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