in MI Health Link.

Other

Dick Miles also provided meeting attendees with additional updates related to long term care, including:

- A new section has been established within the Medical Services Administration (MSA) to serve as a single point of accountability for the Home Help Program. Michelle Martin has been hired as the manager of the Home Help Section, and MSA is working to provide additional staff for the section, as well.
- Effective October 1, 2016, providers of Home Help services must submit an Electronic Services Verification (ESV) or Paper Services Verification (PSV) form in order to receive payment for services provided under the program. This process requires Home Help Providers to register in the Community Health Automated Medicaid Processing System (CHAMPS).
- The Department is working to implement the new federal managed care rule as it relates to MI Choice Waiver Agencies, which are classified as Prepaid Ambulatory Health Plans (PAHPs). The MI Choice Waiver will need to be renewed in October 2018, and MDHHS will need to make changes to the way the program operates as a result of the new managed care rule.
- MDHHS is in the process of submitting a section 1115 Brain Injury Waiver (BIW) to provide necessary services and supports to persons suffering qualifying brain injuries who, but for the provision of these services, would otherwise be served in an institutional setting. The BIW has completed the consultation process, and the Department is targeting an implementation date of April 1, 2017.
- State law requires MDHHS to set up a workgroup related to the Program of All Inclusive Care for the Elderly (PACE), which will begin the week of November 21, 2016. The workgroup will discuss issues such as timely eligibility processing, barriers to new enrollment, and future expansion criteria.
- MDHHS is working to finalize rates MI Choice Waiver Agency rates for FY 2017.

Policy Updates

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

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

Next Meeting: Thursday, February 16, 2017

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Thursday, February 16, 2017

Time: 1:00 pm – 4:30 pm

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

Attendees: **Council Members:** Robin Reynolds, Jeff Towns, Kim Singh, Amy Zaagman, Joanne Sheldon (for Loretta Bush), April Stopcyzinski, Pam Lupo, Julie Cassidy (for Emily Schwartzkopf), Alison Hirschel, Marilyn Litka-Klein, Dominick Pallone, Dave Lalumia, Mark Klammer, Marion Owen, Linda Vail, Travar Pettway, Eric Roath, Rebecca Blake, Warren White, Lisa Dedden Cooper, Dave Herbel

Staff: Chris Priest, Farah Hanley, Lynda Zeller, Kathy Stiffler, Brian Keisling, Brian Barrie, Marie LaPres, Pam Diebolt, Erin Emerson, Jon Villasurda, Michelle Best

Welcome, Introductions and Announcements

Robin Reynolds opened the meeting and introductions were made.

Federal Update

Chris Priest reported that the U.S. House of Representatives is scheduled to begin discussing legislation to repeal parts of the Affordable Care Act (ACA) beginning the week of February 27, 2017. Because the details of any potential new legislation and its impact on MDHHS are currently unknown, the Department is continuing to implement its programs as planned while also advocating for the Healthy Michigan Plan at the federal level. MDHHS staff and meeting attendees discussed ways to promote the Healthy Michigan Plan at length, while Robin Reynolds offered to draft a letter of support for the program on behalf of the Medical Care Advisory Council (MCAC).

Budget/Boilerplate Update

2017 Update/2018 Proposed Budget

The Governor submitted a budget proposal for Fiscal Year (FY) 2018 to the legislature on February 8, 2017, which contained a recommendation of $25.6 billion gross and $4.5 billion

general fund (GF) for the Michigan Department of Health and Human Services (MDHHS). Highlights of the Executive Budget Recommendation for MDHHS include:

- $55.5 million GF to fund the Federal Matching Assistance Percentage (FMAP) reduction for the Healthy Michigan Plan across Medicaid and Behavioral Health
- A one percent increase in actuarial soundness for Prepaid Inpatient Health Plans (PIHPs) and Medicaid Health Plans (MHPs)
- A wage increase of $0.50 for direct care workers
- Funding for 72 new full-time staff members across five State hospitals
- Funding for a 200 bed replacement facility for the Caro Center
- $12 million gross ($3 million GF) to expand contracted Non-Emergency Medical Transportation (NEMT) broker services beyond Southeast Michigan
- Funding for 51 additional Pathways to Potential workers
- A recommended increase in the child clothing allowance from $140 per month to $200 per month
- Funding for 95 additional full-time adult services workers
- Increased funding for foster care parent support, as well as an increase in private foster care agency rates
- Funding for an Integrated Service Delivery Information Technology (IT) initiative
- Increase in the emergency shelter per diem rate from $12 to $16
- Additional funding for delivery of in-home meals and services for seniors
- Additional funding for Flint
- $1 million for university autism programs
- $2 million to implement the recommendations of the child lead poisoning elimination board

MDHHS staff noted that there were several earmark eliminations included in the Executive Budget Recommendation, but expressed the Department's support for the Governor's proposed budget for the MDHHS Medical Services Administration.

Flint Update

MDHHS received approval from the Centers for Medicare & Medicaid Services (CMS) on May 9, 2016 for a waiver to provide coverage for children and pregnant women with incomes up to 400% of the Federal Poverty Level (FPL) impacted by Flint water, and the Department is continuing outreach and enrollment efforts among individuals eligible for coverage. On November 14, 2016, MDHHS received CMS approval for a State Plan Amendment to allow Michigan to implement a new health services initiative (HSI) for the enhancement and expansion of the current lead abatement program, effective January 1, 2017. As part of this expansion, the state will provide coordinated and targeted lead abatement services to eligible properties in the impacted areas of Flint, Michigan and other areas within the State of Michigan. As of February 16, 2017, 20 homes in Flint have received or are currently receiving lead abatement services, while 45 additional homes have been targeted for outreach. The

Department is also working to identify additional communities for lead abatement services. A residence located in Flint or other targeted community identified by MDHHS may be eligible for lead abatement services if a Medicaid or Children's Health Insurance Program (CHIP)-eligible child or pregnant woman lives in the home.

Medicaid Managed Care

Provider Surveys

The MHP provider survey that was discussed at the previous MCAC meeting has now been finalized. To conduct the survey, MDHHS will randomly select providers to complete surveys related to their experience working with a specific MHP. If a provider completes the survey for the MHP to which they are assigned, they may complete additional surveys for any MHP they choose. The survey will be distributed to providers electronically by February 28, 2017.

The Department also plans to conduct a phone survey in March 2017 related to beneficiaries' experiences using Medicaid NEMT services. In addition, the Michigan Health Endowment fund has provided a grant to the Michigan League for Public Policy to study various issues related to Medicaid NEMT services.

Healthy Kids Dental Bid

MDHHS is preparing to release a Request for Proposal (RFP) for a new ***Healthy Kids Dental*** contract, and is aiming to issue contracts to more than one statewide vendor. Kathy Stiffler reported that the RFP has been delayed from its initial planned release, and that the new contract is not likely to be in effect by October 1, 2017 as discussed at the previous MCAC meeting. In response to a concern raised by a meeting attendee, MDHHS staff indicated that while the goal in seeking more than one vendor is to provide greater access to services, contracts will only be awarded to vendors that have an adequate provider network.

Health Insurance Claims Assessment (HICA) Tax

In 2016, Governor Snyder vetoed legislation to reconfigure the way Michigan's 6% use tax on Health Maintenance Organizations (HMOs) is utilized. CMS has disallowed the use tax, and it was scheduled to sunset on December 31, 2016. Chris Priest reported that following the previous MCAC meeting, the Michigan House and Senate passed legislation placing a moratorium on the use tax in order to implement the CMS requirement. Legislation to reconfigure the way the use tax is utilized has been re-introduced in the state Senate, with the understanding that the State plans to discuss the details of a potential replacement with CMS after the new administration's leadership is in place.

Other

A meeting attendee requested information on the Department's treatment of Substance Use Disorder (SUD) services. In response, MDHHS staff and meeting attendees discussed several programs within the Medical Services Administration and Behavioral Health and Developmental Disabilities Administration that have been developed for the treatment of SUD.

Healthy Michigan Plan

Second Waiver Update (MI Health Account, Marketplace Protocol, Healthy Behaviors)

Under the terms of the second waiver, beginning April 1, 2018, Healthy Michigan Plan beneficiaries with incomes above 100% of the FPL who do not meet the criteria for "Medically Frail" and who have not completed a Health Risk Assessment (HRA) must leave the Healthy Michigan Plan and receive coverage from the Federally Facilitated Marketplace (FFM). Kathy Stiffler reported that MDHHS has released guidance to the health plans related to eligibility criteria for members of the Healthy Michigan Plan to receive services on the FFM, and that MDHHS is continuing to work with the Department of Insurance and Financial Services (DIFS) to develop coverage parameters for the health plans that serve this population. MDHHS will not require health plans on the FFM to develop a new product specific to Healthy Michigan Plan beneficiaries, but will instead allow the plans to use existing products to provide services to this population, and sign a Memorandum of Understanding (MOU) to implement special coverage provisions required by the second waiver. Approximately 125,000 Healthy Michigan Plan beneficiaries currently have incomes above 100% of the FPL.

The Department is also working to update the Healthy Behavior Protocols and MI Health Account Statement. The revised MI Health Account Statements will be sent to Healthy Michigan Plan beneficiaries beginning April 1, 2017.

A meeting attendee raised a concern regarding the online MI Health Account Portal by reporting that a beneficiary is charged an additional fee if their bank account information is entered incorrectly when attempting to pay their bill. MDHHS staff indicated they would check into this concern.

Behavioral Health Updates

PA 298 – Models

Lynda Zeller introduced Jon Villasurda as the new State Assistant Administrator for the Behavioral Health and Developmental Disabilities Administration, and gave an update on the Stakeholder 298 work group process that was convened to discuss the integration of behavioral health and physical health services. As of February 16, 2017, the work group process is nearly complete, and as a result of the work group's efforts, the Department

submitted an interim report to the legislature containing 70 recommendations in 13 categories to improve behavioral health and physical health outcomes. MDHHS is currently working to complete financial models for the implementation of the group's recommendations, which are due to the legislature on March 15, 2017. A Stakeholder forum is also planned for February 24, 2017 to discuss the work group process. The interim legislative report will be posted for public comment beginning at 3:00 p.m. on February 16, 2017 until February 28, 2017. Following the public comment period, MDHHS will submit a final report to the legislature that will contain the group's 70 recommendations, financial models and service delivery models. After the submission of the final report, the Department will continue to discuss benchmarks and outcomes for the implementation of the report's recommendations with the legislature.

1115 Waiver Status

MDHHS submitted a Section 1115 waiver to CMS in July 2016 to allow the administration of behavioral health services under a single waiver authority. The Department is continuing to work through the approval process with CMS, and MDHHS staff noted that conversations with their federal partners have been constructive.

Other

On February 17, 2017, MDHHS will submit the state's response to the Substance Abuse and Mental Health Services Administration's (SAMHSA) Opioid State Targeted Response (STR) grant. The grant is made available only to states based on demographics, and will award a multi-year grant of $16 million to promote the recommendations of the Opioid Commission Report and the goals of the new opioid commission. The five areas outlined in the report include prevention, treatment, policy and outcomes, regulation, and enforcement.

State Innovation Model (SIM)

On January 1, 2017, the health plans began making payments to providers under the SIM program. Providers were previously reimbursed for these services as part of the Michigan Primary Care Transformation (MiPCT) initiative. Chris Priest also reported that Tom Curtis, who previously worked on the SIM project in the Policy, Planning & Legislative Services Administration, has been hired as the Quality Improvement and Program Development section manager within the Managed Care Plan Division of the Medical Services Administration.

On February 15, 2017, the Medicaid MiPCT evaluation team presented the Medicaid evaluation results of the MiPCT pilot to the MHPs. MiPCT formed the basis for the Patient-Centered Medical Home (PCMH) model within SIM, and the results of the evaluation demonstrated improved outcomes and costs among the high-risk population. Kathy Stiffler offered to share the evaluation results with meeting attendees.

Long-Term Care Services and Supports Updates

Brian Barrie provided an update on several topics related to long-term care services and supports, which include:

- The federal comment period for Michigan's Section 1115 Brain Injury Waiver ended on February 12, 2017, and MDHHS has received CMS approval for its implementation effective April 1, 2017.
- MDHHS established a pilot program to coordinate NEMT services through the MI Choice Waiver agencies, which decreased NEMT prior authorization decisions for beneficiaries from two and a half weeks to approximately 20 minutes in the pilot regions. The Department has received CMS approval for a waiver amendment to expand the program statewide effective April 1, 2017, and is now working toward implementation.
- MDHHS is revising the redetermination process for the home help program by eliminating the requirement that certain beneficiaries whose circumstances are not expected to change submit a Medical Needs Assessment Form (DHS-54A) upon eligibility redetermination.
- MDHHS is working to improve the assessment process for home help program beneficiaries who have complex care needs.
- MDHHS is developing a quality initiative for the Adult Protective Services program in order to better assess outcomes for its beneficiaries.
- MDHHS is in the process of moving the Level of Care Determination (LOCD) operation from the Bridges system into CHAMPS, which will provide the Department with the opportunity to design and implement changes to the LOCD process based on recommendations from the LOCD stakeholder group that met in 2015.
- MDHHS is working with a design team to develop a sustainable program model for nursing facility transitions. The design team has identified 18 core values for the new system to follow, and four action teams have been created to address the pre-nursing facility transition phase, transition phase, post-transition phase, and policy implications of the new sustainable program model.
- Design teams will also begin work in the near future to address changes to Michigan Rehabilitation Services, the Preadmission Screening and Annual Resident Review (PASARR) assessment, the nursing facility admission and discharge processes, person-centered planning, and quality within the Michigan Veterans Administration (VA) homes.

MDHHS staff and meeting attendees discussed at length the importance of incorporating beneficiary input into the process of designing changes to the long-term care services and supports initiatives highlighted above, in order to ensure that the needs of consumers are being met.

Policy Updates

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

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

Next Meeting: Tuesday, May 23, 2017

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Monday, June 26, 2017
Time: 8:30 a.m. – 12:00 p.m.
Where: Peckham Industries
3510 Capital City Blvd.
Lansing, MI 48906-2102

Attendees: **Council Members:** Robin Reynolds, Marilyn Litka-Klein, Barry Cargill, Dominick Pallone, Deb Brinson, Alison Hirschel, Warren White, Amy Zaagman, Stacy Hettiger (for Rebecca Blake), Michelle Best (for Amy Hundley), Linda Vail, Emily Schwarzkopf, Pam Lupo, Robert Sheehan, Dave LaLumia, Kimberly Singh, April Stopczynski, Jeffrey Towns

Staff: Chris Priest, Farah Hanley, Lynda Zeller, Erin Emerson, Dick Miles, Kathy Stiffler, Dave Schneider, Jackie Prokop, Pam Diebolt, Marie LaPres, Cindy Linn

Other Attendees: Mary Vizcarra, Salli Pung

Welcome, Introductions, Announcements

Robin Reynolds opened the meeting and introductions were made.

Federal Updates

Chris Priest reported that the U.S. Senate has released its own version of a bill to repeal and replace the Affordable Care Act (ACA) and discussed the ways in which it would impact the Medicaid program if adopted. If enacted, the bill would:

- Allow states that have not yet expanded Medicaid eligibility to do so at the regular Federal Matching Assistance Percentage (FMAP) rate;
- Gradually decrease the FMAP rate in current expansion states to the regular FMAP beginning in 2021, which, over time, would result in an estimated cost of $800 million General Fund for the State of Michigan;
- Immediately implement cuts to the Disproportionate Share Hospital (DSH) pool that were included as part of the Affordable Care Act (ACA) in states that expanded Medicaid eligibility, while non-expansion states would be exempt from DSH pool cuts;
- Transform the Medicaid program to a per-capita cap model and exclude children who receive a disability eligibility determination;
- Change the base year calculation to allow states to choose eight consecutive fiscal quarters from 2014 through the third quarter of FY 2017 to set their base rate;

- Require the federal Department of Health and Human Services (HHS) to consult with the states before issuing new guidance related to Medicaid;
- Allow states to expand access to mental health and substance use disorders at the regular match rate;
- No longer require states to offer up to 90 days of retroactive Medicaid eligibility for new enrollees beginning October 1, 2017; and
- Gradually reduce states' provider tax limit to 5%.

MDHHS staff and meeting attendees discussed the proposed legislation at length.

Budget/Boilerplate Update

2017 Updates

The legislature has approved a supplemental Fiscal Year (FY) 2017 budget, which includes funding to implement the pilots approved in the FY 2018 budget around the integration of physical health and behavioral health services.

2018 Proposed Budget

The FY 2018 budget has been approved by the legislative conference committee and forwarded to the governor for review. Farah Hanley indicated that nearly all of the priorities established by MDHHS leadership and the governor for the department were approved in the final legislative draft of the budget, which include:

- Funding for the MDHHS Integrated Service Delivery (ISD) initiative to develop a universal caseload concept, which will affect caseworkers in the field, enable the establishment of a universal call center, and support necessary systems changes;
- Full funding for Medicaid Health Plan actuarial soundness (which assumes that the ACA insurer fee will not be reinstated);
- Full funding for the Medicaid program at the Department's caseload projections for FY 2018;
- $500,000 to support a public transit pilot in areas of the state where Non-Emergency Medical Transportation (NEMT) services are currently unavailable;
- $5.7 million for a direct primary care pilot program in Wayne, Oakland, Macomb, Washtenaw and Livingston counties that will work directly with providers to provide services at a lower per-member-per-month payment;
- $240,000 for the I Vaccinate program to minimize the occurrence of vaccine-preventable diseases;
- $45 million to fund a direct care worker wage increase of $0.50;
- Funding for 72 additional staff at state psychiatric hospitals;
- Funding for a new Caro Psychiatric hospital, which was approved through the capital outlay process;

- Funding for the Psychiatric Residential Transition Unit to assist children in the Hawthorn Center for Children in preparing for the community;
- Funding for 95 additional adult services workers;
- An increase in the foster care provider administrative rate;
- Funding for a vapor intrusion office, drinking water unit, and childhood lead poisoning prevention unit within the Population Health Administration;
- Funding for out-state dental clinics; and
- Funding for pregnancy prevention programs.

In addition, a few reductions included in the FY 2018 budget were noted as well, including:

- A $750,000 reduction in funding for the Mental Health and Wellness Commission; and
- A reduction in funding for university autism programs.

Healthy Michigan Plan

Second Waiver Update

MDHHS is continuing to move forward with implementing the terms of the second waiver for the Healthy Michigan Plan. Under the terms of the waiver beginning April 1, 2018, individuals who have been enrolled in the Healthy Michigan Plan for at least 12 months, have incomes above 100% of the federal poverty level (FPL) and do not meet the criteria for "medically frail" may:

- Remain on the Healthy Michigan plan if they choose to engage in one or more healthy behaviors; or
- If they do not agree to engage in one or more healthy behaviors, they will receive insurance coverage from the Federally Facilitated Marketplace (FFM).

Insurance carriers interested in offering plans on the FFM for this population filed rates on June 14, 2017, and MDHHS is working with the Department of Insurance and Financial Services (DIFS) to establish a Marketplace option in all counties for Healthy Michigan Plan beneficiaries. As part of this process, many plans filed two sets of rates to account for the possibility that cost-sharing reductions are not approved in federal law. MDHHS also plans to issue a revised Healthy Behaviors Incentives Protocol and Operational Protocol for the MI Health Accounts, as well as a Healthy Michigan Plan Marketplace Operation Operational Protocol related to the implementation of the Second Waiver. MDHHS staff and meeting attendees discussed at length coverage options and the urgency of assuring at least two health plan product offerings in every county for the Healthy Michigan Plan population (except the Upper Peninsula, which only needs one). An exception will be requested of CMS if less than two offerings are available in all Lower Peninsula counties. Plans continue to work to finalize their networks. Staff noted that dental benefits will not be provided through the health plans for members of the Healthy Michigan Plan Marketplace population.

Healthy Behaviors Update

Kathy Stiffler shared that MDHHS is working to revise the Health Risk Assessment (HRA) form by removing the option to include beneficiary biometric data (e.g., cholesterol levels, blood pressure, etc.) and convert the HRA to an electronic format from the current paper form. This will allow providers to submit the form directly to MDHHS for staff to forward to the correct health plan. The Department's goal with moving to the new submission system is for timelier processing of HRAs and greater beneficiary participation in healthy behaviors. Currently, 18% of Healthy Michigan Plan beneficiaries have completed an HRA and are engaging in one or more healthy behaviors.

Other

The current Healthy Michigan Plan §1115 Demonstration Waiver expires on December 31, 2018, and MDHHS is working to submit a request for extension to the Centers for Medicare & Medicaid Services (CMS) by December 31, 2017.

Medicaid Managed Care

Provider Surveys

MDHHS worked with the Michigan State University Institute for Health Policy to develop and distribute a survey to providers related to their experience in working with the health plans. To conduct the survey, MDHHS randomly selected providers to rate their experience working with a specific health plan. Providers who completed a survey of the health plan to which they were assigned were allowed to survey additional health plans of their choosing. The survey was distributed to 5,607 providers (in anticipation of a low response rate) with a statewide target sample of 2,317. However, only 5% of all providers completed a survey, (11% of the target sample). A draft report showing the results of the survey was distributed to meeting attendees. MDHHS staff indicated that while the Department does not plan to publish the report due to the low response rate, some findings will be shared with individual Medicaid Health Plans.

Healthy Kids Dental Bid Update

MDHHS is currently accepting bids for a new ***Healthy Kids Dental*** contract, and has extended the deadline for submissions to July 31, 2017. Award notices will be posted on www.buy4michigan.com in October or November 2017, with a contract start date of April 1, 2018. While Delta Dental is currently the only provider with a contract to provide services to ***Healthy Kids Dental*** program beneficiaries, the Department aims to award new contracts to more than one statewide vendor. If more than one contract is awarded, a systems change will be required to allow beneficiaries the choice of enrolling in any available plan. Additional information regarding the ***Healthy Kids Dental*** contract award process is available on the web at www.buy4michigan.com.

Prescriber Enrollment – Community Health Automated Medicaid Processing System (CHAMPS)

Despite ongoing outreach efforts by MDHHS, several prescribers providing services to Medicaid beneficiaries are not currently enrolled in CHAMPS as required by CMS. Compliance was expected July 1, 2013, but implementation has again been postponed to allow more time for prescribers to enroll to avoid medication access issues. Further outreach efforts will be implemented.

Behavioral Health Updates

Parity Rule

MDHHS staff provided meeting attendees with copies of a printed presentation detailing the Department's efforts to comply with the Mental Health Parity and Addiction Equity Act of 2008 and gave an overview of the document.

Section 298 – Models

The Stakeholder 298 work group that was convened to discuss the integration of behavioral health and physical health services has submitted a final report containing 72 policy recommendations to the legislature, and it has been forwarded to the Governor for review. MDHHS is now working internally to make preparations for carrying out the recommendations of the report and to develop benchmarks for implementation of the pilots approved in the FY 2018 budget. The Department must also submit a report to the legislature by November 1, 2017 to propose remedies to any potential barriers to implementation.

1115 Waiver Status

MDHHS submitted a Section 1115 Waiver to CMS in July 2016, which would allow the administration of all behavioral health services under a single waiver authority, and is continuing to work through the approval process with its federal partners.

Other

Lynda Zeller addressed several other topics related to behavioral health services, including:

- The Behavioral Health and Developmental Disabilities Administration (BHDDA) is working with other areas of MDHHS and stakeholders to identify specific barriers to access to care for inpatient psychiatric services, in order to develop policy to address the issue.
- A letter was issued by the MDHHS Bureau of Community Based Services to offer guidance to providers regarding the department's process for establishing psychiatric Institute for Mental Disease (IMD) rates.

- BHDDA is working with the National Governor's Association (NGA) to:
  - Explore ways to increase access to health care in rural areas, with an emphasis on behavioral health services; and
  - Improve information sharing among providers related to better care coordination, with a specific focus on behavioral health services.

Long Term Care Services and Supports Updates

Dick Miles provided an update on several initiatives related to Long Term Care that were included in the FY 2018 budget, including:

- The establishment of a nursing facility quality measure initiative to provide a supplemental payment to nursing facilities based on their 5-star ratings from the CMS Nursing Home Compare (NHC) website;
- $150,000 in funding for an electronic visit verification (EVV) system for personal care service providers beginning in 2019;
- A provision that will allow MDHHS additional flexibility for Program of All Inclusive Care for the Elderly (PACE) expansion outside of the regular budget cycle;
- General fund support to continue the Hospice Residence program;
- $3.7 million in funding to support housing and outreach specialists related to nursing facility transitions; and
- A provision to allow MDHHS to explore the implementation of managed long term care supports and services.

In addition to long term care services and supports items included in the FY 2018 budget, Mr. Miles also shared the following updates:

- MDHHS is working to submit a renewal request to CMS for the MI Choice Waiver, which currently expires in October 2018.
- The MI Choice program was converted to a capitated payment model in October 2013, and the Department is continuing to provide assistance to MI Choice waiver agencies as needed to help with the transition.
- The Medicaid Home Help program is in the process of converting to a new time and task care management model for providers.
- As of June 26, 2017, approximately 38,000 beneficiaries are enrolled in the MI Health Link demonstration program for individuals who are dually eligible for Medicare and Medicaid. The demonstration is currently authorized through 2020, MDHHS is continuing to evaluate the program and make improvements where necessary.
- The PACE program is continuing to expand with 2,000 beneficiaries currently enrolled, and MDHHS is preparing to open a new PACE center in Newaygo County.

Policy Updates

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

The meeting was adjourned at 12:00 p.m.

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.

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.

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.

- 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.

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.

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.

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.

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Wednesday, December 6, 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, Eric Liu, Dan Thompson (for Loretta Bush), Kim Singh, Alison Hirschel, Emily Schwarzkopf, Michelle Best (for Amy Hundley), David LaLumia, Dianne Haas, Pam Lupo, Deb Brinson, Rod Auton, Barry Cargill, David Herbel, Warren White, Karlene Ketola, Amy Zaagman, Jeff Towns, April Stopczynski

Staff: Kathy Stiffler, Lynda Zeller, Erin Emerson, Brian Keisling, Dick Miles, Jackie Prokop, Pam Diebolt, Marie LaPres, Philip Bergquist, Phil Kurdunowicz

Other Attendees: Jeff Holm, Jane Pilditch

Welcome, Introductions, Announcements

Robin Reynolds opened the meeting and introductions were made. Kathy Stiffler announced that Chris Priest has stepped down from the role of State Medicaid Director, and that she has agreed to serve as acting director until a replacement is named.

Federal Update

Children's Health Insurance Program (CHIP) Reauthorization

Kathy Stiffler reported that CHIP expired on September 30, 2017, and has not yet been re-authorized by congress. While MDHHS staff are optimistic that the program will be renewed, Michigan currently has the resources to fund CHIP at the current Federal Matching Assistance Percentage (FMAP) rate through April or May 2018 if no action is taken. Robin Reynolds offered to draft a letter in support of renewing CHIP on behalf of the Medical Care Advisory Council (MCAC) to send to congress.

Cost Sharing Reductions

MDHHS staff discussed recent changes to cost sharing requirements for beneficiaries, noting that beginning in October 2017, cost sharing reduction (CSR) payments made by the federal government to qualified health plans on behalf of individuals with incomes between 100-250% of the federal poverty level (FPL) who receive health care coverage through the Marketplace were discontinued.

Budget/Boilerplate Update

2019 Budget Update

For details related to the FY 2019 budget, attendees were referred to the update provided by Farah Hanley at the August MCAC meeting, as documented in the meeting minutes. The minutes are available on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms >> Numbered Letters >> click "Medical Care Advisory Council (MCAC)" under Provider Liaison Meetings. Overall, the budget is expected to include funding to wrap up several initiatives advocated by Governor Snyder, as this will be the last budget for the current administration.

2018 Supplemental

Erin Emerson reported that the legislature is expected to pass a FY2018 supplemental appropriations bill before the winter recess.

Provider Enrollment Requirements

MDHHS issued bulletin MSA 17-48 on December 1, 2017, which requires all providers with a National Provider Identifier (NPI) to enroll in the Community Health Automated Medicaid Processing System (CHAMPS) by March 1, 2018, per the requirements of the 21st Century Cures Act. The policy also requires prescribing providers to be enrolled in CHAMPS by May 1, 2018. Beginning May 1, 2018, all claims submitted for prescriptions ordered by non-enrolled providers will be denied. Enrollment of atypical providers (e.g., personal care services providers, volunteer Non-Emergency Medical Transportation [NEMT] providers, etc.) in CHAMPS is targeted for fall 2018.

In response to an inquiry, MDHHS staff and meeting attendees discussed implementing a system for pharmacies to request emergency overrides to fill prescriptions ordered by non-enrolled providers.

MDHHS has also issued proposed policy 1635-PE for public comment, which describes provider enrollment fitness criteria outlining federal and state felonies and misdemeanors that would prohibit a provider from participating in the State's Medicaid programs. The Department received many comments on the policy, and as a result, it will be revised and re-issued for public comment in early 2018.

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. Implementation of ISD will include the use of a new all programs application that will allow individuals to apply for multiple MDHHS programs in a single application, revisions to the

MI Bridges system to improve the user experience, and a new a central call center to assist applicants and beneficiaries. A pilot universal caseload system will be conducted in Gratiot and Shiawassee counties in late January 2018, with a phased rollout statewide to begin in summer 2018 that is projected to complete in mid-2019. While most beneficiaries who contact local MDHHS offices will be assisted through the new universal caseload system, MDHHS plans to exclude certain program enrollees from the system and allow those beneficiaries to maintain a relationship with a single caseworker in order to be better served. Local offices will also maintain the discretion to determine the best way to serve certain beneficiaries on an individual basis.

MDHHS staff and meeting attendees discussed at length the ways in which ISD is expected to improve efficiency in resolving customers' needs.

Medicaid Managed Care

Healthy Kids Dental Bid Update

MDHHS has completed the process for selecting new vendors to provide services under the ***Healthy Kids Dental*** program, and has awarded statewide contracts to Blue Cross Blue Shield of Michigan, which will work with DentaQuest to provide dental benefits, and Delta Dental. While MDHHS initially planned to begin the new contract on April 1, 2018, the start date was delayed until October 1, 2018 to allow additional time to implement systems changes. Beginning October 1, 2018, ***Healthy Kids Dental*** enrollees will have the opportunity to choose their dental plan, though MDHHS is working to implement a process for auto-assigning beneficiaries who do not make a choice.

Member Transportation Survey

MDHHS worked with the Michigan State University Institute for Health Policy to conduct a survey of both users and non-users of Medicaid transportation services. The survey process has been completed, and a final report was distributed to the MCAC via email prior to the meeting. Kathy Stiffler provided an overview of the report, and invited attendees to continue to examine the document and contact her with questions as necessary.

Dental Services for Pregnant Women

Ms. Stiffler reported that MDHHS has obtained funding to provide dental coverage through the health plans for pregnant women enrolled in Medicaid, and that the Department is working to develop a process for identifying Medicaid beneficiaries who are pregnant. MDHHS staff and meeting attendees discussed the issue at length.

Healthy Michigan Plan

Healthy MI Waiver Renewal Update

Since the previous MCAC meeting held on August 30, 2017, MDHHS released the Healthy Michigan Plan Section 1115 Demonstration Waiver extension application for public comment, and conducted a public hearing to discuss the application. Few comments were received during this process, and MDHHS is currently seeking final approval from Governor Snyder for the waiver renewal application. While the current waiver expires on December 31, 2018, the renewal application must be submitted to CMS by December 31, 2017.

Transition to Marketplace for Healthy Michigan Plan Members

Under the terms of the second waiver for the Healthy Michigan Plan 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 a healthy behavior must leave the Healthy Michigan Plan and receive insurance coverage from the Marketplace. MDHHS has identified approximately 14,000 current Healthy Michigan Plan enrollees who meet the criteria to transition to the Marketplace, and will begin sending notices to these individuals in February 2018. The February notice will include a reminder that the beneficiary may still complete a Health Risk Assessment (HRA) or Medically Frail form and submit documentation to MDHHS by April 1, 2018 to remain enrolled in the Healthy Michigan Plan. The Department is also in the process of sending a letter to all Healthy Michigan Plan beneficiaries to inform them of this change, and has conducted a webinar to share information with providers about this process, as well. Additional information about the implementation of the Healthy Michigan Plan second waiver is available on the MDHHS website at www.michigan.gov/healthymichiganplan >> Healthy Michigan Plan Second Waiver Operational Protocols.

Behavioral Health Updates

Lynda Zeller provided an overview of the current priorities for the Behavioral Health and Developmental Disabilities Administration (BHDDA), which include:

- Improving access to inpatient psychiatric care close to home;
- Increasing diversion efforts to address the prevalence of individuals with mental health/substance use disorders who are among the jail and prison population in Michigan;
- Working to increase cultural and linguistic competencies within the BHDDA system, particularly concerning enabling greater access to services for tribal members and individuals who are deaf or blind; and
- Early intervention for childhood trauma victims.

Section 298 Update

The Michigan legislature directed MDHHS to develop up to three pilots and one demonstration model to test publicly integrated physical health and behavioral health services. The three pilots will test the financial integration for these services at the payer level, while the demonstration model (which will take place in Kent County) will test service integration. MDHHS has worked with MPHI since August 2017 to develop the structure of the pilots based on the legislative requirement and the recommendations of the Stakeholder 298 workgroup, in addition to holding meetings throughout the State of Michigan to gather stakeholder input on the pilot development process. As required by law, a report was submitted to the legislature on November 20, 2017 to show the timelines for implementation of the pilots, barriers to implementation and proposed solutions. The report, along with additional information related to the Section 298 Initiative, is available on the MDHHS website at www.michigan.gov/stakeholder298. MDHHS is now working to issue a Request for Information (RFI) to select the pilot sites, which is planned for release in mid-December 2017. If more than three responses are received, the Department may need to initiate a competitive bid process for those sites interested in participating in the pilot. MDHHS plans begin operating the pilot and demonstration sites by July 1, 2018.

The demonstration model for the Stakeholder 298 Initiative will maintain the current funding mechanism in which physical health services are funded through the Medicaid Health Plans and behavioral health services are funded through the Prepaid Inpatient Health Plans (PIHPs). The demonstration will be established in Kent County through Network180 (the Community Mental Health Services Program [CMHSP] in Kent County) in partnership with any willing MHPs. The partnership is working on a project plan, which must be approved by the Department, and targeting implementation on July 1, 2018. MDHHS has selected the University of Michigan to conduct an evaluation of up to three pilot sites and the demonstration sites, and up to four comparison sites. This will include a baseline survey for each site, as well as a final survey at the conclusion of the pilot and demonstration.

In addition, MDHHS is also working to implement the 76 policy recommendations proposed by the Stakeholder 298 workgroup and will report back to stakeholders in early 2018 with a plan for moving forward with the recommendations.

Section 1115 Waiver Update

Erin Emerson reported that the Section 1115 Waiver request to provide all behavioral health services under a single waiver authority is pending approval, and that CMS has requested to conduct weekly calls with the Department beginning in January 2018 to discuss the waiver.

Long Term Care Updates

Dick Miles provided several updates related to Long Term Care, which include:

- In July 2016, MDHHS submitted a Section 1115 Demonstration Waiver to provide necessary services and supports to persons suffering qualifying brain injuries who, but for the provision of these services, would otherwise be served in an institutional setting. The Brain Injury Waiver (BIW) is still pending approval by CMS, as it contains language related to housing services and supports that is similar to the Behavioral Health Section 1115 Demonstration waiver, which is currently under consideration, as well.
- On October 23, 2017, MDHHS implemented the MiAIMS time and task system statewide for billing encounters by home help and adult protective services providers.
- Proposed Policy 1723-HH, which will allow travel time payment to home help providers for shopping and laundry services, has been issued for public comment. MDHHS is also working to issue a policy to clarify portions of bulletin MSA 15-13, regarding Home Help Agency Provider Standards.
- The MI Choice Waiver currently expires on September 30, 2018, and MDHHS is in the process of holding meetings to solicit stakeholder involvement in the waiver renewal process. Information about upcoming stakeholder meetings and the waiver renewal process is available on the MDHHS website at www.michigan.gov/medicaidproviders >> MI Choice.
- The Department is continuing to work toward resolving ongoing issues related to the Level of Care Determination (LOCD) process.
- Over 39,000 people are now enrolled in the MI Health Link demonstration program for individuals who are dually eligible for Medicare and Medicaid, and Mr. Miles reported that enrollment has stabilized. The demonstration is currently authorized through 2020.
- MDHHS issued bulletin MSA 17-42 on November 27, 2017, which discusses a new Medicaid Provider Manual Chapter for Home and Community Based Services. MSA 17-42 was issued concurrently for public comment review, and interested parties may submit comments until January 1, 2018.
- As required by the 21st Century Cures Act, MDHHS is currently in the process of developing an Electronic Visit Verification (EVV) system to track the services provided by personal care providers, as well as the location and time. The EVV system must be implemented by January 2019.

Managed Long Term Care Services and Supports

Public Act 107 of 2017 (the fiscal year 2018 Appropriations Act) directed the Department to "explore the implementation of a managed care long-term support service" by July 1, 2018. Since the previous MCAC meeting held on August 30, 2017, MDHHS has received funding from the Health Endowment Fund that will allow the Department to partner with contracted entities to continue to take the required steps to explore the many potential options for moving to a managed long term care system. Currently, two elements of Michigan's $2.6 billion long term care programs (State Plan Personal Care and many nursing facility beneficiaries) have no

system for managed care in place. MDHHS plans to begin the first phase of the stakeholder engagement process in December 2017, which will consist of conducting focus groups and interviews with stakeholders.

Policy Updates

A policy bulletin handout was distributed, and several items were discussed.

MCAC Leadership

Robin Reynolds announced that she will be stepping down as chair of the MCAC at the end of 2017, and Emily Schwarzkopf was nominated and confirmed as the new chairperson.

4:30 – Adjourn

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Thursday, February 22, 2018

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:** Emily Schwarzkopf, Deb Brinson, Barry Cargill, Mark Klammer, Alison Hirschel, Amy Zaagman, Bill Mayer, Meghan Swain, Jeff Towns, April Stopczynski, Dan Thompson, Michelle Best (on behalf of Amy Hundley), Travar Pettway, Marion Owen, Dianne Haas, Linda Vail, Vicki Kunz (on behalf of Marilyn Litka-Klein), Melissa Samuel, Karlene Ketola, Lisa Dedden Cooper, Kim Singh, Jane Phillips (on behalf of Jim Milanowski), Bobbi Kuyers (on behalf of Dave Herbel), Stacie Saylor (on behalf of Rebecca Blake)

Staff: Kathy Stiffler, Farah Hanley, Lynda Zeller, Erin Emerson, Dick Miles, Brian Keisling, Jackie Prokop, Marie LaPres, Dave Schneider, Philip Bergquist, Phil Kurdunowicz

Other Attendees: Jane Pilditch, Salli Pung, Mario Azzi, Kelly Bidelman

Welcome, Introductions, Announcements

Emily Schwarzkopf opened the meeting and introductions were made.

Federal Update

Children's Health Insurance Program (CHIP) Reauthorization

Kathy Stiffler announced that congress has reauthorized CHIP for an additional 10 years.

Federal Budget

President Trump has released his FY19 federal budget recommendation, which includes a proposed 22.5% reduction in funding for Medicaid and the provisions of the Affordable Care Act (ACA) by 2028 and a proposed 28% reduction in funding for the Supplemental Nutrition Assistance Program (SNAP), as well as several other proposed reductions in non-defense discretionary spending. Meeting attendees were advised that approval for the proposed budget is a lengthy process, and that the Michigan Department of Health and Human Services (MDHHS) will not take any action on proposed funding levels until they are finalized.

Centers for Medicare & Medicaid Services (CMS) State Medicaid Director Letter – Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries

CMS has issued a letter to State Medicaid Directors to indicate that states now have the option to submit Section 1115 waiver requests to implement work requirements as a condition of Medicaid eligibility, a copy of which was distributed to meeting attendees. Ten states have submitted Section 1115 waiver requests under this guidance to date, though MDHHS has no plans to do so at this time pending further direction from department leadership and the state legislature. MDHHS staff and meeting attendees discussed at length the many potential implications of implementing Medicaid work requirements, including concerns about the large staff and resource commitment that would be needed to monitor the employment status of Medicaid beneficiaries.

Budget Update

2019 Budget Update

The FY 2019 executive budget recommendation was released on February 7, 2018 and reflects a 0.6% increase in total statewide spending from FY 2018, including a 0.1% increase in general fund (GF) expenditures. The FY19 executive budget recommendation for MDHHS includes $177 million GF, most of which is allocated to existing programs. The FY19 executive budget recommendation for MDHHS includes:

- $72 million to address Federal Matching Assistance Percentage (FMAP) costs departmentwide;
- $42 million for departmentwide caseload costs;
- $63 million for actuarial soundness costs;
- $29 million for fund shifts;
- $20 million for various Department investments;
- An actuarial soundness increase of 2% for the Prepaid Inpatient Health Plans (PIHPs);
- $1.4 million to increase base salaries for psychiatrists at state psychiatric hospitals;
- Actuarial soundness increases of 1.5% for Medicaid;
- $56 million to account for an FMAP change that reflects a Healthy Michigan Plan adjustment of $30 million GF;
- $7 million GF to support rural hospitals;
- Funding for additional Medical Services Administration support staff;
- $8 million in additional funding for the Department’s per- and polyfluoroalkyl substances (PFAS) initiative;
- $4.8 million ongoing funding for local public health departments to address emerging public health threats;
- $2 per person per month increase (1.2%) in the family independence program cash allowance;

- $4.6 million in funding for information technology in support of the Integrated Service Delivery (ISD) initiative; and
- Funding to support MDHHS' Flint initiatives.

Overall, the FY19 executive budget recommendation for MDHHS includes $19 million in new funding, and $55 million in proposed reductions. In response to a question from a meeting attendee asking how the Medical Care Advisory Council (MCAC) can best show support for the proposed budget, Farah Hanley encouraged council members to contact their legislators to indicate their organization's support for the proposal and emphasize the importance of maintaining proposed funding levels to support the department's programs.

Provider Enrollment Requirements

Kathy Stiffler provided an update on Medicaid provider enrollment requirements by noting that while all providers who render services to Michigan Medicaid fee-for-service (FFS) beneficiaries were required to enroll in CHAMPS beginning in 2009, in May 2016 CMS issued a rule requiring all Managed Care Organization (MCO) providers to enroll with Medicaid beginning for rating periods on or after July 1, 2018. While MDHHS was working to implement this rule by the start of Michigan's fiscal year on October 1, 2018, the federal government enacted the 21st Century Cures Act, which requires that MCO providers be enrolled with their states' Medicaid programs by January 1, 2018. However, CMS has indicated that states may apply the 120-day grace period allowed by the Managed Care Rule for this change, which would extend Michigan's deadline for compliance with the 21st Century Cures Act to May 1, 2018. In addition, MDHHS is also working to require all prescribing providers to enroll with Medicaid.

The department had planned to begin denying claims for non-enrolled MCO providers on March 1, 2018, and for non-enrolled prescribing providers on May 1, 2018. However, due to many providers submitting enrollment applications as these dates approach, MDHHS has decided to indefinitely postpone these actions to allow staff the time to process the new applications. The department is also working to release communication to providers regarding this change, although staff emphasized that while the deadlines for enrollment have been postponed indefinitely, providers should still enroll as soon as possible. MDHHS staff and meeting attendees discussed this issue at length.

Integrated Service Delivery

MDHHS staff provided the following updates on the implementation of ISD:

- On January 22, 2018, the department began using a new paper public benefits application for individuals to apply for multiple MDHHS program benefits with a single form.
- Following a pilot demonstration of the new MI Bridges Self-Service Portal in Muskegon county, MDHHS has expanded the new system to Jackson, Genesee, Clinton and Eaton counties to further test its functionality before beginning to make it available statewide on March 19, 2018. The statewide rollout process is expected to be

completed by April 6, 2018.

- The universal caseload pilot in Gratiot and Shiawassee counties that was discussed at the previous MCAC meeting began on February 20, 2018.

Medicaid Managed Care

Healthy Kids Dental Bid Update

MDHHS has completed the process for selecting new vendors to provide services under the ***Healthy Kids Dental*** program, and has awarded statewide contracts to Blue Cross Blue Shield of Michigan, which will work with DentaQuest to provide dental benefits, and Delta Dental. As part of the new contract, MDHHS has included quality metrics to measure each plan's performance and is working to develop an algorithm to auto-assign new beneficiaries to a plan based on these quality measures. The new contracts will begin on October 1, 2018, and the plans may begin drafting marketing materials for MDHHS approval on April 1, 2018. In response to an inquiry regarding reimbursement rates for dental services, MDHHS staff indicated that no changes have been made, and that the department expects to finalize rates for FY19 by July 1, 2018.

Pregnancy Dental Benefit

MDHHS has received funding to provide dental services for pregnant women through the Medicaid Health Plans (MHPs) and is continuing to work on developing a process to identify Medicaid beneficiaries who are pregnant.

Healthy Michigan Plan

Transition to Marketplace for Healthy Michigan Plan Members

Letters sent out February 16, 2018

On February 16, 2018, MDHHS sent letters to approximately 13,500 Healthy Michigan Plan beneficiaries to inform them that they meet the criteria to transition to health coverage in the Marketplace beginning April 1, 2018 under the terms of the second waiver for the Healthy Michigan Plan. As outlined in the letter, MDHHS staff explained that beneficiaries who receive the letter have the right to appeal the decision and may also stay enrolled in the Healthy Michigan Plan if they attest to being medically frail, are pregnant, or complete a Health Risk Assessment (HRA) and engage in a healthy behavior. Beneficiaries who do not follow these steps and are required to transition to the Marketplace will receive an enrollment packet with information about each Marketplace health plan by early April 2018, and will be required to enroll by May 1, 2018. Those who do not choose a health plan will be auto-assigned. Copies of the letter were distributed to meeting attendees, and MDHHS staff and meeting attendees discussed at length the process for transitioning Healthy Michigan Plan beneficiaries to the Marketplace. Additional information about this process is available on the web at www.michigan.gov/mimarketplaceoption. MDHHS staff also indicated that the department worked with the University of Michigan Institute for Health Policy & Innovation to conduct surveys of beneficiaries and providers involved with the Healthy Michigan Plan. The reports from these surveys can be accessed on the web at www.michigan.gov/healthymichiganplan >>

Healthy Michigan Plan Program Information and History, under "CMS Correspondence."

Pregnant Women

Under the terms of the second waiver for the Healthy Michigan Plan, women who become pregnant after transitioning to the Marketplace from the Healthy Michigan Plan may either choose to stay in the Marketplace or receive coverage through regular Medicaid. MDHHS staff and meeting attendees discussed at length ideas for improving this process, including a suggestion for the department to consider allowing pregnant women to enroll directly into an MHP from the Marketplace.

Aged, Blind and Disabled Eligibility Category

Kathy Stiffler shared that MDHHS is continuing to investigate reports that individuals eligible for coverage under the Aged, Blind and Disabled category are being incorrectly classified for coverage by the department, and as a result, the Prepaid Inpatient Health Plans (PIHPs) do not receive the higher capitation rate for providing services to these beneficiaries. However, data indicate that these beneficiaries are instead voluntarily applying for Healthy Michigan Plan coverage, which is a beneficiary decision. Many are also losing coverage completely.

Healthy MI Waiver Renewal Update

On December 12, 2017, MDHHS submitted a renewal application for the Section 1115 Demonstration Waiver for the Healthy Michigan Plan to CMS, which has been posted on the CMS website at www.medicaid.gov for public comment.

Behavioral Health Updates

Section 298 Update

The Michigan legislature directed MDHHS to conduct up to three pilots to test publicly integrated behavioral health and physical health services, which will focus on financial integration. The department issued a Request for Information (RFI) in December 2017 to select the pilot sites and has received responses from five Community Mental Health Services Programs (CMHSPs) wishing to participate. MDHHS is currently working to evaluate the responses to the RFI with the goal of selecting the location of the three pilot sites by March 9, 2018. To be considered for inclusion in the pilot, a CMHSP must have letters of support from 50% of the MHPs in their region and demonstrate full financial integration of behavioral health and physical health services in their application. MDHHS is also exploring options for how best to serve those with specialty behavioral health needs. The targeted implementation date for the pilot programs is October 1, 2018.

The demonstration model for the Stakeholder 298 Initiative will maintain the current funding mechanism in which physical health services are funded through the Medicaid Health Plans and behavioral health services are funded through the PIHPs. The demonstration will be established in Kent County through the local CMHSP, Network180, in partnership with Priority Health. MDHHS has been actively engaged in discussions with Network180 and Priority Health on the implementation of the demonstration model and expects to receive a detailed project plan from the two entities in mid-March.

Additionally, the University of Michigan Institute for Health Policy & Innovation IHPI is in the process of developing a plan to put together an evaluation of the demonstration model, and will identify comparison sites for their study once the pilot begins. MDHHS is also continuing to work toward implementing the 76 policy recommendations for the integration of behavioral health and physical health services proposed by the Section 298 work group. Updates on this process will be posted on the web at www.michigan.gov/stakeholder298 as they become available.

1115 Waiver Update

MDHHS is continuing to communicate with CMS regarding the Section 1115 waiver application to provide all behavioral health services under a single waiver authority. No action has been taken by CMS on the waiver application since the previous MCAC meeting in December, although MDHHS staff have a call scheduled with CMS on Monday, February 26 to further discuss the waiver.

Other

The Behavioral Health and Developmental Disabilities Administration (BHDDA) is also working with other areas of MDHHS to implement the federal Home and Community Based Services (HCBS) Final Rule and the Electronic Visit Verification (EVV) system for personal care service providers.

Mental Health Parity Update

MDHHS staff provided an update on the department's efforts to comply with the Mental Health Parity and Addiction Equity Act of 2008, which requires that states place no more restrictions on behavioral health/substance use disorder benefits than on medical/surgical benefits. To comply with the law, MDHHS will require that, on a statewide basis, PIHPs can place no greater restrictions in any classification of behavioral health/substance use disorder services than the least restrictive restriction in that classification for medical/surgical benefits. Following the last update on mental health parity at the June 2017 MCAC meeting, MDHHS distributed surveys to all Medicaid Health Plans and PIHPs operating in the State of Michigan to gather data on their coverage standards and is in the process of compiling their findings into an assessment and developing a plan for corrective action. The issues the department will seek to address include: prescription drug copays; inpatient and outpatient prior authorization for behavioral health/substance use disorder services; and services for beneficiaries with intellectual and developmental disabilities. MDHHS plans to complete the assessment and

plan for corrective action by the end of April 2018, at which time it will be submitted to CMS and be made publicly available. In response to an inquiry, MDHHS staff indicated that the state does not anticipate a significant increase in costs as a result of compliance with the Mental Health Parity and Addictions Act of 2008.

Long Term Care Updates

Dick Miles provided an update on the following items related to Long Term Care:

- MDHHS is working to submit a renewal application for the MI Choice Waiver to CMS by October 1, 2018.
- Approximately 39,300 individuals are currently enrolled in the MI Health Link demonstration program for individuals who are dually eligible for Medicare and Medicaid. Enrollment in the demonstration has stabilized, and MDHHS is working to secure approval from CMS for waiver applications related to MI Health Link.
- The department is working to implement an EVV system for providers of in-home personal care services, which must be in place by January 1, 2019 per the 21st Century Cures Act.

Managed Long Term Care Services and Supports

A report containing data on long term care services and supports programs in Michigan and other states was distributed to meeting attendees and the document was discussed.

Policy Updates

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

4:30 – Adjourn

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Monday, June 18, 2018

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:** Emily Schwarzkopf, Mark Klammer, Chris George (for Amy Hundley), Dan Thompson, Dianne Haas, William Mayer, Jeff Towns, Rod Auton, Marilyn Litka-Klein, Lisa Dedden Cooper, Karen MacMaster, Linda Vail, Pam Lupo, April Stopczynski, Mario Azzi, Kim Singh, Rebecca Blake, Deb Brinson, Robert Sheehan, Linda Gibson (for Jim Milanowski)

Staff: Kathy Stiffler, Farah Hanley, Dick Miles, Brian Keisling, Jackie Prokop, Pam Diebolt, Marie LaPres, Dave Schneider, Christina Severin, Jon Villasurda, Cindy Linn, Phil Kurdunowicz

Other Attendees: Randy Walainis, Amy Justus, Jane Pilditch

Welcome, Introductions, Announcements

Emily Schwarzkopf opened the meeting and introductions were made.

Budget Update

2019 Budget Update

Farah Hanley reported that the FY 2019 budget has been approved by both houses of the state legislature and forwarded for Governor Snyder's signature. Effective October 1, 2018, the budget includes an appropriation of $26 billion ($4.46 billion general fund [GF]) for the Michigan Department of Health and Human Services (MDHHS), which is $30 million beyond the Executive Budget Recommendation. Ms. Hanley indicated that while funding for legislative and MDHHS priorities is strong overall, some programs received reduced funding in the FY 19 budget, including a $12 million reduction in funding for the department's autism program, which includes a $7 million reduction by switching from a capitation model to a fee schedule model, and $5 million reduction by reducing the behavioral technician hourly rate from $55 to $50. Other highlights from the MDHHS FY19 budget include:

- $14 million for implementation of the Integrated Service Delivery (ISD) system.
- Actuarial soundness adjustment of 1% for the Medicaid Health Plans (MHPs) and 2% for the Prepaid Inpatient Health Plans (PIHPs).
- $10 million hospital payment ($6 million for rural hospitals and $4 million for OB/GYN hospitals).

- $5 million GF to support medical education loan repayment for primary care physicians and other sub-specialties.
- $2.8 million to $3 million to support an increase in Medicaid neonatal rates from 64% of the Medicare rate to 75%.
- $1.6 million to restore funding to dental clinics.
- Funding for a salary increase for psychiatrists at state psychiatric hospitals.
- $5.5 million GF to support non-Medicaid funded Community Mental Health Services Programs (CMHSPs).
- $9.3 million for Local Health Departments (LHDs) to address emerging public health threats.
- An increase of $2.5 million GF for senior services.
- All funding for Flint initiatives that was requested by the governor was included in the FY19 budget.

Ending Gift Cards for Healthy Michigan Plan

Kathy Stiffler explained that as part of the Healthy Michigan Plan, beneficiaries with incomes above 100% of the federal poverty level (FPL) who complete a healthy behavior receive a reduction in their required contribution. Since Healthy Michigan Plan beneficiaries with incomes below 100% FPL are exempt from contributions, MDHHS currently requires the MHPs to provide these individuals with $50 gift cards for completing a healthy behavior. The FY19 budget rescinds this requirement, though MDHHS staff indicated that the department is seeking clarification from the legislature on whether MHPs may continue to provide gift cards using their own administrative dollars.

Healthy Michigan Plan

Review of Bill

MDHHS staff and meeting attendees discussed SB 897 at length, which outlines proposed changes for Healthy Michigan Plan beneficiaries with incomes above 100% FPL who have been enrolled in the program for 48 cumulative months, as well as instituting workforce engagement requirements for non-exempt Healthy Michigan Plan beneficiaries between the ages of 19 and 62. SB 897 has been approved by both houses of the state legislature and is currently pending final approval by the governor. Copies of the bill were distributed to meeting attendees.

48 Months

Healthy Behaviors

As of June 18, 2018, approximately 1,400 Healthy Michigan Plan beneficiaries have incomes above 100% FPL and have been enrolled in the program for 48 cumulative months. Pending approval of SB 897, these individuals will be required to continue engaging in healthy behaviors **and** contribute 5% of their income toward premiums as a condition of continued enrollment in the Healthy Michigan Plan. Participation in one or more healthy behaviors will

not result in a reduction in cost-sharing obligations, and copayments will no longer apply, as beneficiaries may not exceed 5% of their income toward total cost-sharing.

Suspension of Coverage

Healthy Michigan Plan coverage will be suspended for beneficiaries who choose not to engage in a healthy behavior, or who fail to meet their cost-sharing obligations. For these individuals, MDHHS will apply the department's "consistently fail-to-pay" criteria, which means that coverage will be suspended if the beneficiary has not paid any amount toward their premium obligations for one full quarter, or at least half of their total owed after 12 months. Once a beneficiary's coverage is suspended for failure to pay, coverage may be reinstated at which time the beneficiary contributes a minimum amount and agrees to a payment plan determined by MDHHS. Additionally, third-party payers may also assist beneficiaries with meeting their premium obligations.

In response to an inquiry regarding the anticipated timeline for implementation of these requirements, MDHHS staff reported that the legislature is targeting an effective date of July 1, 2019 for the changes to Healthy Michigan Plan cost-sharing and healthy behavior requirements. MDHHS plans to submit an amendment to the Healthy Michigan Plan waiver renewal application that is currently pending before the Centers for Medicare & Medicaid Services (CMS) by October 1, 2018 to request CMS approval for these changes.

Impact on Sending Beneficiaries to the Marketplace

Pending approval of SB 897, the MI Marketplace Option for Healthy Michigan Plan for beneficiaries who choose not to engage in a healthy behavior has been rescinded. Instead, beneficiaries will be required to engage in a healthy behavior as a condition of continued enrollment in the Healthy Michigan Plan. If they choose not to engage in a healthy behavior, Healthy Michigan Plan coverage will be discontinued per the criteria outlined above. In response to an inquiry, MDHHS staff indicated that the federal government will not allow individuals who are income-eligible for the Healthy Michigan Plan to receive a subsidy for coverage on the Federally Facilitated Marketplace (FFM).

Work Requirements

MDHHS staff indicated that the workforce engagement requirements outlined in SB 897 apply to all able-bodied Healthy Michigan Plan beneficiaries (including those below 100% FPL) between the ages of 19 and 62 who do not meet at least one of the 12 exemption criteria included in the legislation. MDHHS expects that a maximum of 400,000 Healthy Michigan Plan beneficiaries may be impacted by the workforce engagement requirements, though staff are working to determine how many additional enrollees may meet exemption criteria. It is unknown at this time how many are likely to lose coverage given the lack of data or experience to estimate this figure.

Beneficiaries who do not meet a qualifying exemption must self-attest to participation in one of the following qualifying events for an average of 80 hours per month to meet the workforce engagement requirements:

1. Employment, self-employment or income consistent with employment;
2. Education directly related to employment;
3. Job training directly related to employment;
4. Vocational training directly related to employment;
5. Unpaid workforce engagement directly related to employment;
6. Tribal employment programs;
7. Participation in Substance Use Disorder (SUD) treatment;
8. Community service (limit of 3 months within a 12-month period with a registered 501[c][3] organization); or
9. Job search directly related to employment.

A beneficiary is allowed three months of noncompliance within a 12-month reporting period. After three months of noncompliance, recipients who remain noncompliant will not receive coverage for at least one month and will be required to come into compliance before coverage is reinstated. If a beneficiary is found to have misrepresented his or her compliance with the workforce engagement requirements as identified in SB 897, he or she shall not be allowed to participate in the Healthy Michigan Plan for a one-year period. A beneficiary is exempt from the workforce engagement requirements if they meet one or more of the following conditions:

1. A recipient is the caretaker of a family member who is under the age of 6 years. This exemption only applies to one parent at a time to be a caretaker, no matter how many children are being cared for.
2. A recipient who is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.
3. A recipient who is a full-time student who is not a dependent of a parent or guardian or whose parent or guardian qualifies for Medicaid.
4. A recipient who is pregnant.
5. A recipient who is the caretaker of a dependent with a disability which the dependent needs full-time care based on a licensed medical professional's order.
6. A recipient who is the caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker.
7. A recipient who has proven that he or she has met the good cause temporary exemption.
8. A recipient who has been designated as medically frail.
9. A recipient who has a medical condition that results in a work limitation according to a licensed medical professional's order.
10. A recipient who has been incarcerated within the last 6 months.
11. A recipient who is receiving unemployment benefits from this state.
12. A recipient who is under 21 years of age who had previously been in a foster care placement in this state.

In addition, Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) beneficiaries who meet exemption criteria for SNAP or TANF work requirements are also exempt from the Healthy Michigan Plan workforce engagement requirements outlined above with no additional reporting requirements. SB 897 requires that MDHHS implement the workforce engagement requirements for the Healthy Michigan Plan by January 1, 2020 pending approval from CMS.

Communications with Beneficiaries

MDHHS plans to begin the process of communicating the details of the workforce engagement requirements with beneficiaries only after CMS approval of Michigan's amended Healthy Michigan Plan Section 1115 Waiver Renewal Request. MDHHS staff also discussed a pending federal court decision on workforce engagement requirements promulgated by the State of Kentucky and the potential impact the court proceedings could have on the future of the Healthy Michigan Plan. To date, CMS has approved waiver requests from Kentucky, Arkansas, Indiana and New Hampshire to implement workforce engagement requirements for Medicaid recipients, with requests from seven additional states pending.

Behavioral Health Updates

MDHHS staff provided several general updates related to behavioral health, including:

- The department is continuing to work with CMS to gain approval for its Section 1115 Pathways to Integration waiver, which would allow MDHHS to provide all behavioral health services under a single waiver authority.
- A $27.5 million federal non-competitive grant has been allocated to the State of Michigan for its State Opioid Response Team, pending approval of an application from the state that is due August 13, 2018.
- Local communities within the state must now apply individually for funding through the Certified Community Behavioral Health Clinics (CCBHC) grant. MDHHS has provided several letters of support on behalf of communities for this funding.
- The Health Resources & Services Administration (HRSA) within the U.S. Department of Health and Human Services has made grants available to expand services to address the opioid epidemic in rural communities. Eleven counties within northern Michigan meet the eligibility criteria to apply for a grant under this program.
- Congress has appropriated $10 billion in federal funding nationwide for FY19 for opioid use disorder treatment, as well as $2.3 billion for behavioral health services. In addition, congress is currently considering 80 additional bills to address behavioral health issues, including legislation to protect data privacy for individuals receiving treatment for Substance Use Disorder (SUD).
- MDHHS is working to establish an Opioid Health Home (OHH) pilot program in Michigan's PIHP Region 2.
- The department is working with stakeholders and the state legislature on several initiatives aimed at increasing access to inpatient psychiatric services.

Section 298 Update

MDHHS is in the process of establishing pilot programs to financially integrate behavioral health and physical health services, as directed by the state legislature. Four CMHSPs have been selected to participate in the pilot programs with the seven MHPs operating in the three pilot regions. The department is also exploring options for including beneficiaries in the pilot programs who are not currently enrolled in an MHP and receive managed behavioral health services through the local PIHP, as well as continuing to work through various other issues related to implementation. The anticipated implementation date of the Section 298 pilot programs is October 1, 2019. Additional information on the Section 298 process is available on the MDHHS website at www.michigan.gov/stakeholder298.

Mental Health Parity Update

MDHHS staff provided an update on the department's efforts to comply with the Mental Health Parity and Addiction Equity Act of 2008, which requires that states place no more restrictions on behavioral health/substance use disorder benefits than on medical/surgical benefits. As part of these efforts, MDHHS has prepared a Mental Health and Substance Use Disorder Parity Assessment and Corrective Action Plan to report findings of an assessment of compliance with the federal parity rules conducted by the Medical Services Administration (MSA). Copies of the report were distributed to meeting attendees, and the document was discussed at length.

Provider Enrollment Requirements

Kathy Stiffler shared an update on the department's ongoing efforts to comply with federal laws and regulations by requiring all providers in the State of Michigan who provide services to Medicaid beneficiaries to enroll with the state's Medicaid program. Medicaid FFS already denies claims for non-enrolled providers. MDHHS initially planned to require the MHPs to deny claims from non-enrolled providers on March 1, 2018, and FFS and the HMPs were to deny claims (at the point of service) for non-enrolled prescribers on May 1, 2018. The department is now considering extending this deadline. MDHHS staff and meeting attendees discussed the issue at length, including ideas for communicating the requirements to providers.

Long Term Care Updates

Dick Miles provided updates on several MDHHS long term care initiatives, which include the following:

- The department is working to submit a renewal application for the MI Choice waiver, which has been posted for public comment. MDHHS plans to submit the renewal application to CMS in July 2018.
- MDHHS is continuing work to develop an Electronic Visit Verification (EVV) system for in-home personal care services by January 1, 2019 in compliance with the requirements of the 21st Century Cures Act.

- Enrollment in the MI Health Link demonstration is now stable with approximately 40,000 individuals currently enrolled.
- MDHHS has contracts with partnering entities to develop proposed models and to engage with stakeholders in the development of managed long term care supports and services.
- The department is also working to update the nursing facility Level of Care Determination (LOCD) determination business process.

Policy Updates

A policy bulletin list was distributed to attendees and the following updates were discussed:

- Bulletin MSA 18-05 – MI Marketplace Option and Healthy Michigan Plan Updates
- Bulletin MSA 18-10 – Pediatric Outpatient Intensive Feeding Program Services
- Bulletin MSA 18-18 – Expanded Access to Dental Benefits for Pregnant Women
- Proposed Policy 1806-Hospital – Inpatient Long-Acting Reversible Contraception (LARC) Device Reimbursement
- Proposed Policy 1807-BHDDA – Opioid Health Home Pilot Program
- Proposed Policy 1814-Hearing – Reinstatement of Adult Hearing Aid Coverage; Update to Disposable Hearing Aid Batteries and Replacement Earmold Coverage

4:30 – Adjourn

Michigan Department of Health and Human Services
Medical Services Administration

Medical Care Advisory Council

Meeting Minutes

Date: Wednesday, August 8, 2018

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:** Emily Schwarzkopf, Dominick Pallone, Rod Auton, Elmer Cerano, Mark Klammer, Robert Sheehan, Amy Zaagman, April Stopzcynski, Mario Azzi, Rebecca Blake, Karlene Ketola, Jim Milanowski, Lisa Dedden Cooper, David Herbel, Debra Brinson, William Mayer, Marilyn Litka-Klein

Staff: Kathy Stiffler, Lynda Zeller, Erin Emerson, Brian Keisling, Jackie Prokop, Craig Boyce, Leslie Asman, Mary Beth Kern-Collins, Marie LaPres, Dave Schneider, Phil Kurdunowicz

Other Attendees: Salli Pung, Dan Wojciak, Joe Pawluszka, Kellie Bidelman

Welcome, Introductions, Announcements

Emily Schwarzkopf opened the meeting and introductions were made.

Healthy Michigan Plan

Public Act 208 of 2018

Kathy Stiffler provided an overview of Public Act 208 of 2018, which directs the Michigan Department of Health and Human Services (MDHHS) to (1) make changes to the Healthy Michigan Plan for beneficiaries who have been enrolled in the program for 48 cumulative months and have incomes above 100% of the Federal Poverty Level (FPL), and also (2) implement workforce engagement requirements for non-exempt beneficiaries. To implement these changes, MDHHS is working to submit an amendment to its Section 1115 Demonstration Waiver extension application for the Healthy Michigan Plan. The waiver application amendment is currently posted for public comment at www.michigan.gov/healthymichiganplan, and Ms. Stiffler noted that while the formal public comment period officially ends on August 12, 2018, interested parties may continue to submit comments after that date. MDHHS will take comments submitted after August 12 into consideration for future changes to the Healthy Michigan Plan. In addition, public hearings were held to discuss the amendment on July 31, 2018 and August 1, 2018. The waiver application amendment must be submitted to the Centers for Medicare & Medicaid Services (CMS) by October 1, 2018 per the State statute, but the State plans to submit early.

Cumulative 48 months of coverage and over 100% of the federal poverty level (FPL)

PA 208 of 2018 requires that beneficiaries who have been enrolled in the Healthy Michigan Plan for 48 cumulative months and have incomes above 100% of the FPL must engage in a healthy behavior **and** contribute a 5% premium as a condition of continued coverage. Participation in a healthy behavior will no longer result in a reduction in premium obligations, but co-payments will no longer apply, as beneficiaries may not exceed 5% of their income toward total cost-sharing. The targeted implementation date of this change is July 1, 2019.

Rescinds Marketplace Option

PA 208 of 2018 also rescinds the Marketplace Option for Healthy Michigan Plan for beneficiaries who choose not to engage in a healthy behavior. In February 2018, MDHHS notified approximately 15,000 beneficiaries who failed to complete a healthy behavior that they were at risk of transitioning to the Marketplace. At that time, approximately half of those individuals completed a Health Risk Assessment and chose to engage in a healthy behavior. MDHHS has since notified all individuals in this group that the Marketplace Option has been rescinded.

Workforce Engagement Requirements

In addition to the 48 month cumulative enrollment changes and rescinding the Marketplace Option, PA 208 of 2018 requires MDHHS to implement workforce engagement requirements for all beneficiaries ages 19 to 62 as a condition of continued enrollment in the Healthy Michigan Plan. The legislation outlines 10 qualifying events under which individuals can meet workforce engagement requirements, as well as 12 exemption criteria, which were discussed in detail at the previous Medical Care Advisory Council (MCAC) meeting on June 18, 2018. Kathy Stiffler indicated that approximately 400,000 Healthy Michigan Plan beneficiaries may be impacted by the workforce engagement requirements, as this is the number of beneficiaries between the ages of 19-62 who have been identified as not meeting the requirements of current Supplemental Nutritional Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) program workforce engagement requirements. This figure includes individuals who may meet exemption criteria, as some exemptions may require continued attestation.

MDHHS plans to begin the process of communicating the workforce engagement requirements with beneficiaries following approval of the waiver amendment by CMS. In response to an inquiry, Ms. Stiffler indicated that it is unknown at this time how many beneficiaries could potentially lose coverage as a result of the implementation of these requirements. MDHHS is also monitoring the implementation process for similar workforce engagement requirements in other states. MDHHS staff and meeting attendees discussed this issue at length, including details related to the exemption criteria and the implications of the federal court decision on Kentucky's waiver on the potential approval of workforce engagement requirements for other states. Meeting attendees also recommended that the state consider allocating resources for job training, transportation and child care for Healthy Michigan Plan beneficiaries to meet the workforce engagement requirements, and Emily Schwarzkopf offered to draft a letter on behalf of the MCAC to MDHHS leadership and the legislature to request these changes.

Healthy Michigan Waiver Renewal Update – Amendment

Public Hearings

Jackie Prokop provided an overview of some of the comments that were shared at the public hearings held on July 31, 2018 and August 1, 2018. Most comments shared at the hearings reflected concern related to the workforce engagement requirements for Healthy Michigan Plan beneficiaries. Many commenters also requested information on exemption criteria and requested clarity on the criteria for an individual to be designated as "medically frail." As a result of the feedback received at the hearings, MDHHS staff plan to meet to discuss the possible addition of certain diagnosis codes under which an individual may be deemed "medically frail."

Impact if waiver extension amendment is not approved

As currently directed by PA 208 of 2018, the Healthy Michigan Plan must end if the Section 1115 Waiver Extension Amendment is not approved by CMS within a year of submission, though MDHHS staff indicated that members of the legislature have expressed a willingness to re-examine the legislation if this occurs.

Behavioral Health Updates

Lynda Zeller shared the following updates related to recent activities of the Behavioral Health and Developmental Disabilities Administration (BHDDA):

- MDHHS is working to implement an Opioid Health Home pilot program in Michigan's Prepaid Inpatient Health Plan (PIHP) Region 2.
- The department is continuing efforts to increase beneficiary access to state psychiatric hospitals. The state convened the Michigan Inpatient Psychiatric Admissions Discussion (MIPAD) workgroup to discuss this issue, and it has now become a nationwide initiative coordinated by the National Association of State Mental Health Program Directors (NASMHPD) known as Beyond Beds. MDHHS staff and meeting attendees discussed this issue at length.

Section 298 update

A leadership group consisting of the Executive Directors of the four Community Mental Health Services Programs (CMHSP) as well as the CEOs of the seven partnering MHPs involved in the Section 298 initiative for the integration of physical health and behavioral health services has been meeting to discuss a financial model and managed care models for the pilot programs. In addition, several sub-groups have been formed to discuss various components of the pilot models, including technology needs, policy updates, reporting, and finance. MDHHS is also working with a team to evaluate the pilot models in order to move forward with the demonstration project, as well as moving forward with implementing the 76 policy recommendations contained in the final report that was submitted to the legislature in 2017. Additional information about this process is also available on the MDHHS website at www.michigan.gov/stakeholder298.

Pharmacy Benefits Manager

MDHHS is in the process of reviewing bids for a new pharmacy benefits manager contract, which is currently held by Magellan. The department expects to announce the contract award winner in the near future. In response to an inquiry, Kathy Stiffler indicated that MDHHS does not currently require MHPs to return supplemental rebates that they receive to the State and will require the MHPs to deny pharmacy claims for non-enrolled providers. The department has no plans at this time to require MHPs to follow the State's formulary for prescription drugs. MDHHS continues to seek public comment on the current Medicaid Health Plan common formulary once per quarter and make changes based on stakeholder input.

Non-emergency Medical Transportation (NEMT)

MDHHS also plans to submit a Request for Proposal (RFP) by October 1, 2018 for a new NEMT contractor to serve Medicaid Fee-for-Service (FFS) beneficiaries in Wayne, Oakland and Macomb counties. The new contract will take effect April 1, 2019. The current contract is held by Logisticare.

Provider Enrollment Requirements

MDHHS currently requires providers billing Medicaid FFS to be enrolled with Medicaid to receive reimbursement for services. This requirement is not in place for MHPs at this time, but MDHHS will require the MHPs to begin denying claims from non-enrolled providers beginning January 1, 2019. MDHHS will also begin denying pharmacy claims from non-enrolled providers billing through Medicaid FFS and MHPs beginning July 1, 2019. In response to an inquiry regarding whether atypical providers will be required to enroll with Medicaid to receive payment for services, MDHHS staff indicated that discussions have taken place on this issue, but no date for implementation has been set.

Policy Updates

A policy bulletin handout was distributed to attendees and the following updates were discussed:

- Bulletin MSA 18-24 – Reinstatement of Adult Hearing Aid Coverage; Update to Disposable Hearing Aid Batteries and Replacement Earmold Coverage
- Bulletin MSA 18-21 – Timely Hearing Requests
- Proposed Policy 1825-HKD – New Dental Health Plan Choice for Healthy Kids Dental Beneficiaries
- Proposed Policy 1822-Pharmacy – Copayment Exemption for Drugs to Treat Mental Health Conditions and Substance Use Disorders
- Proposed Policy 1821-Lab - Ordering of Genetic Laboratory Services by Physician Assistants (PAs), Registered Nurse Practitioners (NPs), and Certified Nurse Midwives (CNMs)

The meeting was adjourned at 3:00 p.m.