

Medical Care Advisory Council

Minutes

Date: Thursday, August 23, 2012

Time: 1:00 – 4:30 p.m.

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

Attendees: **Council Members:** Jan Hudson, Alison Hirschel, Jackie Doig, Amy Zaagman, Dave Herbel, Larry Wagenknecht, Cindy Schnetzler, Andrew Farmer, Anita Liberman-Lampear, Priscilla Cheever, Sarah Slocum, Deb Brinson, Cheryl Bupp, Diane Haas, Warren White, Tom Kochheiser, Michael Vizena, Kim Sibilsky, Marian Owen, Robin Reynolds

Staff: Steve Fitton, Lynda Zeller, Sue Moran, Dick Miles, Susan Yontz, Amy Allen, Kathy Stiffler, Marie LaPres, Cindy Linn, Pam Diebolt, Chris Priest (LARA)

Welcome and Introductions

Jan Hudson opened the meeting and introductions were made. Jan reported that James Haveman has been named the new Department of Community Health director effective September 1, 2012.

Affordable Care Act Implementation

Supreme Court Decision

Steve Fitton explained that the Supreme Court upheld the Affordable Care Act (ACA) law in its entirety with one exception. The Medicaid Expansion portion of the law was ruled as coercive, so the Court ruled states cannot be penalized for declining to expand Medicaid. MDCH is continuing its effort to implement the ACA, including the Primary Care Rate Increase which will be effective on January 1, 2013.

Health Care Exchange Update

Chris Priest explained that the State of Michigan is shifting its efforts towards preparing for a Federal Partnership Health Care Exchange. The federal government has issued little guidance regarding implementation and requirements for a Federal Partnership Exchange, but Chris noted it is still a federal exchange. Chris indicated there are 12 functions of the Exchange:

- Legal Authority and Governance
- Customer Service
- Eligibility and Enrollment
- Plan Management
- Reinsurance, Risk Adjustment and Risk Corridors
- Organization and Human Services
- Oversight and Monitoring
- Privacy and Security
- Technology
- Contracting, Outsourcing and Agreements
- Small Business Health Options Program (SHOP)
- Finance and Accounting

Chris indicated that, as part of a State-Federal partnership, the State may control some aspects of the design of the Plan Management and the Customer Service functions. All other functions are controlled by the federal government. The State will have a choice to complete a final determination in regards to Eligibility and Enrollment. The State must submit its proposal to the federal government by November 16, 2012. Chris indicated decisions had not yet been made on what the state will propose.

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It is also not clear what the state's cost impacts might be. LARA is still working with the legislature to get the \$9.8 million planning grant funding appropriated.

Medicaid Expansion and Essential Benefits Development

A cost analysis of Medicaid expansion is currently being completed by Medicaid staff and the MDCH budget office. The analysis will be presented to the Governor within the next couple of weeks. Steve believes the Governor will make a decision in the near future whether to expand Medicaid. It will certainly be made by release of the FY2014 Executive Budget. Amy Allen added that even though Medicaid expansion in Michigan is unknown, there is still work to be completed by MDCH to comply with the ACA. For example, Medicaid eligibility will be determined using the Modified Adjusted Gross Income (MAGI). Individuals earning less than 133% of the Federal Poverty Level (FPL) will qualify for Medicaid based on MAGI if Medicaid is expanded as mandated in the ACA. It was noted by Steve that currently, regardless of their income levels, childless adults are not entitled to Medicaid. Estimates suggest approximately 400,000 individuals will become Medicaid eligible under the Medicaid expansion. The state must determine the benefits package to be provided to those eligible under the expansion including benefits, copays, etc. Steve argued comprehensive benefits make the most sense for this low-income population.

Dual Eligibles Integration Project

Steve Fitton reported that staff have been working on the Dual Eligibles Integration Project and putting together a model for the Care Bridge. The Michigan integrated care proposal consists of a two-contract approach: contracts with Prepaid Inpatient Health Plans (PIHPs) and contracts with Integrated Care Organizations (ICOs). The Care Bridge is based on a care coordination model and will provide a portal for provider communication for both the PIHPs and ICOs. The Care Bridge will be used to identify the services and supports used by each beneficiary, support collaboration in assessment and planning, and provide real-time coordination of care and services.

Once a beneficiary/responsible party chooses his/her ICO, a dominant need will be identified through information from previous use of long-term care and support services, previous use of behavioral health services, and previous medical care that indicates a serious health condition. An Individual Care Bridge Record will be opened on a secure Care Bridge web-based portal for each beneficiary. A Lead Coordinator will be responsible for care coordination and will be chosen by the beneficiary/responsible party during the face-to-face planning meeting. The result of this planning meeting is the Individual Integrated Care and Supports Plan. The plan is then monitored on an on-going basis.

Vignettes have been developed by Department staff for presentation to both providers and consumers. Consumers have voiced concern about the dominance of a medical model. Steve reiterated the intent to have a person-centered planning process.

The new target date for implementation is January 2014. Additional information regarding the Dual Eligibles Integration Project and the Care Bridge are available on the MDCH website.

Children's Special Health Care Services (CSHCS) Transition to Managed Care

Kathy Stiffler shared a handout explaining the CSHCS Enrollment in Medicaid Health Plans. Currently, there are approximately 21,000 children in Medicaid fee-for-service (FFS) that are excluded from managed care due to CSHCS enrollment. MDCH estimates this population will decrease to approximately 3,500 individuals after the transition. The policy has been issued for public comment and comments are due August 23, 2012. The policy will be effective October 1, 2012, and the majority of the population will start the transition on November 1, 2012.

CSHCS beneficiary enrollment in Medicaid Health Plans will provide the following benefits:

- A planned approach to primary care.
- Complex case management criteria.
- Quality oversight.
- 20 outpatient mental health visits.
- Transportation services.
- A family-centered medical home, with payment to address the additional work required.

MDCH would like to create consistency with coverage of primary care services among the dual Medicaid-CSHCS enrolled population. Kathy added there has been extensive external stakeholder outreach through CSHCS and family- focused groups throughout the communities, as well as CSHCS advisory committees. CSHCS stopped mailing paper applications on August 1, 2012 and also stopped retroactively dis-enrolling beneficiaries from the health plans when they enroll in CSHCS. Diagnoses not

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previously covered will be added to the CSHCS program effective October 1, 2012. The full transition will be completed on April 1, 2013. Steve acknowledged the complexity of many of these cases and commended staff efforts to make the transition as smooth as possible.

FY 2013 Budget/Policy Implementation

Increase in Department of Human Services (DHS) Non-Emergency Medical Transportation (NEMT) Reimbursement

Cindy Linn reported that bulletin MSA 12-26 was effective August 1, 2012. The mileage rate for registered volunteer drivers and foster care parents increased to 55.5 cents per mile. Personal vehicle mileage increased to 23 cents per mile. The increase for volunteers was needed because DHS relies on volunteer drivers in rural areas for NEMT.

Obstetrical (OB) Rate Increase

Marie LaPres explained that in order to increase access to OB services, \$12 million in new funding was added in FY13 to increase the physician services rates for maternity and OB services by approximately 20%. The policy will be effective October 1, 2012.

Expansion of Healthy Kids Dental (HKD)

Cindy Linn reported that Medicaid was appropriated \$16.7 million to expand the Delta Dental contract for HKD. The expansion includes the following counties: Bay, Barry, Calhoun, Cass, Grand Traverse, Jackson, Mecosta, Montcalm, Osceola, and Wexford. This will increase dental care for approximately 94,200 children. The expansion brings HKD coverage to 75 counties total, with 8 counties remaining that are not covered by HKD. MDCH is waiting for the Medicaid waiver amendment to be signed by Centers for Medicare & Medicaid Services (CMS) for this expansion to be effective October 1, 2012.

Reinstatement of Vision Services

Cindy Linn reported that funding is included in the FY13 budget to reinstate full vision services for adults. Coverage includes routine eye exams and eyeglasses. This policy will be effective October 1, 2012. Beneficiaries will receive notice of the reinstatement of this benefit at the beginning of September.

Autism

Funding is also included in the FY13 Medicaid budget to cover Autism services for Medicaid/MiChild recipients. Pam Diebolt shared that policy has not been released for promulgation. Medicaid staff is working with MDCH Behavioral Health staff to develop the language and hope to begin the promulgation process within the next couple of weeks. An implementation date has not been determined.

MI Choice Waiver Funding

Dick Miles explained that a significant amount of money was appropriated for FY13 for the MI Choice Waiver. MI Choice is a home and community-based waiver for aged and disabled individuals and is administered by 20 waiver agencies around the state. In 2012, approximately \$229 million was appropriated for the MI Choice Waiver; however, due to funding issues, the actual amount was approximately \$221 million. During the Governor's health presentation in September 2011, one focus was on reducing the MI Choice waiting list which currently has approximately 6,000 individuals. The FY13 budget was increased to \$282 million to reduce the waiting list and allow more transitions from nursing homes to communities.

Urgent Care Centers

Pam Diebolt reported that policy for Medicaid enrollment of Urgent Care Centers is currently in the public comment phase of promulgation. Comments are due August 24, 2012. The effective date will be January 1, 2013. In the policy, MDCH defines an Urgent Care Center, outlines the process for enrollment with MDCH, and describes how services should be billed.

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FY 2014 Budget Development – What should the focus be?

Jan Hudson asked attendees to offer ideas that should be reviewed/pursued for FY 2014 budget development. The following suggestions were made by members of the council:

- Look at a regional needs analysis on funding and how money is being spent in communities on the post-acute population.
- Look at the Home Help program again. (Steve asked for specific examples that could be presented to try and reinstate coverage.)
- Look at Dental coverage.
- Look at changing the managed care model.
- Establish patient-centered medical homes. Determine effective implementation and coordination strategies with commercial insurers, Medicare and Medicaid.
- Look at changing access to specialty and subspecialty services through reimbursement rate changes.
- Look at increasing the volunteer reimbursement rate for transportation.

Super Majority Ballot Initiative

Jan Hudson discussed a document that the Michigan League for Human Services published regarding Ballot Proposal 12-5. The ballot language requires a two-thirds majority from both chambers of the legislature in order to enact any tax increases. This includes renewals such as the claims tax that will need to be renewed in 2014. This proposal would allow just 13 state senators to control state revenue policies and nullify the votes of the other 135 state lawmakers.

The meeting was adjourned at 4:30 p.m.

Next Meeting: Tuesday, November 13, 2012

Time: 1:00 pm to 4:30 pm

Location: MPHI Learning Center, 2436 Woodlake Circle, Okemos, Michigan