



Michigan Department of Health and Human Services  
Medical Services Administration

## Medical Care Advisory Council

### Meeting Minutes

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**Date:** Wednesday, March 13, 2019

**Time:** 1:00 p.m. – 4:30 p.m.

**Where:** Michigan Health & Hospital Association  
2112 University Park Drive  
Okemos, MI 48864

**Attendees:** **Council Members:** Kim Sigh, Bill Mayer, Chris George (for Amy Hundley), Alison Hirshel, Farah Jalloul, Lisa Dedden Cooper, Marilyn Litka-Klein, Kristen Reese, Dawne Velianoff, Mark Klammer, Barry Cargill, Dave Herbel, Alan Bolger (for Robert Sheehan), Jeff Towns, Dianne Haas, Linda Vail, April Stopczynski, Kate Kohn-Parrot, Warren White, Jim Milanowski, Melissa Samuel, Rebecca Blake

**Staff:** Kathy Stiffler, Farah Hanley, Erin Emerson, Brian Barrie, Brian Keisling, Jackie Prokop, Marie LaPres, Tom Curtis, Margo Sharp, Steven Prichard

**Other Attendees:** Salli Pung, Joe Pawluszka, Jane Pilditch

### **Welcome, Introductions, Announcements**

#### **MCAC Chair Update**

Jackie Prokop opened the meeting and introductions are made. Following introductions, Ms. Prokop announced that the position of Medical Care Advisory Council (MCAC) chairperson is now open. Kathy Stiffler asked meeting attendees to submit nominations for a new chairperson or indicate if they are interested in that role, and also proposed the idea of having more than one individual serve as a co-chair. Ms. Stiffler further noted that a new MCAC chair or co-chair is not likely to be selected until a full-time Medicaid director is in place.

### **Department Update**

#### **New Director – Robert Gordon**

Governor Whitmer appointed Robert Gordon to be the director of the Michigan Department of Health and Human Services (MDHHS) effective January 14, 2019. Most recently, Mr. Gordon served as senior vice president of finance and global strategy for the College Board, and has also held positions in the U.S. Department of Education and worked in the U.S. Office of Management and Budget during the administration of President Obama at the time of the Affordable Care Act's (ACA) development.

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### **Department Staffing and Structure**

Upon his appointment, Director Gordon received approval to restructure MDHHS by creating three new Chief Deputy Director positions to directly oversee different areas within the department. Two Chief Deputy Director positions have been filled to date: Elizabeth Hertel as Chief Deputy for Administration and Erin Frisch as Chief Deputy for Opportunity. As Chief Deputy for Administration, Ms. Hertel oversees services including External Affairs and Communications, Finance and Administration, and Legislative Services. As Chief Deputy for Opportunity, Ms. Frisch oversees the Field Operations Administration and the Children's Services Agency. In addition, Sarah Esty has been appointed the Director of the Policy and Planning Administration, and Jonathan Warsh now serves as Chief of Staff to Director Gordon. MDHHS is currently in the process of filling a third Chief Deputy position to oversee Health.

### **Medicaid Director Update**

MDHHS has conducted several interviews for the position of Medicaid director, but no decision has been made at this time. The department plans to continue accepting applications through the end of March 2019.

### **Budget Update**

Farah Hanley provided an update on the governor's Fiscal Year (FY) 2020 executive budget recommendation, which was released on March 4, 2019. A handout listing specific recommendations for MDHHS investments in FY20 was distributed, and several items were discussed.

### **Behavioral Health Updates**

#### **Section 298 Update**

Jane Pilditch, from the Michigan Public Health Institute (MPHI), provided an update on the progress of the Section 298 initiative to integrate behavioral health and physical health services. Several workgroups composed of external stakeholders, as well as sub-workgroups and committees within MDHHS, are continuing to meet to discuss various aspects of implementing the pilot sites on October 1, 2019. In addition, MDHHS is preparing to release a Request for Proposal (RFP) to select an existing Prepaid Inpatient Health Plan (PIHP) to manage the unenrolled population for the pilot sites and will begin the evaluation process for the Section 298 site implementation in partnership with the University of Michigan's Institute for Health Policy & Innovation (IHPI). Additional information about the Section 298 initiative is available on the MDHHS website at [www.michigan.gov/stakeholder298](http://www.michigan.gov/stakeholder298).

#### **Psychiatric Inpatient Hospital Rate Adjustment (HRA)**

Psychiatric Inpatient HRA payments are supplemental payments that are made after PIHPs pay inpatient psychiatric facilities. MDHHS is currently working to re-structure these payments in compliance with the federal Managed Care Rule from a pass-through payment

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model to a directed payment model. Under the directed payment model, MDHHS receives encounters from the PIHP and pays a uniform add-on of \$308 per day. This change further allows MDHHS to make Psychiatric HRA payments on behalf of Healthy Michigan Plan beneficiaries in addition to the Medicaid Fee-for-Service (FFS) population.

### **Direct Care Worker Minimum Wage and Autism**

MDHHS is working with the PIHPs to implement a wage increase for direct care workers in psychiatric inpatient hospitals of \$0.25 per hour, with a targeted effective date for this change of April 1, 2019. The department is also making policy adjustments to allow providers to bill in 15-minute increments for autism services.

### **Healthy Michigan Plan**

#### **Waiver Approval**

##### **Special Terms and Conditions**

On September 10, 2018, MDHHS submitted an amendment to the Healthy Michigan Plan Section 1115 Demonstration Waiver Renewal request to the Centers for Medicare & Medicaid Services (CMS), which received approval from CMS on December 21, 2018 with Special Terms and Conditions. As a result of the approval, the following changes to the Healthy Michigan Plan will take place on January 1, 2020:

- Healthy Michigan Plan Members must report at least 80 hours per month of work or other qualifying activities; and
- Beneficiaries with incomes above 100% FPL who have been enrolled in the Healthy Michigan Plan for 48 cumulative months must engage in a healthy behavior and contribute 5% of their income toward cost-sharing as a condition of continued eligibility for the Healthy Michigan Plan.

Governor Whitmer submitted an acceptance letter for the Special Terms and Conditions to CMS in which she indicated her intent to work with the legislature to make changes to PA 208 of 2018. A copy of the Special Terms and Conditions Acceptance letter is available on the MDHHS website at [www.michigan.gov/healthymichiganplan](http://www.michigan.gov/healthymichiganplan).

##### **What was not approved**

Kathy Stiffler reported that two provisions of the Healthy Michigan Plan Section 1115 Demonstration Waiver renewal application did not receive approval from CMS, specifically:

- The mandatory discontinuation of coverage for 12 months for beneficiaries who misrepresent their compliance with workforce engagement requirements; and

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- The requirement that beneficiaries with incomes above 100% of the federal poverty level (FPL) who have been enrolled in the Healthy Michigan Plan for 48 cumulative months engage in “incrementally more challenging” healthy behaviors as a condition of continued enrollment.

MDHHS staff indicated that the department is exploring ways to make changes to the provisions noted above within the parameters of PA 208 of 2018 that could be approved by CMS, including requiring that MDHHS may only suspend Medicaid coverage in the case that a beneficiary misrepresents their compliance with workforce engagement requirements if the beneficiary is criminally convicted of fraud. In addition, the Governor has called for working with the legislature to amend the law, which would require separate waiver approval from CMS prior to implementation. Possible changes highlighted by the Governor include deeming beneficiaries as compliant when MDHHS has wage data on file (no reporting required) and lowering the maximum age for required compliance from 62 to 50.

### **Communication to Beneficiaries – Letter sent out**

MDHHS began the process of mailing letter B 19-01 to Healthy Michigan Plan beneficiaries on February 11, 2019 to explain the changes to the Healthy Michigan Plan that will take place on January 1, 2020.

The department is currently mailing 20,000 letters per day to a total of 600,000 beneficiaries who are impacted by the new requirements, which will be completed on March 25, 2019. As of March 13, 2019, approximately 443,000 letters have been mailed. Copies of letter B 19-01 were distributed for discussion. Additional information about the new requirements is available on the web at [www.healthymichiganplan.org](http://www.healthymichiganplan.org) >> Changes coming in 2020.

### **Long Term Care Updates**

Brian Barrie provided the updates on the following issues related to long term care:

- MDHHS is working to implement a Managed Long-Term Services and Supports (MLTSS) program to provide assistance with individuals’ activities of daily living in a managed care system. As part of this process, MDHHS recently published the MLTSS Phase Three Report on the web at [www.michigan.gov/mltss](http://www.michigan.gov/mltss) to provide an update on the initiative. Meeting attendees were provided with copies of the Executive Summary from the report and the document was discussed.

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- Several updates related to the MI Health Link Demonstration for individuals who are dually eligible for Medicare and Medicaid were discussed, including:
  - At the previous MCAC meeting held on December 4, 2018, MDHHS staff reported an issue with the MI Health Link demonstration related to enrollment discrepancies between Medicare and Medicaid. To address this issue, the department has changed the way it addressed and resolved those discrepancies, and as a result, discrepancies have been reduced from approximately 3,000 to 1,600. MDHHS now plans to resume passive enrollment into MI Health Link Integrated Care Organizations (ICOs) beginning in June 2019.
  - MDHHS received an initial draft of the Response-to-Intervention (RTI) evaluation for MI Health Link and has submitted comments to the contractor.
  - The department is preparing to submit a renewal application for the Home and Community Based Services Waiver (which includes MI Health Link) to CMS by June 2019.
  - MDHHS is currently discussing contract renewals for the state's ICOs with CMS.
- The Program of All-Inclusive Care for the Elderly (PACE) is reviewing feasibility studies for several potential new PACE organization sites and is also developing an unmet need calculator to assist in this process.
- Following the recent closure of a nursing facility in Detroit, MDHHS staff are working to evaluate the current closure process and identify ways to better address the needs and interests of residents in future closures.
- The department is continuing to work with outside stakeholders to revise the Nursing Facility Level of Care Determination (LOCD) process. Testing for needed systems changes is now complete, and MDHHS also released bulletin MSA 18-48 on November 30, 2018 to introduce a new Medicaid Provider Manual Chapter for LOCD and outline process improvements. MSA 18-48 became effective January 1, 2019.
- While MDHHS successfully implemented a process for nursing facility transitions for MI Choice Waiver beneficiaries, the department is working through some operational issues for this process to ensure that transitions remain available and that its partners receive payment.
- A Medicaid Provider Manual Chapter for Brain Injury Services is currently being developed by MDHHS staff.
- MDHHS staff are continuing work to implement an Electronic Visit Verification (EVV) system for personal care services providers on January 1, 2020.

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- MDHHS is required by Section 1510 of PA 207 of 2018 to conduct an independent feasibility study and actuarial model of public, private and public-private hybrid options to help individuals access and afford long-term care services. The department has received an appropriation and an independent grant to facilitate that report, and has applied for an additional grant as well.

### **Universal Caseload Update**

MDHHS staff provided meeting attendees on an update related to the department's implementation of a new universal caseload system for responding to public assistance cases. Michigan's universal caseload system began with a pilot in February 2018 and rolled out to 50 counties by October of 2018. The 50 counties are now grouped into 10 areas, known as geo-groups, each of which serves individuals from the entire area. Beneficiaries can still visit those offices for assistance. Additional information about this implementation process is available on the web at [www.michigan.gov/mdhhs](http://www.michigan.gov/mdhhs) >> Assistance Programs >> Universal Caseload Action Plan. In response to an inquiry, MDHHS staff clarified that beneficiaries with special needs will still have the option to be assigned to a single caseworker under the universal caseload system.

### **Provider Fitness Criteria**

Bulletin MSA 19-03 – Provider Enrollment Fitness criteria was developed by the Medical Services Administration (MSA) Program Policy Division in conjunction with the Provider Enrollment Section, MDHHS Legal Affairs Administration and Office of Inspector General and defines federal and state felonies and misdemeanors that would prohibit a provider from participating in the state's Medicaid programs. Development of MSA 19-03 began in 2016, and several changes were made in response to over 450 comments received following the release of a draft version of the policy for public comment on two separate occasions. MSA 19-03 was issued to all providers on February 8, 2019 and is effective April 1, 2019. Copies of MSA 19-03 were distributed to meeting attendees, and the policy was discussed at length.

### **Alternative Payment Models in Medicaid**

MDHHS staff from the Managed Care Plan Division provided information on the department's efforts to establish Alternative Payment Models for Medicaid Health Plans (MHPs) in Michigan. A handout was distributed to meeting attendees and the document was discussed.

### **Policy Updates**

A policy bulletin handout was provided to meeting attendees, and the following items were discussed:

- Bulletin MSA 19-06 – Compliance with Federal Nondiscrimination Provisions
- Bulletin MSA 18-52 – Clarification of Blood Lead Level Test Results