

CSHCS ALERT #1-2023 - FY24 Executive Budget Recommendations and CSHCS Implications

Tue 2/14/2023 1:31 PM

To LHD CSHCS Colleagues,

As you may know, the FY24 Michigan Executive Budget Recommendation was released last week. Attached please find the description for a recommended new investment entitled Medicaid Access and Equity. I am quite pleased that CSHCS is included in this recommended new investment.

The first reference to CSHCS in the attached document is in the discussion on reimbursement rates for Medicaid services, and included in the list of services is CSHCS Care Coordination/Targeted Case Management. As you know, Local Health Department CSHCS programs bill for CSHCS care coordination and case management (CC/CM) services provided to clients. The revenue generated from this billing is in addition to the CSHCS base funding for local health departments. Typically, and pre-COVID, local health departments would generate in total about \$1.6M in revenue each year from this billing opportunity. The rates for CC/CM services have not increased since they were established over 15 years ago.

The second reference to CSHCS in the attached document describes the recommended CSHCS eligibility expansion for young adults. Currently, for most CSHCS qualifying conditions, coverage is provided up to age 21. This recommendation will raise the cutoff age to 26 years, bringing CSHCS eligibility in line with dependent coverage for young adults on their parents' insurance policies. This recommendation will also align CSHCS eligibility with eligibility for benefits through Michigan's Special Education services, and the Foster Care Transitional Medicaid Program. This would be a significant change for the CSHCS program, and one that should have a significant positive impact on young adults with special health care needs and their families as they transition from pediatric care to adult care. Young adults continue to have the highest uninsured rate of any age group. Young adults with disabilities and special needs are more likely to experience challenges accessing needed health care, are more likely to be uninsured, and are more likely to live in poverty than their peers without special needs. This recommended investment would address the inequitable access to services experienced by this population.

We have estimated that the proposed CSHCS eligibility expansion until age 26 would lead to a 22% increase in overall CSHCS enrollment. The executive budget recommendation includes a 22% increase in the CSHCS base funding for local health departments. This is of course good news, as an enrollment increase of this magnitude will certainly have an impact on local health departments. Please note that how the CSHCS LHD local funding formula would be impacted by the recommended base funding increase is yet to be determined.

Also of interest to CSHCS in this recommended new investment is the Metabolic Infant Formula rate increase (see attached).

Please keep in mind that the release of the Executive Budget Recommendation is the beginning of the budget process, and recommendations are just recommendations until they are included in the final budget that is passed by the legislature and signed by the Governor.

We are still awaiting more details on the recommended new investments described above, and therefore we may not have answers yet to questions. I have many questions that I am following up on and we will keep you updated as more details become available.

If you have questions on this topic, please send them to Dawn Adkins, CSHCS Executive Secretary, at AdkinsD@michigan.gov. Dawn will compile all of the questions received and then the CSHCS Division can respond as more information becomes available.

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