State Innovation Model-Report 2

(FY2017 Appropriation Act - Public Act 268 of 2016)

September 1, 2017

Sec. 1144. (1) From the funds appropriated in part 1 for health policy administration, the department shall allocate the federal state innovation model grant funding that supports implementation of the health delivery system innovations detailed in this state's "Reinventing Michigan's Health Care System: Blueprint for Health Innovation" document. This initiative will test new payment methodologies, support improved population health outcomes, and support improved infrastructure for technology and data sharing and reporting. The funds will be used to provide financial support directly to regions participating in the model test and to support statewide stakeholder guidance and technical support.

(2) Outcomes and performance measures for the initiative under subsection(1) include, but are not limited to, the following:

(a) Increasing the number of physician practices fulfilling patient-centered medical home functions.

(b) Reducing inappropriate health utilization, specifically reducing preventable emergency department visits, reducing the proportion of hospitalizations for ambulatory sensitive conditions, and reducing this state's 30-day hospital readmission rate.

(3) By March 1 and September 1 of the current fiscal year, the department shall submit a written report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the status of the program and progress made since the prior report.

(4) From the funds appropriated in part 1 for health policy administration, any data aggregator created as part of the allocation of the federal state innovation model grant funds must meet the following standards:

(a) The primary purpose of the data aggregator must be to increase the quality of health care delivered in this state, while reducing costs.

(b) The data aggregator must be governed by a nonprofit entity.

(c) All decisions regarding the establishment, administration, and modification of the database must be made by an advisory board. The membership of the advisory board must include the director of the department or a designee of the director and representatives of health carriers, consumers, and purchasers.

(d) The data aggregator must receive health care claims information from, without limitation, commercial health carriers, nonprofit health care corporations, health maintenance organizations, and third party administrators that process claims under a service contract.

(e) The data aggregator must use existing data sources and technological infrastructure, to the extent possible.

State Innovation Model (SIM)

Section 1144, FY 17 MDHHS Budget Report II

Policy, Planning, and Legislative Services Administration

State Innovation Model (SIM)

Contents

1 State Innovation Model Executive Summary

In 2015, the Centers for Medicare and Medicaid Services (CMS) awarded the State of Michigan nearly $70 million over 4 years to test and implement an innovative model for delivering and paying for health care in the state. The award, made through the CMS State Innovation Model (SIM) initiative, was based on a plan submitted by the state in 2014, "Reinventing Michigan's Health Care System: Blueprint for Health Innovation."

The state, through the Michigan Department of Health and Human Services (MDHHS), has organized the work of implementing its SIM initiative under three main umbrellas: Population Health, Care Delivery, and Technology. The Population Health component has at its foundation community health innovation regions, or CHIRs (pronounced "shires"), which are intended to build community capacity to drive improvements in population health. Within CHIRs, accountable systems of care (ASCs) promote healthcare delivery system improvements that align with regional priorities and support connections between healthcare and community-based organizations. The Care Delivery component encompasses a patient-centered medical home (PCMH) initiative and the promotion of alternative payment models. The Technology component is where the state is leveraging its statewide infrastructure and related health information exchange (HIE) initiatives to enable and support advances in population health and payment and care delivery strategies.

Recognizing that clinical care accounts for only 10 to 20 percent of health outcomes while social and environmental factors account for 50 to 60 percent of health outcomes, the state has focused efforts in each of these areas on developing and strengthening connections among providers of clinical care (e.g., physician offices, health systems, and behavioral health providers) and community-based organizations that address social determinants of health. Clinical-community linkages are emphasized heavily in the state's guidance for both CHIRs and PCMHs participating in the SIM initiative. Alternative payment models can provide a way for clinical providers to receive financial support for connecting patients to community resources, and the state's technology solutions support the exchange of health information among partners.

1.1 Population Health Components

Community Health Innovation Regions

Community Health Innovation Regions (CHIRs) form the foundation of the Population Health component of the SIM initiative. A CHIR is a broad partnership of community organizations, local government agencies, business entities, health care providers, payers, and community members that come together to identify and implement strategies that address community priorities. The state has selected five regions of the state in which to test the CHIR model. Each of the five SIM CHIRs is supported by a backbone organization that serves as a fiduciary and acts as a neutral convener for the CHIR's governing body.

CHIR Regions and Backbone Organizations

CHIR Region	Backbone Organization
Genesee Region	Greater Flint Health Coalition
Jackson County	Jackson Health Improvement Organization
Muskegon Region	Muskegon Health Project
Northern Region	Northern Michigan Public Health Alliance
Washtenaw & Livingston Counties	Center for Healthcare Research and Transformation

The overarching mission of each CHIR is to align priorities across health and community organizations and support the broad membership of the CHIR in developing and implementing improvement strategies. Specifically, CHIRs will assess community needs, define regional health priorities, support regional planning, increase awareness of community-based services, and increase linkages between health entities and systems. All CHIRs are required to focus initially on reducing emergency department utilization, which is a statewide priority, while also assessing community needs and identifying region-specific health improvement goals.

Each CHIR backbone organization receives a fixed base level of SIM funding to support administrative functions and a health improvement budget that varies based on the number of Medicaid beneficiaries in the region. Health improvement funding is to be used to support actions and interventions proposed by CHIRs, such as designing and implementing community-clinical linkages activities or other programs, policies and/or environmental strategies for population health improvement of the SIM target populations. Each CHIR is required to develop a comprehensive plan to fulfill the CHIR requirements. These local operational plans include a 3-year budget and timeline for the overall activities of each CHIR across the entire SIM period, and will be updated annually. After an initial planning and implementation period, all CHIRs are expected to be fully operational in early 2018.

Accountable Systems of Care

Accountable systems of care (ASCs) are health systems, physician organizations, or physician hospital organizations in the five CHIR regions who are committed to supporting the community priorities and health improvement activities as identified by local CHIR governance bodies. ASC participation in a CHIR includes participating in decision making, aligning with the priorities and goals of the CHIR, and using SIM grant funding to implement projects in support of the community health priorities. ASCs in the regions are expected to be critical partners in the development of community-clinical linkages, especially through their relationships with PCMHs.

1.2 Care Delivery

Patient-Centered Medical Home

With the state's focus on person- and family-centered care and strong evidence that the PCMH model delivers better outcomes than traditional primary care, the patient-centered

medical home has been viewed, from the outset, as the foundation for a transformed healthcare system in Michigan. The SIM PCMH Initiative is built upon the principles of a patient-centered medical home that generally define the model regardless of the designating organization. Particular value is placed on core functions of a medical home such as enhanced access, whole person care, and expanded care teams that focus on comprehensive coordinated care.

Following the release of an Intent to Participate (ITP) process in fall 2016 to PCMH-accredited organizations within the five SIM CHIR regions and to current Michigan Primary Care Transformation (MiPCT) project participants across the state, the state identified approximately 350 practices interested in and eligible for participation in the PCMH Initiative. These practices represent over 2,000 primary care providers and collectively serve all of the Medicaid beneficiaries affiliated with these practices and providers. Approximately 60 percent of the practices are in a SIM CHIR region.

As a condition of participation in the initiative, PCMHs are required to select and work toward two practice transformation objectives. All participating PCMHs are required to work toward the practice transformation objective of developing clinical-community linkages. This requirement can be satisfied by development of partnerships between the primary care practices and community-based organizations that provide services and resources that address significant socioeconomic needs of the practice's patient population. Practices based within a SIM CHIR region are encouraged to work in close collaboration with CHIR partners to develop clinical-community linkage processes and support the alignment of interests and goals among healthcare and community-based organizations. In addition, practices must select a secondary practice transformation objective from among a list of 11 approved activities, including telehealth adoption, medication management, group visit implementation, and integrated clinical decision making.

The state has established a payment model specific to the SIM PCMH Initiative to support practice transformation and care coordination. Each practice participating in the PCMH initiative will receive payments for its attributed Medicaid beneficiaries. Practices will receive $1.25 per member per month (PMPM) to support practice transformation (i.e., investment in practice infrastructure and capabilities) and a PMPM care management and coordination payment that varies by type of Medicaid beneficiary from $3.00 to $8.00. The participating payers are 11 Michigan Medicaid Health Plans.

Alternative Payment Models

In developing its model for health system transformation, the state understood the importance of providing incentives for delivering care based on value rather than on the number of services delivered. Alternative payment models (APMs) provide incentive payments to healthcare practices for providing high-quality and cost-efficient care. The state is working to promote the use of APMs through two primary strategies: (1) setting goals for the use of APMs, starting with payers in the Michigan Medicaid program, and (2) creating a multi-payer payment and service delivery model, including a formal partnership with CMS for Medicare alignment. The overarching goal is to promote service delivery innovation and maximize the opportunities for providers to receive enhanced reimbursement for improving patient health.

In support of the first strategy, the state collected comprehensive baseline information on Medicaid health plan participation in APMs, and they are convening an APM workgroup to engage health plan stakeholders in developing appropriate goals for the percentage of payments that Medicaid health plans are making using APMs. The first goal will go into effect as part of MDHHS' Medicaid managed care contract on October 1, 2017.

The second strategy will involve working with CMS to develop a Custom Medicare Participation Option. This work is on hold as the state awaits guidance from CMS that reflects the priorities of the new federal administration.

1.3 Technology

SIM Initiative Technology Support
The Michigan State Innovation Model technology component will support ongoing state efforts to enhance the exchange of electronic health information and will support our vision for health care transformation with three core objectives. These include: (1) enabling State Innovation Model program performance, evaluation, and reporting; (2) supporting care coordination; and (3) providing a population health toolset to support greater interoperability between health care and community entities.

Michigan has established the Relationship and Attribution Management Platform (RAMP) to ensure a foundation for supporting care coordination and identifying relationships between patients and providers. RAMP either currently supports or will support several critical aspects of care management and coordination, including a health provider directory, a system for tracking active care relationships between patients and healthcare providers, exchange of quality-related data and performance results, and sending admission-discharge-transfer (ADT) notifications. Leveraging the statewide health information exchange infrastructure in the development of RAMP allows the state to take advantage of a widespread network of networks to increase interoperability and support the goals of the initiative.

1.4 SIM Program Management

Governance Structure
In June of 2017 an updated SIM organization and governance structure was established. The expansion of leadership and governance includes departmental leads from the Medical Services Administration, Population Health & Community Services and Policy, Planning and Legislative Services. This expanded representation ensures the work funded by the SIM grant is aligned with broader departmental goals and objectives. Regular monthly governance meetings where status, planning, issues, risks and other program-related topics are discussed and resolutions and mitigations formulated. This input and guidance has been essential in the current annual SIM planning cycle and ongoing operations of the SIM grant program

Program and Portfolio Management
The Policy, Planning and Legislative Services Administration continues to operate a chartered program management office, the State Innovation Model Program Management and Delivery Office (SIM PMDO), to establish an effective and formal authoritative framework to coordinate, support, track, manage and report on the portfolio of projects,

activities and related endeavors that will be required over the lifetime of the State Innovation Model Test initiative in Michigan. The Program Management and Delivery Office is responsible for maturing and evolving the department's SIM program vision, strategy, best practices, standards, and other custom processes. Additional and significant support is being provided to the portfolio of component project management. The PMDO mandate also includes operating an integrated operative governance model across all SIM components that includes program, project, operational and executive representation required to establish, guide, and provide oversight.

The SIM Program Management and Delivery Office (PMDO) continues to plan, implement and manage the program operational model, ensuring strategy is realized and effective processes followed. Analysis of key component and program performance indicators and other operational data is used to identify potential gaps or other inefficiencies. Adjustments or other potential modifications share analyzed and solutions, synthesized, approved and applied to more effectively and efficiently drive the mission and goals of the SIM program. The PMDO process improvement analysis also resulted in the identification and development of a robust but streamlined deliverable review and approval process, aligned with project-, program-, and executive governance. The Program Management and Delivery Office diligently applies proven program and project management processes and other custom organization and initiative controls required to meet the State Innovation Model Test near-, mid- and long-term business requirements and goals.

2 Legislative Update

2.1 Population Health

Key accomplishments for this time period included:

- Final transition from planning and foundational work to operational state
- Disbursing of administrative, transformational and operational funds
- Bolstering CHIR readiness with System Change (ABLe) Collective Impact, Health Disparities, and Clinical-Community Linkages planning and strategy development
- Final approval provided for CHIR governance, local operation plans, and health information technology implementations
- Strengthening and growing partnership both within and across CHIR regions
- Developing new, shared approaches to data sharing

2.2 Care Delivery

Patient-Centered Medical Home

The SIM PCMH Initiative continues to enable Medicaid funding for patient-centered transformation and provide opportunities to increase the number of practices involved in multi-payer primary care transformation. The Care Delivery team continues to work closely with the Department's Medical Services Administration managed care team to operationalize actuarially sound Care Management and Coordination, and Practice

Transformation rates for Initiative Participants approved by Care Delivery and Payment Reform Component Governance and facilitated Medicaid Health Plan relationship and acceptance of delivery and payment model through regular participation in MHP Operations meetings and facilitation of data inquiries. This work provided a foundation for the launch of the Initiative on January 1, 2017, and will continues to be critical as we move into calendar year 2018.

Through technical assistance webinars, meetings and other communications, the team continues to support the activities previously described, and continue to bolster participating practices through the expansion and enhancement of the PCMH Initiative Participant Guide. Additional efforts have been focused on operating and improving the Relationship Attribution Management Platform (RAMP) as the foundation for patient population identification and payment facilitation, with successful execution of the RAMP process occurring in January. Finally, significant efforts have been geared towards the development of Initiative Participants support opportunities. These supports include the drafting of Practice Transformation Collaborative Learning structure, Care Manager training curriculum, billing and coding learning support, and other opportunities to effectively engage participants and support overall success.

Alternative Payment Models

The MDHHS State Innovation Model team has worked closely with the Medical Services Administration Managed Care team to implement critical elements of the SIM alternative payment methodology (APM) strategy through the fiscal year (FY) 2017 Medicaid health plan (MHP) contract. MDHHS has adopted the Healthcare Payment Learning and Action Network APM Framework as a method of organizing and classifying types of provider payment across four primary categories and eight sub-categories. The APM Framework is one of the most widely used approaches for both organizing and measuring APM progress, shown by moving upward in the main categories (for example from category two to category four). Each Medicaid Health Plan has submitted baseline APM information to MDHHS in an effort to better understand the range of current health plan provider payment methodologies and the extent to which payment approaches which represent APMs are currently in use. MDHHS has accepted nominees from Medicaid health plans to serve as part of an APM workgroup tasked with advising the Department on appropriate APM goal framework and will be beginning the workgroup soon. Over the course of spring and early summer, MDHHS will collaborate with MHPs through the APM workgroup to develop compliance and performance approaches to increase APM adoption and use. Each MHP will have an APM goal(s) established by August and MHPs will submit a plan with actions beginning October 1, 2017, to achieve their APM goal(s).

MDHHS has placed a temporary pause on efforts targeted toward implementing multi-payer payment reform opportunities such as a Custom Medicare Participation Option. The federal administrative transition has led to significant ambiguity regarding the future of the primary multi-payer mechanism SIM was working toward, including both uncertainty on federal partners' ability to commit to pursuing a multi-payer approach with the State of Michigan and the guidance under which a multi-payer effort would be designed and operated.

2.3 Technology

Key Accomplishments to Date:

- Onboarding Medicaid Health Plans and PO organization to key technology use cases to facilitate attribution and quality measure alignment.
- Hardening and expanding the Relationship Attribution Management Platform.
- A set of quality and utilization measures have been defined and approved in alignment with CMS reporting requirements. Development is in process to produce and report out the quality and utilization measures within the agreed CMS reporting periods.

3 Evaluation

3.1 Legislative Update

The Michigan SIM evaluation team is synthesizing information from varied sources, including: project monitoring reports, model performance metrics, Medicaid claims data analyses, as well as qualitative and quantitative findings gleaned from surveys, interviews, and focus groups with SIM and non-SIM patients, providers, and community organizations. Information gathered and aggregated from these sources will be assessed in relation to outcomes among comparison regions and beneficiaries.

Evaluation is working to align with the Center for Medicare and Medicaid Services, the state legislature, and the Michigan Department of Health and Human Services to produce evaluation questions pertinent to all stakeholders. These overarching evaluation questions address the extent to which SIM-facilitated interventions within CHIRs and PCMHs are effective and scalable across Michigan. Examples include:

Which clinical preventive services are more or less suited for delivery through a clinical community relationship?
Are particular types of community resources more successful at linkages in particular types of communities?
To what extent does patient health literacy influence the likelihood of a successful Clinical-Community Linkage?
In general, analyses will examine the overall effects of PCMH and CHIR interventions on population health outcomes, health equity, and community-clinical linkages. Additionally, the extent to which future advancement in Michigan's HIE infrastructure can be attributed to SIM investments, as well as the impact of those advancements, will be an evaluation focus. Assessment of the progress of payment reform for both health care and community or social services is the final component of Michigan's SIM evaluation.

Over the past six months, the SIM evaluation team has revised the overall evaluation plan to focus on the significant refinement of planned surveys and qualitative data collection activities. Updates to Michigan's SIM evaluation measure set and specifications for each have been developed pursuant to the new partnerships to compute Medicaid-claims-based clinical quality measures for quarterly CMS reporting

3.2 Legislative Metrics and Measures

Section 1144 of the legislative boilerplate contained mandates for metrics to be collected around Michigan's State Innovation Model (SIM). The list of metrics mandated included:
1) Increasing number of physician's practices in PCMH
2) Reducing preventable Emergency Department visits
3) Reducing hospitalization for ambulatory sensitive conditions and
4) Reducing the state's 30 day hospital readmissions rate. For this semi-annual report we are considering the dates between 10/01/2015-09/30/2016 to collect baseline metrics for the SIM project. In this report you will find metrics on:

- Rate of Ambulatory ED Visits per 1000 Member Months
- Rate of Acute Inpatient Stays per 1000 Member Months
- 30-day Readmission (Excluding and Including Mental Health)
- Increasing number of physician's practices in PCMH

We are not reporting on Reducing Preventable Emergency Department visits for this reporting cycle, but plans are in place to produce this metric in subsequent legislative reports. The metrics are also, for your convenience and understanding, displayed by the five SIM regions as well as the type of insurance, better demonstrating how each regions is doing compared to the others, as well as which group of Medicaid Beneficiaries may require more targeted interventions and operational considerations.

Rate of Ambulatory ED Visits per 1000 Member Months (FY2016 10/01/2015-09/30/2016)

CHIR	County	Includes Member-Months with Other Insurance (with TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	5024	65761	76.4	29771	319275	93.2	6236	83978	74.3	20462	334040	61.3	61493	803054	76.6	9313	117366	79.4
CHIR 2: Jackson	Jackson	2118	19835	106.8	11329	86736	130.6	2529	26255	96.3	7249	87705	82.7	23225	220531	105.3	2936	35614	82.4
CHIR 3: Muskegon	Muskegon	2964	30423	97.4	17072	112579	151.6	4366	37581	116.2	12274	111745	109.8	36676	292328	125.5	5093	52208	97.6
CHIR 4: Northern	Antrim	156	2441	63.9	705	8944	78.8	201	4337	46.3	631	12827	49.2	1693	28549	59.3	250	4588	54.5
	Benzie	150	1840	81.5	630	6398	98.5	255	3409	74.8	566	9148	61.9	1601	20795	77.0	244	3332	73.2
	Charlevoix	177	3042	58.2	749	8097	92.5	269	4686	57.4	676	11690	57.8	1871	27515	68.0	239	4360	54.8
	Emmet	261	3784	69.0	781	9711	80.4	468	7148	65.5	996	16381	60.8	2506	37024	67.7	325	5297	61.4
	Grand Trav	762	10148	75.1	2556	25594	99.9	1281	16023	79.9	2805	38382	73.1	7404	90147	82.1	1244	16699	74.5
	Kalkaska	190	2435	78.0	813	9928	81.9	260	3451	75.3	728	12204	59.7	1991	28018	71.1	335	5176	64.7
	Leelanau	164	2396	68.4	253	2913	86.9	217	3681	59.0	359	6085	59.0	993	15075	65.9	139	1761	78.9
	Manistee	324	3774	85.9	1271	10855	117.1	337	5202	64.8	995	14622	68.0	2927	34453	85.0	513	6371	80.5
	Missaukee	139	2149	64.7	570	6975	81.7	177	2629	67.3	497	8789	56.5	1383	20542	67.3	185	3745	49.4
	Wexford	458	4945	92.6	2395	20932	114.4	572	6814	83.9	1580	22747	69.5	5005	55438	90.3	781	10176	76.7
	CHIR 4 All	2781	36954	75.3	10723	110347	97.2	4037	57380	70.4	9833	152875	64.3	27374	357556	76.6	4255	61505	69.2
CHIR 5: Washtenaw	Livingston	729	12672	57.5	3423	36331	94.2	1128	16893	66.8	3703	50639	73.1	8983	116535	77.1	1231	14413	85.4
	Washtenaw	1926	32884	58.6	8658	95880	90.3	3184	54510	58.4	8286	138280	59.9	22054	321554	68.6	3585	46020	77.9
	CHIR 5 All	2655	45556	58.3	12081	132211	91.4	4312	71403	60.4	11989	188919	63.5	31037	438089	70.8	4816	60433	79.7
Overall Total (All CHIRs)		15542	198529	78.3	80976	761148	106.4	21480	276597	77.7	61807	875284	70.6	179805	2111558	85.2	26413	327126	80.7

Rate of Ambulatory ED Visits per 1000 Member Months (FY2016 10/01/2015-09/30/2016) (continued)

CHIR	County	Excludes Member-Months with Other Insurance (no TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	3997	38014	105.1	29269	309640	94.5	5555	60078	92.5	19998	322200	62.1	58819	729932	80.6	9075	109163	83.1
CHIR 2: Jackson	Jackson	1547	10467	147.8	11112	83960	132.3	2183	17930	121.8	7098	84643	83.9	21940	197000	111.4	2833	33567	84.4
CHIR 3: Muskegon	Muskegon	2357	15416	152.9	16677	108544	153.6	3799	23823	159.5	11957	107231	111.5	34790	255014	136.4	5009	50077	100.0
CHIR 4: Northern	Antrim	116	1351	85.9	684	8646	79.1	183	2710	67.5	613	12433	49.3	1596	25140	63.5	245	4314	56.8
	Benzie	117	1124	104.1	625	6213	100.6	210	2330	90.1	553	8853	62.5	1505	18520	81.3	241	3207	75.1
	Charlevoix	138	1648	83.7	742	7858	94.4	233	3269	71.3	667	11378	58.6	1780	24153	73.7	239	4143	57.7
	Emmet	217	2287	94.9	761	9303	81.8	404	5160	78.3	983	15899	61.8	2365	32649	72.4	320	4991	64.1
	Grand Trav	557	5770	96.5	2475	24560	100.8	1129	10926	103.3	2749	36930	74.4	6910	78186	88.4	1200	15501	77.4
	Kalkaska	146	1327	110.0	801	9590	83.5	203	2158	94.1	703	11743	59.9	1853	24818	74.7	329	4847	67.9
	Leelanau	142	1703	83.4	237	2732	86.7	186	2725	68.3	353	5898	59.9	918	13058	70.3	139	1617	86.0
	Manistee	294	2266	129.7	1258	10561	119.1	309	3486	88.6	981	14216	69.0	2842	30529	93.1	511	6066	84.2
	Missaukee	101	1111	90.9	561	6784	82.7	146	1625	89.8	481	8454	56.9	1289	17974	71.7	178	3557	50.0
	Wexford	353	2612	135.1	2363	20279	116.5	518	4136	125.2	1547	21960	70.4	4781	48987	97.6	771	9757	79.0
	CHIR 4 All	2181	21199	102.9	10507	106526	98.6	3521	38525	91.4	9630	147764	65.2	25839	314014	82.3	4173	58000	71.9
CHIR 5: Washtenaw	Livingston	512	5186	98.7	3335	34461	96.8	919	9805	93.7	3577	48513	73.7	8343	97965	85.2	1226	13037	94.0
	Washtenaw	1459	17444	83.6	8425	91519	92.1	2771	35575	77.9	8058	131478	61.3	20713	276016	75.0	3501	42079	83.2
	CHIR 5 All	1971	22630	87.1	11760	125980	93.3	3690	45380	81.3	11635	179991	64.6	29056	373981	77.7	4727	55116	85.8
Overall Total (All CHIRs)		12053	107726	111.9	79325	734650	108.0	18748	185736	100.9	60318	841829	71.7	170444	1869941	91.1	25817	305923	84.4

Rate of Acute Inpatient Stays per 1000 Member Months (FY2016 10/01/2015-09/30/2016)

ç	County	Includes Member-Months with Other Insurance (with TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	1074	65761	16.3	6162	319275	19.3	1013	83978	12.1	2894	334040	8.7	11143	803054	13.9	1863	117366	15.9
CHIR 2: Jackson	Jackson	325	19835	16.4	1637	86736	18.9	343	26255	13.1	794	87705	9.1	3099	220531	14.1	444	35614	12.5
CHIR 3: Muskegon	Muskegon	308	30423	10.1	1532	112579	13.6	240	37581	6.4	760	111745	6.8	2840	292328	9.7	487	52208	9.3
CHIR 4: Northern	Antrim	41	2441	16.8	130	8944	14.5	44	4337	10.1	74	12827	5.8	289	28549	10.1	57	4588	12.4
	Benzie	30	1840	16.3	93	6398	14.5	39	3409	11.4	65	9148	7.1	227	20795	10.9	47	3332	14.1
	Charlevoix	31	3042	10.2	94	8097	11.6	33	4686	7.0	77	11690	6.6	235	27515	8.5	29	4360	6.7
	Emmet	74	3784	19.6	163	9711	16.8	65	7148	9.1	116	16381	7.1	418	37024	11.3	63	5297	11.9
	Grand Trav	191	10148	18.8	417	25594	16.3	187	16023	11.7	291	38382	7.6	1086	90147	12.0	217	16699	13.0
	Kalkaska	37	2435	15.2	145	9928	14.6	40	3451	11.6	92	12204	7.5	314	28018	11.2	59	5176	11.4
	Leelanau	30	2396	12.5	38	2913	13.0	36	3681	9.8	52	6085	8.5	156	15075	10.3	20	1761	11.4
	Manistee	55	3774	14.6	180	10855	16.6	43	5202	8.3	86	14622	5.9	364	34453	10.6	59	6371	9.3
	Missaukee	52	2149	24.2	103	6975	14.8	19	2629	7.2	59	8789	6.7	233	20542	11.3	36	3745	9.6
	Wexford	88	4945	17.8	344	20932	16.4	56	6814	8.2	142	22747	6.2	630	55438	11.4	127	10176	12.5
	CHIR 4 All	629	36954	17.0	1707	110347	15.5	562	57380	9.8	1054	152875	6.9	3952	357556	11.1	714	61505	11.6
CHIR 5: Washtenaw	Livingston	157	12672	12.4	502	36331	13.8	168	16893	9.9	387	50639	7.6	1214	116535	10.4	162	14413	11.2
	Washtenaw	372	32884	11.3	1593	95880	16.6	435	54510	8.0	913	138280	6.6	3313	321554	10.3	647	46020	14.1
	CHIR 5 All	529	45556	11.6	2095	132211	15.8	603	71403	8.4	1300	188919	6.9	4527	438089	10.3	809	60433	13.4
Overall Total (All CHIRs)		2865	198529	14.4	13133	761148	17.3	2761	276597	10.0	6802	875284	7.8	25561	2111558	12.1	4317	327126	13.2

Rate of Acute Inpatient Stays per 1000 Member Months (FY2016 10/01/2015-09/30/2016) (continued)

CHIR	County	Excludes Member-Months with Other Insurance (no TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate	Num.	Den.	Rate
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	770	38014	20.3	6035	309640	19.5	889	60078	14.8	2844	322200	8.8	10538	729932	14.4	1803	109163	16.5
CHIR 2: Jackson	Jackson	216	10467	20.6	1599	83960	19.0	297	17930	16.6	785	84643	9.3	2897	197000	14.7	430	33567	12.8
CHIR 3: Muskegon	Muskegon	210	15416	13.6	1491	108544	13.7	226	23823	9.5	743	107231	6.9	2670	255014	10.5	483	50077	9.6
CHIR 4: Northern	Antrim	27	1351	20.0	126	8646	14.6	38	2710	14.0	73	12433	5.9	264	25140	10.5	56	4314	13.0
	Benzie	19	1124	16.9	90	6213	14.5	33	2330	14.2	61	8853	6.9	203	18520	11.0	47	3207	14.7
	Charlevoix	16	1648	9.7	90	7858	11.5	29	3269	8.9	77	11378	6.8	212	24153	8.8	29	4143	7.0
	Emmet	44	2287	19.2	158	9303	17.0	56	5160	10.9	115	15899	7.2	373	32649	11.4	63	4991	12.6
	Grand Trav	110	5770	19.1	401	24560	16.3	160	10926	14.6	287	36930	7.8	958	78186	12.3	213	15501	13.7
	Kalkaska	26	1327	19.6	143	9590	14.9	30	2158	13.9	89	11743	7.6	288	24818	11.6	59	4847	12.2
	Leelanau	19	1703	11.2	34	2732	12.4	32	2725	11.7	52	5898	8.8	137	13058	10.5	19	1617	11.8
	Manistee	39	2266	17.2	178	10561	16.9	39	3486	11.2	85	14216	6.0	341	30529	11.2	58	6066	9.6
	Missaukee	29	1111	26.1	101	6784	14.9	18	1625	11.1	57	8454	6.7	205	17974	11.4	35	3557	9.8
	Wexford	43	2612	16.5	331	20279	16.3	49	4136	11.8	139	21960	6.3	562	48987	11.5	125	9757	12.8
	CHIR 4 All	372	21199	17.5	1652	106526	15.5	484	38525	12.6	1035	147764	7.0	3543	314014	11.3	704	58000	12.1
CHIR 5: Washtenaw	Livingston	90	5186	17.4	480	34461	13.9	141	9805	14.4	379	48513	7.8	1090	97965	11.1	160	13037	12.3
	Washtenaw	279	17444	16.0	1554	91519	17.0	390	35575	11.0	894	131478	6.8	3117	276016	11.3	635	42079	15.1
	CHIR 5 All	369	22630	16.3	2034	125980	16.1	531	45380	11.7	1273	179991	7.1	4207	373981	11.2	795	55116	14.4
Overall Total (All CHIRs)		1937	107726	18.0	12811	734650	17.4	2427	185736	13.1	6680	841829	7.9	23855	1869941	12.8	4215	305923	13.8

30-day Readmission, Excluding Mental Health FY2016 (10/01/2015-09/30/2016)

CHIR	County	Includes Beneficiaries with Other Insurance (with TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	65	345	18.8	724	3101	23.3	79	714	11.1	240	1789	13.4	1108	5949	18.6	60	1321	4.5
CHIR 2: Jackson	Jackson	9	84	10.7	117	714	16.4	22	245	9.0	49	484	10.1	197	1527	12.9	5	311	1.6
CHIR 3: Muskegon	Muskegon	6	68	8.8	74	522	14.2	10	155	6.5	35	426	8.2	125	1171	10.7	3	306	1.0
CHIR 4: Northern	Antrim	0	9	0.0	3	39	7.7	4	27	14.8	1	32	3.1	8	107	7.5	0	43	0.0
	Benzie	0	4	0.0	3	33	9.1	0	27	0.0	3	38	7.9	6	102	5.9	0	36	0.0
	Charlevoix	0	1	0.0	2	17	11.8	0	22	0.0	1	30	3.3	3	70	4.3	0	14	0.0
	Emmet	2	13	15.4	9	60	15.0	1	45	2.2	2	50	4.0	14	168	8.3	0	39	0.0
	Grand Trav	6	44	13.6	25	150	16.7	11	121	9.1	19	190	10.0	61	505	12.1	0	160	0.0
	Kalkaska	3	15	20.0	7	47	14.9	6	26	23.1	6	49	12.2	22	137	16.1	0	40	0.0
	Leelanau	1	6	16.7	1	9	11.1	5	24	20.8	7	30	23.3	14	69	20.3	0	13	0.0
	Manistee	1	15	6.7	19	72	26.4	3	24	12.5	1	41	2.4	24	152	15.8	0	32	0.0
	Missaukee	0	12	0.0	2	33	6.1	0	14	0.0	2	34	5.9	4	93	4.3	0	28	0.0
	Wexford	1	10	10.0	35	137	25.5	2	41	4.9	10	84	11.9	48	272	17.6	1	94	1.1
	CHIR 4 All	14	129	10.9	106	597	17.8	32	371	8.6	52	578	9.0	204	1675	12.2	1	499	0.2
CHIR 5: Washtenaw	Livingston	3	41	7.3	28	159	17.6	6	101	5.9	34	204	16.7	71	505	14.1	0	113	0.0
	Washtenaw	9	83	10.8	129	668	19.3	37	359	10.3	90	534	16.9	265	1644	16.1	23	477	4.8
	CHIR 5 All	12	124	9.7	157	827	19.0	43	460	9.3	124	738	16.8	336	2149	15.6	23	590	3.9
Overall Total (All CHIRs)		106	750	14.1	1178	5761	20.4	186	1945	9.6	500	4015	12.5	1970	12471	15.8	92	3027	3.0

30-day Readmission, Excluding Mental Health FY2016 (10/01/2015-09/30/2016) (continued)

CHIR	County	Excludes Beneficiaries with Other Insurance (no TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	60	289	20.8	721	3072	23.5	77	658	11.7	239	1762	13.6	1097	5781	19.0	54	1269	4.3
CHIR 2: Jackson	Jackson	7	66	10.6	117	705	16.6	21	223	9.4	48	476	10.1	193	1470	13.1	5	301	1.7
CHIR 3: Muskegon	Muskegon	6	59	10.2	73	518	14.1	10	149	6.7	35	420	8.3	124	1146	10.8	3	303	1.0
CHIR 4: Northern	Antrim	0	8	0.0	3	38	7.9	4	25	16.0	1	32	3.1	8	103	7.8	0	42	0.0
	Benzie	0	4	0.0	3	32	9.4	0	23	0.0	3	36	8.3	6	95	6.3	0	36	0.0
	Charlevoix	0	1	0.0	2	17	11.8	0	22	0.0	1	30	3.3	3	70	4.3	0	14	0.0
	Emmet	2	12	16.7	9	60	15.0	1	39	2.6	2	50	4.0	14	161	8.7	0	39	0.0
	Grand Trav	5	39	12.8	25	148	16.9	11	109	10.1	19	188	10.1	60	484	12.4	0	157	0.0
	Kalkaska	3	11	27.3	7	47	14.9	5	22	22.7	6	49	12.2	21	129	16.3	0	40	0.0
	Leelanau	1	6	16.7	1	9	11.1	4	23	17.4	7	30	23.3	13	68	19.1	0	12	0.0
	Manistee	1	13	7.7	19	72	26.4	3	23	13.0	1	40	2.5	24	148	16.2	0	31	0.0
	Missaukee	0	10	0.0	2	32	6.3	0	14	0.0	1	32	3.1	3	88	3.4	0	27	0.0
	Wexford	1	8	12.5	35	134	26.1	2	38	5.3	9	82	11.0	47	262	17.9	1	93	1.1
	CHIR 4 All	13	112	11.6	106	589	18.0	30	338	8.9	50	569	8.8	199	1608	12.4	1	491	0.2
CHIR 5: Washtenaw	Livingston	2	28	7.1	27	152	17.8	5	83	6.0	34	201	16.9	68	464	14.7	0	112	0.0
	Washtenaw	8	72	11.1	128	661	19.4	34	318	10.7	90	525	17.1	260	1576	16.5	23	468	4.9
	CHIR 5 All	10	100	10.0	155	813	19.1	39	401	9.7	124	726	17.1	328	2040	16.1	23	580	4.0
Overall Total (All CHIRs)		96	626	15.3	1172	5697	20.6	177	1769	10.0	496	3953	12.5	1941	12045	16.1	86	2944	2.9

30-day Readmission, Including Mental Health FY2016 (10/01/2015-09/30/2016)

CHIR	County	Includes Beneficiaries with Other Insurance (with TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	74	430	17.2	891	3860	23.1	110	957	11.5	376	2396	15.7	1451	7643	19.0	82	1547	5.3
CHIR 2: Jackson	Jackson	14	105	13.3	177	941	18.8	42	327	12.8	101	669	15.1	334	2042	16.4	7	403	1.7
CHIR 3: Muskegon	Muskegon	6	68	8.8	74	530	14.0	11	162	6.8	35	436	8.0	126	1196	10.5	3	327	0.9
CHIR 4: Northern	Antrim	0	9	0.0	3	40	7.5	4	28	14.3	2	35	5.7	9	112	8.0	0	43	0.0
	Benzie	0	4	0.0	3	58	5.2	1	43	2.3	3	57	5.3	7	162	4.3	0	58	0.0
	Charlevoix	0	1	0.0	2	19	10.5	0	24	0.0	1	34	2.9	3	78	3.8	0	14	0.0
	Emmet	2	13	15.4	12	63	19.0	1	46	2.2	2	53	3.8	17	175	9.7	0	39	0.0
	Grand Trav	6	44	13.6	26	155	16.8	14	136	10.3	22	206	10.7	68	541	12.6	0	162	0.0
	Kalkaska	3	15	20.0	8	48	16.7	8	28	28.6	6	50	12.0	25	141	17.7	0	40	0.0
	Leelanau	1	6	16.7	1	10	10.0	5	26	19.2	7	32	21.9	14	74	18.9	0	14	0.0
	Manistee	1	15	6.7	51	125	40.8	13	35	37.1	2	58	3.4	67	233	28.8	0	32	0.0
	Missaukee	0	12	0.0	2	33	6.1	0	14	0.0	3	36	8.3	5	95	5.3	0	28	0.0
	Wexford	1	11	9.1	35	137	25.5	2	42	4.8	12	90	13.3	50	280	17.9	1	98	1.0
	CHIR 4 All	14	130	10.8	143	688	20.8	48	422	11.4	60	651	9.2	265	1891	14.0	1	528	0.2
CHIR 5: Washtenaw	Livingston	4	50	8.0	44	257	17.1	16	171	9.4	46	308	14.9	110	786	14.0	1	125	0.8
	Washtenaw	37	157	23.6	207	928	22.3	129	598	21.6	176	874	20.1	549	2557	21.5	96	580	16.6
	CHIR 5 All	41	207	19.8	251	1185	21.2	145	769	18.9	222	1182	18.8	659	3343	19.7	97	705	13.8
Overall Total (All CHIRs)		149	940	15.9	1536	7204	21.3	356	2637	13.5	794	5334	14.9	2835	16115	17.6	190	3510	5.4

30-day Readmission, Including Mental Health FY2016 (10/01/2015-09/30/2016) (continued)

CHIR	County	Excludes Beneficiaries with Other Insurance (no TPL)															Duals		
		FFS			MC			HMP (No MC)			HMP-MC			Total					
		Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%	Num.	Den.	%
SIM CHIR Regions																			
CHIR 1: Genesee	Genesee	69	362	19.1	885	3823	23.1	104	878	11.8	375	2362	15.9	1433	7425	19.3	76	1487	5.1
CHIR 2: Jackson	Jackson	12	85	14.1	177	931	19.0	40	301	13.3	99	659	15.0	328	1976	16.6	7	392	1.8
CHIR 3: Muskegon	Muskegon	6	59	10.2	73	526	13.9	11	156	7.1	35	430	8.1	125	1171	10.7	3	324	0.9
CHIR 4: Northern	Antrim	0	8	0.0	3	39	7.7	4	26	15.4	2	35	5.7	9	108	8.3	0	42	0.0
	Benzie	0	4	0.0	3	57	5.3	1	39	2.6	3	55	5.5	7	155	4.5	0	58	0.0
	Charlevoix	0	1	0.0	2	19	10.5	0	24	0.0	1	34	2.9	3	78	3.8	0	14	0.0
	Emmet	2	12	16.7	12	63	19.0	1	40	2.5	2	53	3.8	17	168	10.1	0	39	0.0
	Grand Trav	5	39	12.8	26	153	17.0	13	123	10.6	22	204	10.8	66	519	12.7	0	159	0.0
	Kalkaska	3	11	27.3	8	48	16.7	7	24	29.2	6	50	12.0	24	133	18.0	0	40	0.0
	Leelanau	1	6	16.7	1	10	10.0	4	25	16.0	7	32	21.9	13	73	17.8	0	13	0.0
	Manistee	1	13	7.7	51	125	40.8	13	34	38.2	2	57	3.5	67	229	29.3	0	31	0.0
	Missaukee	0	10	0.0	2	32	6.3	0	14	0.0	2	34	5.9	4	90	4.4	0	27	0.0
	Wexford	1	9	11.1	35	134	26.1	2	39	5.1	11	88	12.5	49	270	18.1	1	97	1.0
	CHIR 4 All	13	113	11.5	143	680	21.0	45	388	11.6	58	642	9.0	259	1823	14.2	1	520	0.2
CHIR 5: Washtenaw	Livingston	3	37	8.1	43	249	17.3	15	150	10.0	46	303	15.2	107	739	14.5	1	124	0.8
	Washtenaw	36	141	25.5	205	919	22.3	119	530	22.5	170	855	19.9	530	2445	21.7	96	569	16.9
	CHIR 5 All	39	178	21.9	248	1168	21.2	134	680	19.7	216	1158	18.7	637	3184	20.0	97	693	14.0
Overall Total (All CHIRs)		139	797	17.4	1526	7128	21.4	334	2403	13.9	783	5251	14.9	2782	15579	17.9	184	3416	5.4

4 Budget

4.1 Legislative Update

The SIM program and its component initiatives highlighted in this report have been funded by the CMS/CMMI cooperative grant agreement. The table below highlights the specific expenditures across standard CMS grant budget categories. The contractual line includes the funding for numerous program and component planning, implementation and operational teams as well as other specific contractual needs to support the broader SIM goals. The expenditures across the categories below represents only the budgeted and realized in the 6 months that are encompassed in this report. The spending includes engagements facilitated though both direct State of Michigan master contractual agreements and other contracts and engagements through the designated SIM fiduciary, Michigan Public Health Institute.

Categories	Budgeted	Expenditures
Personnel	$ 171,248.00	$ 78,203.84
Fringe Benefits	$ 132,032.00	$ 56,155.95
Equipment	$ 16,038.00	$ -
Supplies	$ -	$ 4,160.87
Travel	$ 23,225.00	$ 2,310.08
Other	$ 39,690.00	$ -
Contractual	$ 30,332,631.27	$ 6,289,543.53
Total Direct Charges	$ 30,7145,864.27	$ 6,430,374.27
Indirect Cost	$ 202,452.00	$ -
Total	**$ 30,917,316.27**	**$ 6,430,374.27**

The expenditure time period is from 2/1/17 to 7/31/17.