

**Michigan Department of Health and Human Services
Behavioral & Physical Health & Aging Services Administration**

COVID-19 Public Health Emergency Unwinding Operational Plan



**Michigan Department of
Health & Human Services**

Version 1
August 8, 2022

Important note!

This document is updated as much as possible. However, changes can occur as the federal government releases guidance on how to address Medicaid eligibility after the public health emergency (PHE) ends. Additionally, changes to the length of the PHE will impact projected timeframes and dates within this document

Updated versions of this plan can be accessed at: <https://www.michigan.gov/mdhhs/end-phe>

For questions, comments, or concerns on the information presented in this guide, email:

MDHHS-PHE-End@michigan.gov

Change Log:

Change Date	Page #	What Changed	Reason for Change

Table of Contents

Background and Overview	4
MDHHS Global Unwinding Approach	5
Unwinding PHE Specific Flexibilities and Policies	5
COVID-19 Testing, Treatment, and Vaccine Coverage.....	6
Resumption of Standard Eligibility Operations.....	6
Maintaining Continuity in Coverage	7
Renewals Mapping.....	8
Address Verification Strategies.....	8
Workforce Strategies	8
Stakeholder Communications and Public Outreach	8
Beneficiary Letters	9
Monitoring PHE Unwinding Operations.....	9
Anticipated Timelines	10
Beneficiary Communications	10
Eligibility System Builds.....	11
Resources	12
State Guidance.....	12
Federal Guidance	13
Appendices.....	14
Appendix A: COVID-19 PHE Unwind Crosswalk	14

Background and Overview

During the federal Coronavirus 2019 Public Health Emergency (PHE) declaration, the Centers for Medicare and Medicaid Services (CMS) has provided state Medicaid programs flexibilities allowing for individuals to gain or maintain coverage and access to care. Since the initiation of the PHE, the Department of Health Care Services (MDHHS) implemented over 100 programmatic flexibilities to help minimize the strain to the Medicaid program and its beneficiaries, and Michigan's (MI) health care providers and systems. These changes were implemented under a variety of federal and State authorities, and impact almost all aspects of the Medicaid delivery systems. Some of these programmatic flexibilities will terminate on or around the end of the PHE, while some will continue. In preparation for the end of the federal PHE declaration, MDHHS has developed this Unwinding Operational Plan to help inform beneficiaries, providers, managed care plans, and other valued stakeholders of the steps MDHHS will take to return to standard operations. States will have up to 12 months to return to normal eligibility and enrollment operations, and the U.S. Department of Health and Human Services (HHS) has committed to providing at least a 60-day notice prior to the official end date. As HHS has not yet provided such notice, MDHHS expects the PHE to be extended through at least mid-October 2022.

Most of the flexibilities implemented in Michigan Medicaid during the PHE were authorized through federal pathways in partnership with the Centers for Medicare and Medicaid Services (CMS). Examples of these pathways include the Disaster Relief State Plan Amendment (DR SPA), Disaster 1135 Waiver Authority (1135), section 1115 demonstration authority, and the Appendix K process for 1915(c) Home and Community-Based Services (HCBS) waivers. Each federal authority differs in terms of the applicable policy, approval process, and unwinding requirements, resulting in important implications for MDHHS' approach to unwinding. These differences influence the Department's ability and timeline to make permanent changes to the Medicaid program or return to policies in place before the PHE.

In addition to these federal authority pathways, significant changes to Medicaid programs were authorized through federal legislation. The [Families First Coronavirus Response Act](#) (FFCRA) authorized enhanced federal funding for Medicaid programs conditioned upon Maintenance of Eligibility (MOE) requirements that prohibit disenrollment in most circumstances. This requirement is commonly referred to and throughout this document as the continuous coverage requirements under the FFCRA. The [American Rescue Plan Act](#) (ARP) extended coverage of COVID-19 vaccines and treatment services to limited benefit populations at no cost to states, and also provided an enhanced funding opportunity for State Medicaid programs to spend on increasing access to HCBS. As with the flexibilities granted by CMS through the DR SPA and waiver pathways, the FFCRA and ARP also influenced MDHHS' unwinding plan. The Department anticipates the end of the FFCRA continuous coverage requirements to have great impact across the Medicaid and healthcare systems. Therefore, MDHHS' primary goal is to

maximize continuity of coverage for beneficiaries throughout the unwinding of the FFCRA continuous coverage requirement.

MDHHS Global Unwinding Approach

To support States through this challenging transition, CMS issued a robust set of guidance to Medicaid programs, providing details and requirements for unwinding each type of federal flexibility. CMS published three State Health Official (SHO) Letters specifically on the topic of unwinding federal flexibilities authorized during the PHE—[SHO# 20-004](#), [SHO# 21-002](#), and [SHO# 22-001](#)—in addition to tool kits, presentation slide decks, and other materials. CMS also hosted numerous all-state webinars and provided opportunities for individual technical assistance calls. MDHHS will be leveraging the guidance and various materials from CMS in the unwinding efforts. The resources available through CMS provide details regarding timeframes associated with each authority, and the requirements that must be followed when they expire, or if states choose to make eligible flexibilities permanent. The Department is following this guidance closely in order to ensure compliance with all applicable requirements. The latest federal guidance for unwinding the PHE can be found on CMS' website located [here](#) and in the [Resources Section](#) of this document.

It is important to keep in mind that, while flexibilities were authorized in the form of DR SPAs and federal waiver approvals, MDHHS often implemented these changes through policy letters, provider bulletins, and other forms of sub-regulatory guidance. As the Department unwinds the temporary flexibilities of the PHE, we will publish, revise, and/or rescind guidance to ensure that Michigan Medicaid beneficiaries, managed care plans (health, dental, and behavioral health), counties, providers, and stakeholders all understand the applicable policies and procedures that are in effect, as appropriate. All MDHHS policy guidance specific to the PHE can be found on the Department's [Medicaid Policy and Forms webpage](#). Further, the Department will utilize its existing stakeholder groups and forums to share unwinding information as it becomes available. As necessary, MDHHS will also host new stakeholder events to discuss the unwinding process when existing forums are not sufficient

Unwinding PHE Specific Flexibilities and Policies

In addition to the significant effort to prepare for resumption of standard eligibility operations, there are many programmatic flexibilities that MDHHS, Michigan's managed care organizations (MCOs), counties, providers, and other partners and stakeholders must now take action to unwind. MDHHS is reviewing the catalogue of policies released in response to the PHE and assessing the impacts of the impending end of the PHE declaration.

Examples of policy flexibilities that were implemented in response to the PHE include Telemedicine, Face-to-Face, Person-Centered Service Plan, Prior Authorization, Direct Care Worker/Wage Increase, and Level of Care Determinations, among others. Each flexibility is being reviewed and determination made for continuation with or without modification beyond the PHE end, temporary extension for a defined period of time following PHE end, or termination upon PHE end.

COVID-19 response policies that will change or end will be fully promulgated, which includes a 35-day public comment period and final distribution at least 30 days prior to the effective date. Beneficiaries will be provided with timely and adequate notice of the ending or reduction of any COVID-19 response services. For services that will continue either permanently or temporarily under a new authority appropriate tribal notices and public notices will be issued according to required timelines.

To support providers and community partners in tracking the transitions in policy, MDHHS plans to update the information about various policy groups below and will produce a detailed crosswalk illustrating the outcome of policies issued during the PHE, referencing to any adaptations, new, or discontinued policies as they are promulgated.

COVID-19 Testing, Treatment, and Vaccine Coverage

Under the ARP, MDHHS plans to continue to cover COVID-19 testing, and vaccines and their administration, without cost-sharing, for nearly all Medicaid beneficiaries, including most groups receiving limited-benefit packages under the state plan or a section 1115 demonstration. The ARP also requires Medicaid coverage without cost sharing for COVID-19-related treatment, and treatment for conditions that may seriously complicate the treatment of COVID-19. This coverage period generally continues through end of the first calendar quarter that starts one year after the end of the PHE. Following the extended coverage period available through the ARP, MDHHS intends to cover COVID-19 testing and vaccine administration consistent with existing testing, treatment and vaccine services.

Resumption of Standard Eligibility Operations

Under the continuous coverage requirement in the FFCRA, states have been required to maintain enrollment of nearly all beneficiaries through the end of the month in which the PHE ends. HHS has committed to providing at least a 60-day notice prior to the official end date. As HHS has not yet provided such notice, MDHHS expects the PHE to be extended until at least mid-October 2022. When continuous coverage requirements expire, states will need to conduct a full redetermination for all beneficiaries who would have otherwise been subject to redetermination over the course of the PHE.

CMS has released guidance to support state Medicaid and Children's Health Insurance Program (CHIP) agencies in returning to standard operations through a series of SHO letters. SHO guidance released in December 2020, August 2021, and March 2022 sets out federal expectations and requirements related to case processing timelines and beneficiary communications for redetermining Medicaid coverage for those who had their coverage continuously maintained. The March 2022 guidance builds upon the August 2021 SHO letter, where CMS clarifies that it will consider a state in compliance with resuming normal eligibility operations if it has: (1) initiated all renewals for the state's entire Medicaid and CHIP caseload by the last month of the 12-month unwinding period; and (2) completed all such actions by the end of the 14th month after the end of the PHE. CMS also clarifies that states may use information gathered during a renewal that was initiated up to two months prior to the end of the PHE to take final action in the month after the month in which the PHE ends. The PHE Unwinding Period would be 12-months, with an additional two months, totaling 14 months, to complete all outstanding eligibility and enrollment actions from the PHE. The "PHE Unwinding Period," is defined throughout this document as

12 months. In support of the PHE Unwinding Period and beyond, MDHHS has developed this PHE Unwinding Operational Plan that overviews the MDHHS guiding principles and implementation approach in preparing for the resumption of normal eligibility operations, specifically in the areas of redeterminations, eligibility coverage retention strategies, beneficiary communications and outreach, county and system readiness, and data reporting. This PHE Unwinding Operational Plan, in part, reflects the federal requirement of an operational plan that describes how states will address outstanding eligibility and enrollment actions in a way that reduces erroneous loss of coverage and enables a sustainable distribution of renewals in future years.

Maintaining Continuity in Coverage

As indicated throughout this document, maximizing continuity of coverage for Medicaid beneficiaries through the course of the PHE Unwinding Period is a priority for MDHHS. A key goal is to keep the PHE unwinding process as simple as possible. When the continuous coverage requirement expires, CMS guidance provides that states will generally have up to 14 months to return to normal eligibility and enrollment operations. This means Michigan has a total of 14 months to initiate and complete redeterminations for nearly all of Michigan Medicaid beneficiaries. This will include local county offices conducting a full renewal for all individuals enrolled, through auto-renewals and requests for information where necessary. This is in addition to regular, ongoing operational requirements such as, processing any outstanding applications that were received during the PHE, conducting routine verifications, and processing changes in circumstances.

To simplify the complexity of the PHE unwinding process, MDHHS will maintain beneficiaries' current renewal month in their case records and conduct a full redetermination at the next scheduled renewal month following the end of the PHE. This approach achieves the following:

- 1) Least disruptive to county workloads on both an initial and ongoing basis
- 2) Aligns, to the greatest extent possible, on when beneficiaries usually expect to receive their auto-renewal letters or packets requesting additional information if auto-renewal is not successful, prior to the PHE. This familiarity is critical as MDHHS rolls out the communication and outreach campaign discussed below.
- 3) Retains a similar redetermination caseload distribution in future years

Per federal and state guidelines that have existed since before the PHE, the annual redetermination process occurs in several steps, spanning across multiple months. See the [Renewals Mapping](#) section below for a full mapping of the 14-months of expected begin and end dates of renewal activities.

The COVID-19 PHE is expected to be extended until at least October 2022. Assuming an October PHE end date, the first individuals undergoing a full renewal would be those with a November renewal month.

- September 2022 – Process automatic renewals for Modified Adjusted Gross Income (MAGI) populations and initiate ex-parte review for renewals due November 2022 and mail annual renewal packet (approximately 60-75 days prior to, if applicable because the ex-parte process was not successful, or beneficiary is not eligible for ex-parte renewal)
- November 2022 - Notice of action sent (10 days prior to adverse action) if the annual renewal remains incomplete or the beneficiary is no longer eligible for Medicaid coverage
- November 30, 2022- Final day of Medicaid eligibility for discontinued beneficiaries

Renewals Mapping

MDHHS will establish an updated system logic aimed at selecting and including all beneficiaries in an eligible data group of the same month, regardless of enrollment year for redetermination processing. This will ensure that no matter when a beneficiary enrolled and/or was initially scheduled for redetermination, that they would be included in the process during the resumption of standard activities. For example, October 2022 would include not only October 2022 but also renewals for October 2021, October 2020, October 2019, etc. Following the hypothetical timeline below:

PHE Eligibility Unwind Plan																
<i>*Timeline is hypothetical until 60-day notification received from CMS and serves to illustrate Michigan's process once unwind begins</i>																
2022							2023									
Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
	PHE Ends in October															
		CMS Unwind Month	2	3	4	5	6	7	8	9	10	11	12	13	14	
	November Renewal															
		December Renewal														
			January Renewal													
				February Renewal												
					March Renewal											
						April Renewal										
							May Renewal									
								June Renewal								
									July Renewal							
										August Renewal						
											September Renewal					
												October Renewal				
														Complete Outstanding Renewals		

Address Verification Strategies

Leveraging existing resources, MDHHS ran a small pilot project to better understand the likely volume of address changes among beneficiaries. Addresses were compared against three different sources to determine how many have likely changed during the Public Health Emergency. Current addresses were compared against data in the Michigan Disease Surveillance System (MDSS), the Michigan Care Improvement Registry (MCIR), and the U.S. Postal Service National Change of Address Database (NCOA).

Workforce Strategies

The local county offices play a significant role in the PHE unwinding as they administer the Medicaid eligibility and manage Medicaid cases on behalf of MDHHS. Counties are expected to redetermine the full Michigan Medicaid population during the 14-month period after the PHE ends. Recognizing that the significant volume of redeterminations, in addition to the existing workload of application adjudication and ongoing case management, the Public Act 87 of 2021 (Article 6, Part 1, Section 122) has appropriated a one-time augmentation of \$20.9 million that will in part be leveraged to support existing staff re-assignments, new local county office eligibility staff onboarding, staff training, and resources for the PHE-related redeterminations.

Stakeholder Communications and Public Outreach

Working alongside communications partners, Michigan has developed a human-centered communication approach to ensure that beneficiaries are provided accurate information about the end of the PHE and the potential impact to their coverage. One of the goals of the communication approach is to reach as many Medicaid beneficiaries as possible, therefore

MDHHS has designed direct messaging campaigns across multiple communication platforms (social media, text message, mail, website, radio), and has developed resources to support consistent messaging for community partners to leverage and amplify the outreach efforts. Toolkits and resources will be available to MDHHS community partners, regularly updated to align with various phases of the PHE unwind process. Key components of the messaging will focus on ensuring beneficiaries know it is critically important to:

- Keep contact information up to date so MDHHS can reach them
- Look for and respond to letters from MDHHS in a timely manner
- Understand their coverage options and where to go for help

As resources are finalized, beneficiaries, providers, and community partners can access them at <https://www.michigan.gov/mdhhs/end-phe>.

Beneficiary Letters

MDHHS will design standard streamlined communications, using human-centered language to alert beneficiaries of the changes coming and how to take action (if necessary). However, MDHHS anticipates some beneficiary notices will need to be specifically targeted to only a subset of the beneficiary population and, therefore, will send “stand-alone” mailings to the extent warranted. Ultimately, the Department understands that excessive mailings can lose their effectiveness and will work with stakeholders to find the right balance. The Department will ensure that mailings, individual notices and any information included will be made accessible in the format or language that the beneficiary has selected.

Monitoring PHE Unwinding Operations

Per State Health Official (SHO) letter 22-001, all states will be required to submit monthly data for a minimum of 14 months through a CMS-developed reporting template. CMS will require all states to report on specific metrics described in this "Unwinding Eligibility and Enrollment Data Reporting Template" (Unwinding Data Report). These metrics are designed to demonstrate states' progress towards restoring timely application processing and initiating and completing renewals of eligibility for all Medicaid and CHIP enrollees consistent with the guidance outlined in SHO 22-001. Subsequent CMS guidance requires states to complete a baseline and subsequent monthly Unwinding Data Report and submit these reports to CMS per the Medicaid and CHIP Eligibility and Enrollment Data Specifications for Reporting During Unwinding. In addition, states will complete and submit to CMS a summary of the state's plans for initiating renewals for its total caseload within the state's 12-month unwinding period (Statewide Renewal Distribution Plan). For states that are out of compliance, CMS may require the submission of a corrective action plan that details strategies and timelines for coming into compliance. MDHHS also anticipates publishing these reports to the public-facing [MDHHS PHE End webpage](#) once activities to resume normal operations begin.

In addition to the federally required reports and metrics, MDHHS will create several internal operational reports to support the resumption of standard activities.

Anticipated Timelines

Beneficiary Communications

MDHHS has planned specific outreach campaigns in alignment with various phases of PHE unwinding efforts. The table below provides a description of materials beneficiaries can expect to receive:

TARGET TIMEFRAME	MATERIAL	ASSOCIATED ACTION	MEDIUM
May 2022 – 60 days prior to the PHE end	Awareness campaign	Inform about Public Health Emergency impact to Medicaid & call to action: update contact information	<ul style="list-style-type: none">• MDHHS website• Social Media (Facebook, Twitter)• Radio
2 months prior to PHE end	Beneficiary alert PHE unwind notification ¹	Prepare for redetermination, prepare materials needed to ensure maintenance of coverage	<ul style="list-style-type: none">• Beneficiary mailing or electronic communication
Month prior to PHE end – 12 months following PHE end	Eligibility renewal notification ²	Complete renewal package, including submission of required supplemental materials	<ul style="list-style-type: none">• Beneficiary mailing or electronic communication

^{1,2} Communications for most will be in the form of physical letters sent via United States Postal Service, some may receive SMS text message communications if they have opted into receiving electronic communications about benefits from MDHHS. Eligibility renewal notifications will be sent based on the month of renewal.

Eligibility System Builds

As MDHHS transitioned to respond to the COVID-19 PHE, there were several system adaptations and operational changes that were implemented to align with the continuous enrollment period and the various COVID-19 response policies. As such, there has significant effort to assess and plan for the necessary actions to return to standard operations.

To resume redeterminations and new application processing in a timely fashion, MDHHS must deploy several system changes as described in the table below:

DEPLOYMENT DATE ³	PROJECT	DESCRIPTION
The month before the PHE ends	Resume Negative Actions	Resume DHS-1010 redetermination packet generation (applies to beneficiaries which passive renewal fails or are non-MAGI populations)
The month after the PHE ends	Initiate Eligibility Review	Resume DHS-1606 Healthcare Coverage Determination Notice generation for closures and reductions in benefits
The month after the PHE ends	Initiate Spenddown & Deductibles	Generate special notice (DHS-1606-E) for individuals that are now subject to spenddown/deductible requirements due to PHE end after a full redetermination has been completed
The month after the PHE ends	Implement Case Closure/Reductions	Allow for case closures/reductions based on full renewal/redetermination process (either passive/automatic or manual via DHS-1010)
The month before the PHE ends	Monitor PHE Unwind	Generate federally required and state specific reports to support monitoring and oversight of activities associated with the return to normal operations

³ The deployment dates represented in this table are reflective of the initial deployment for the action. Actions are taken based on the month of the renewal, and associated notices would follow. Refer to [Renewals Mapping](#) for further illustration of

Resources

State Guidance

Throughout the course of the PHE, MDHHS and the Medicaid agency have issued a number of guidance and policy documents to support providers in ensuring coverage and access to services to member beneficiaries.

GUIDANCE	DATE	TOPIC
MDHHS Epidemic Orders	Issued date	<p>Orders issued to protect Michigan citizens under authority of Michigan law which imposes on the Michigan Department of Health and Human Services (MDHHS) a duty to continually and diligently endeavor to “prevent disease, prolong life, and promote the public health,” and gives the Department “general supervision of the interests of the health and life of the people of this state.” MCL 333.2221.</p> <p>A range of Orders have been issued over the course of the pandemic covering primary health concerns including actions to keep vulnerable populations in long-term care facilities safe from spread of infection from COVID-19, required testing protocol, etc. Orders that remain in effect can be reviewed are accessible on the Resources page of www.michigan.gov/coronavirus</p>
Medicaid Provider L Letters	Calendar Year	<p>Provider letters are provided to communicate new developments, information, policy clarifications, etc. COVID-19 related provider guidance issued contain “COVID-19” in Subject line:</p> <ul style="list-style-type: none"> • 2020 Medicaid Provider L Letters • 2021 Medicaid Provider L Letters • 2022 Medicaid Provider L Letters
Michigan Medicaid Approved Policy	Calendar Year	<p>MDHHS periodically issues notices of policy. These documents inform providers of changes in Michigan Medicaid policy.</p> <p>COVID-related policies are notated with “COVID-19 Response” in Subject:</p> <ul style="list-style-type: none"> • 2020 Medicaid Policy Bulletins • 2021 Medicaid Policy Bulletins • 2022 Medicaid Policy Bulletins
Michigan Medicaid Proposed Policy	Calendar Year	<p>These documents inform interested parties of proposed changes in Michigan Medicaid policy. Proposed new policy and changes to</p>

		existing policy must undergo a public comment period before becoming final. <u>Proposed Medicaid Changes</u>

Federal Guidance

MDHHS developed the COVID-19 PHE Unwinding Operational Plan utilizing the guidance and tools released by CMS. The guidance can be found at the following links:

GUIDANCE	DATE	TOPIC
CMS Web Site	Ongoing Resources for States	<u>Unwinding and Returning to Regular Operations after COVID-19:</u> <ul style="list-style-type: none"> • Unwind Guidance • State Reporting • Tools and Templates • Communications Tools and Speaking Requests • Other Guidance and Resources
CMS informational Bulletin	December 4, 2020	<u>Medicaid and Children’s Health Insurance Program (CHIP) Renewal Requirements</u>
SHO 20-004	December 22, 2020	<u>Health Insurance Program (CHIP), and Basic Health Program (BHP) Operations Upon</u>
SHO 21-002	August 13, 2021	<u>Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Operations</u>
SHO 22-001	March 3, 2022	<u>Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency</u>
Issue Brief	November 24, 2021	<u>Strategies States and U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as they Return to Normal Operations</u>
Issue Brief	November 24, 2021	<u>Connecting Kids to Coverage: State Outreach, Enrollment and Retention Strategies issue brief</u>
All States Call Presentations	Ongoing	<u>CMS National Stakeholder Calls CMS</u> Medicaid & CHIP All State Calls share information to the states and territories regarding a range of flexibilities available during this public health emergency including section 1135 waivers, flexibilities for section 1915(c) Home and Community-Based Waivers, and other guidance released.

Appendices

Appendix A: COVID-19 PHE Unwind Crosswalk

[Content Under Development]