



Medical Services Administration Fiscal Year 2015

Presentation to House Appropriations Subcommittee
on Community Health
February 26, 2014

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Our Guiding Principles

Mission

The Michigan Department of Community Health will protect, preserve, and promote the health and safety of the people of Michigan with particular attention to providing for the needs of vulnerable and under-served populations.



Vision

Improving the experience of care, improving the health of populations, and reducing costs of health care.

Leadership, Excellence, Teamwork

Strategic Priorities

- Promote and Protect Health, Wellness, and Safety
- Improve Outcomes for Children
- Transform the Healthcare System
- Strengthen Workforce and Economic Development

Topics

- Michigan Medical Services
 - Caseload, Cost Effectiveness, and Safety-Net Services
 - Long Term Care Supports and Services
 - Managed Care
- FY14 Initiatives
- FY15 Executive Budget Recommendation

FY13 Service Statistics

- 1,854,879 total average eligibles
- 1,132,864 children served
- 347,395 disabled adults served
- 13 Managed Care Plans
- 786,629 school-based direct service procedures
- 83,200,000 transactions processed last year
- 1,039,000 calls handled annually by Michigan Enrolls
- 3,788 women using Maternal Outpatient Medical Services program each month
- 28,977 nursing home residents
- 494,380 children currently enrolled in Healthy Kids Dental
- 37,453 currently enrolled in MI Child

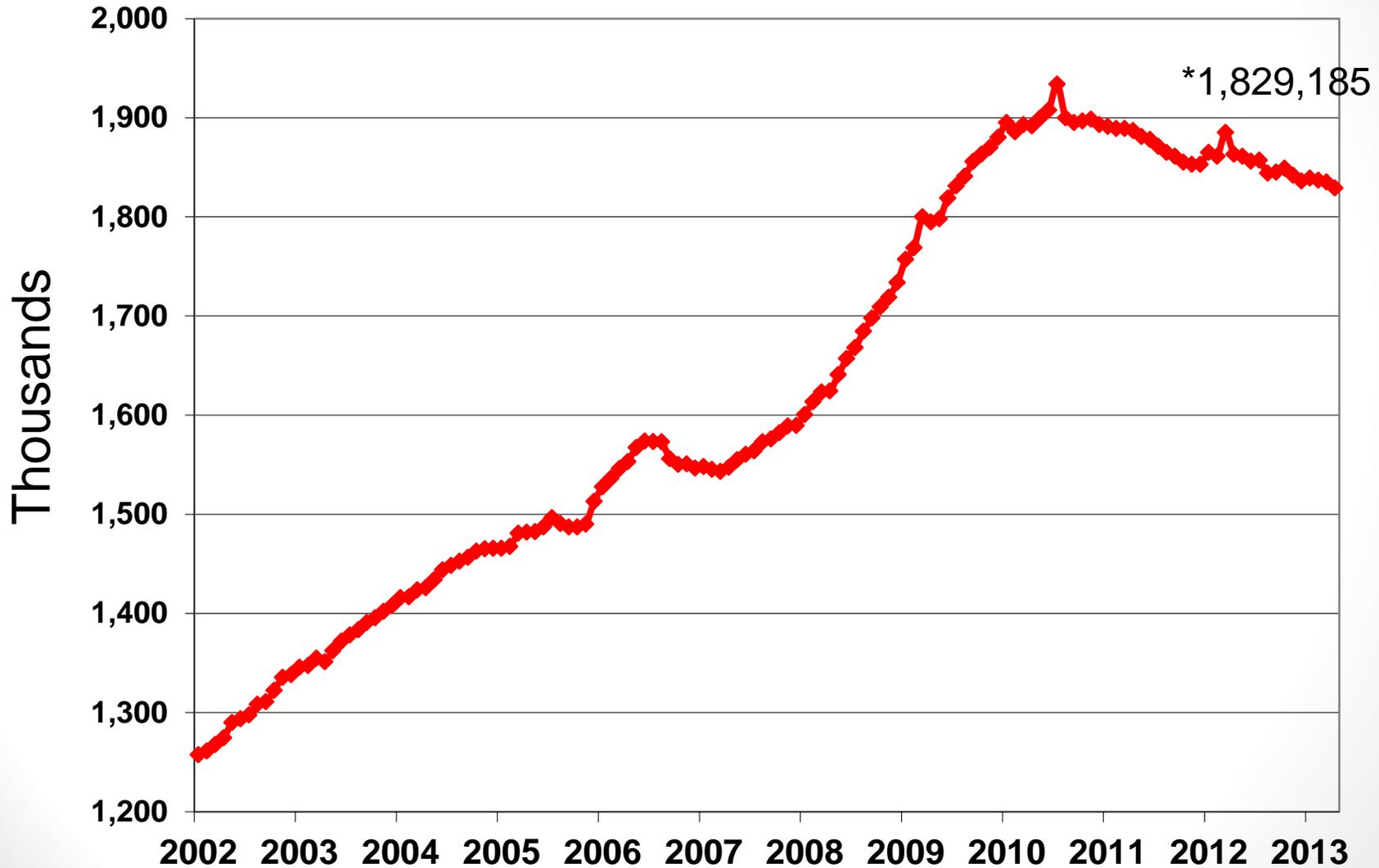
Effective Partnerships

- Hospitals, Physicians, Pharmacies, Long Term Care Community Providers, Nursing Homes, Dentists, Many Other Professional Practitioners, Durable Medical Equipment and Suppliers
- Health Maintenance Organizations – for-profit and non-profit
- Federally Qualified Health Centers, Rural Health Clinics and Look-a-Likes
- Community Mental Health Agencies
- Local Health Departments
- University Medical Schools
- Various Community and Advocacy Organizations
- Private sector contractors – Maximus, CNSI, Optum

Audits

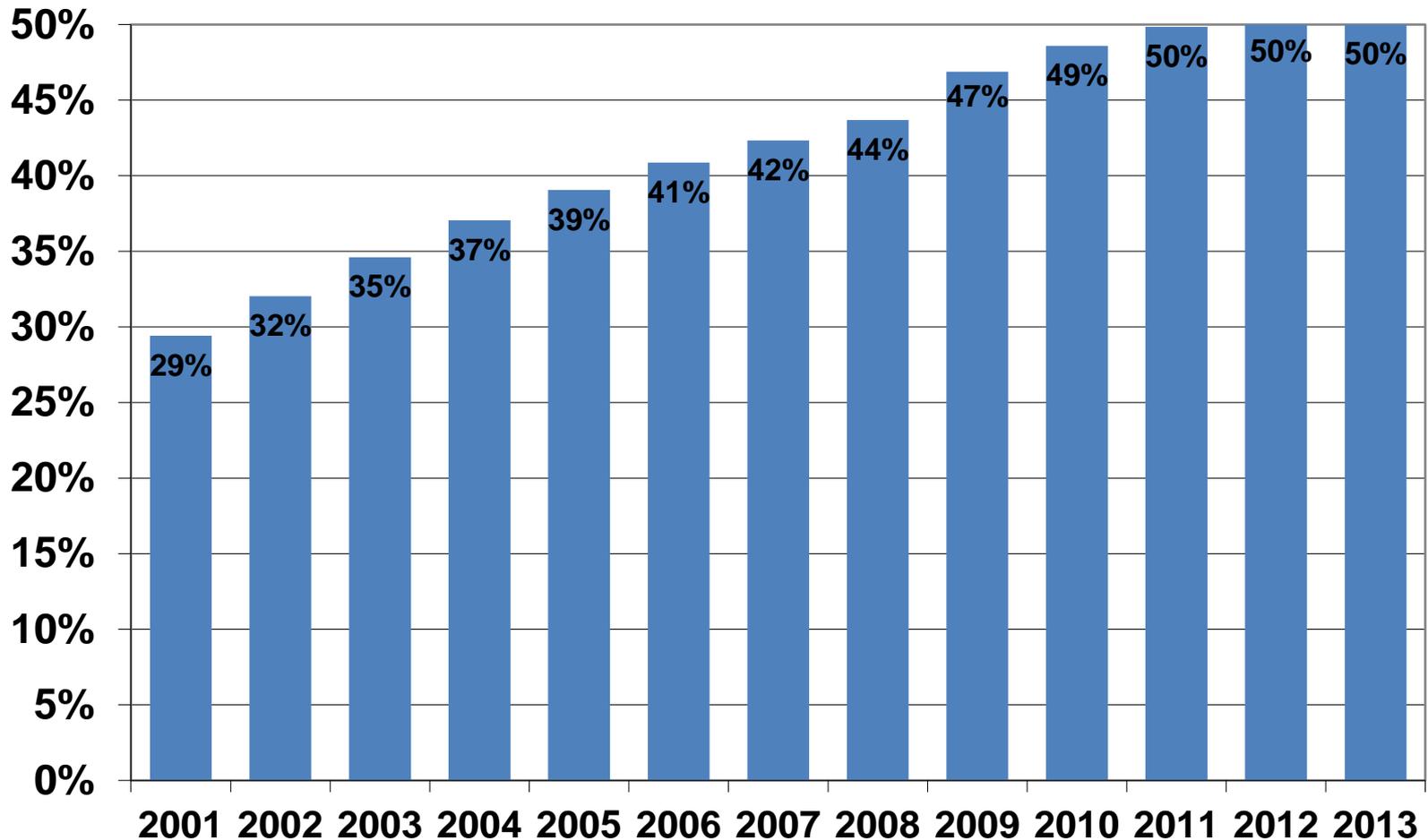
- **Numerous Audit Agencies**
 - Office of the Inspector General - federal agency
 - Office of the Auditor General - state agency
 - Office of Internal Audit Services - state agency
 - Centers for Medicaid/Medicare Services - federal agency
 - Government Accountability Office - federal agency
- **One dozen simultaneous audits on average**
- **Community Health Automated Medicaid Processing System (CHAMPS) Paying Dividends in Performance Audits**

Michigan Medicaid Caseload



*1,829,185

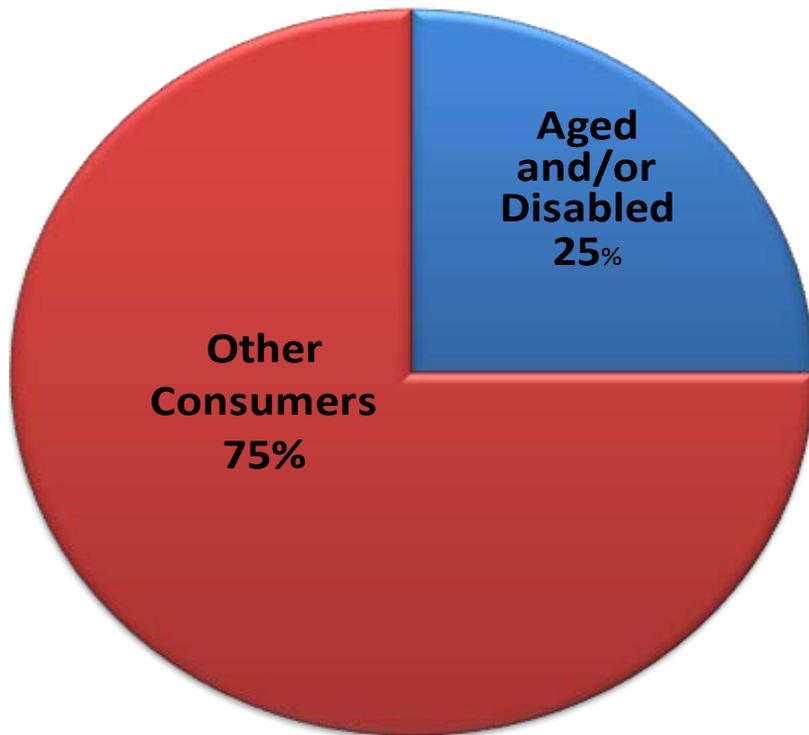
Medicaid Insures Children



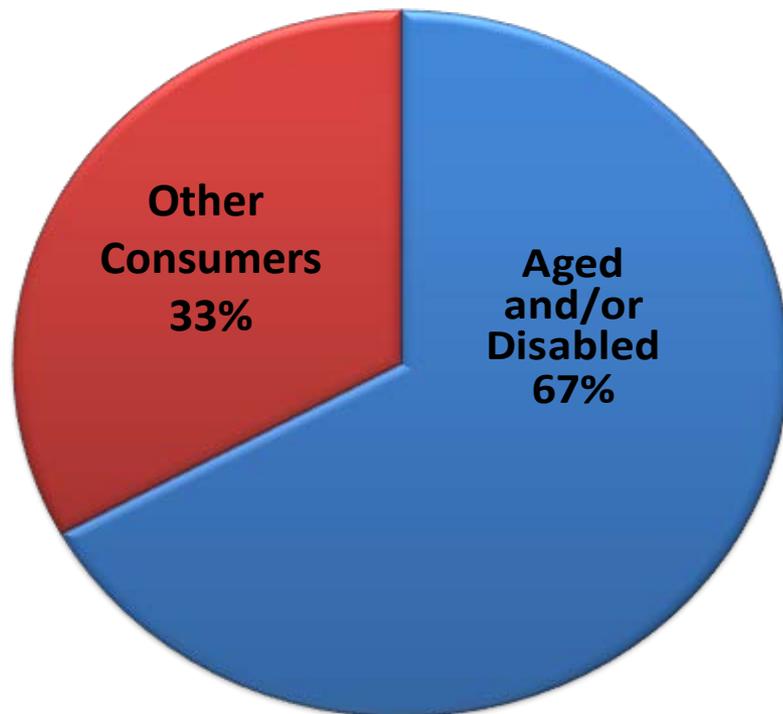
Medicaid serves 50% of all children in Michigan

Medicaid Consumers & Costs

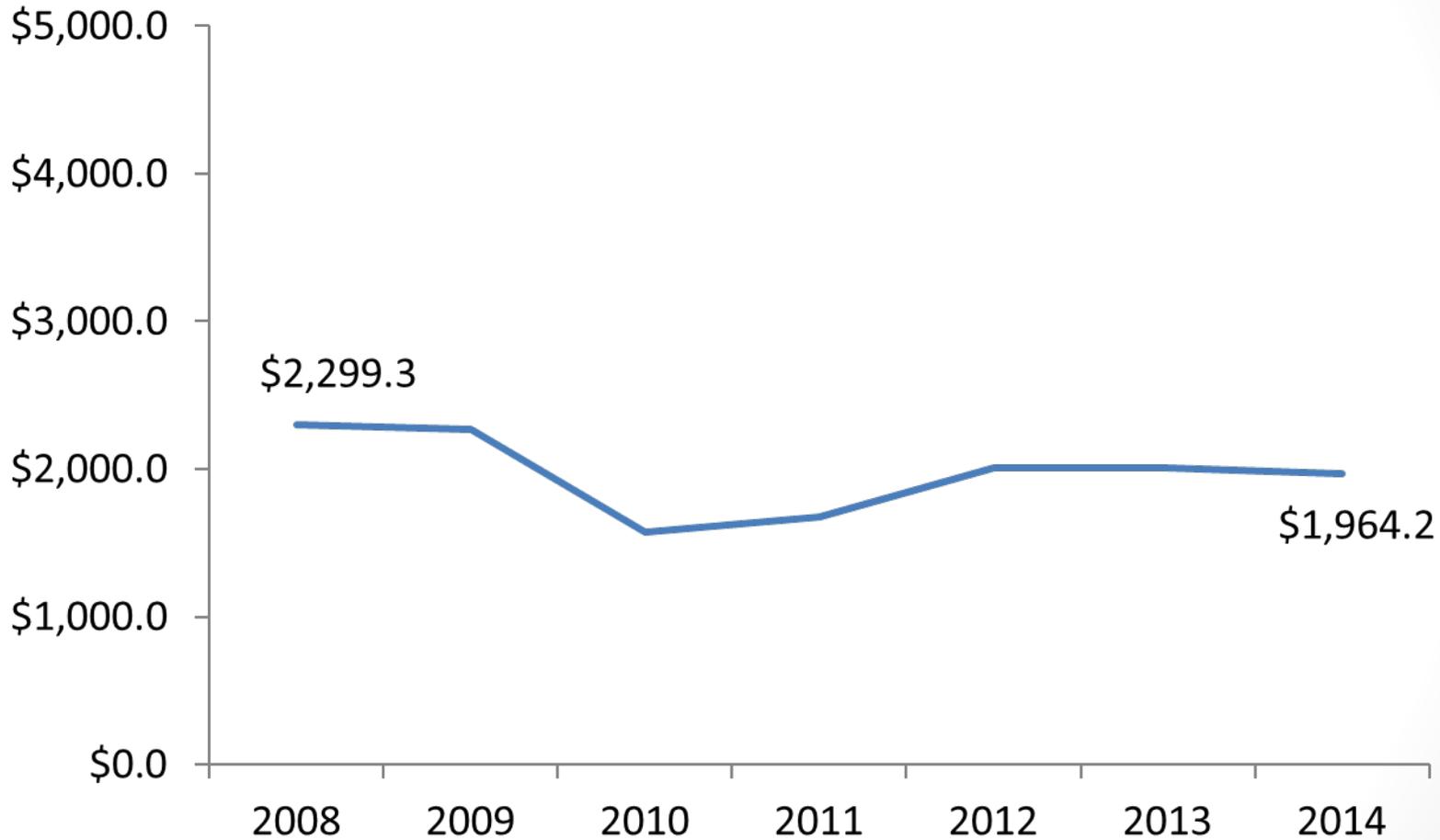
Medicaid Consumers
FY 2012



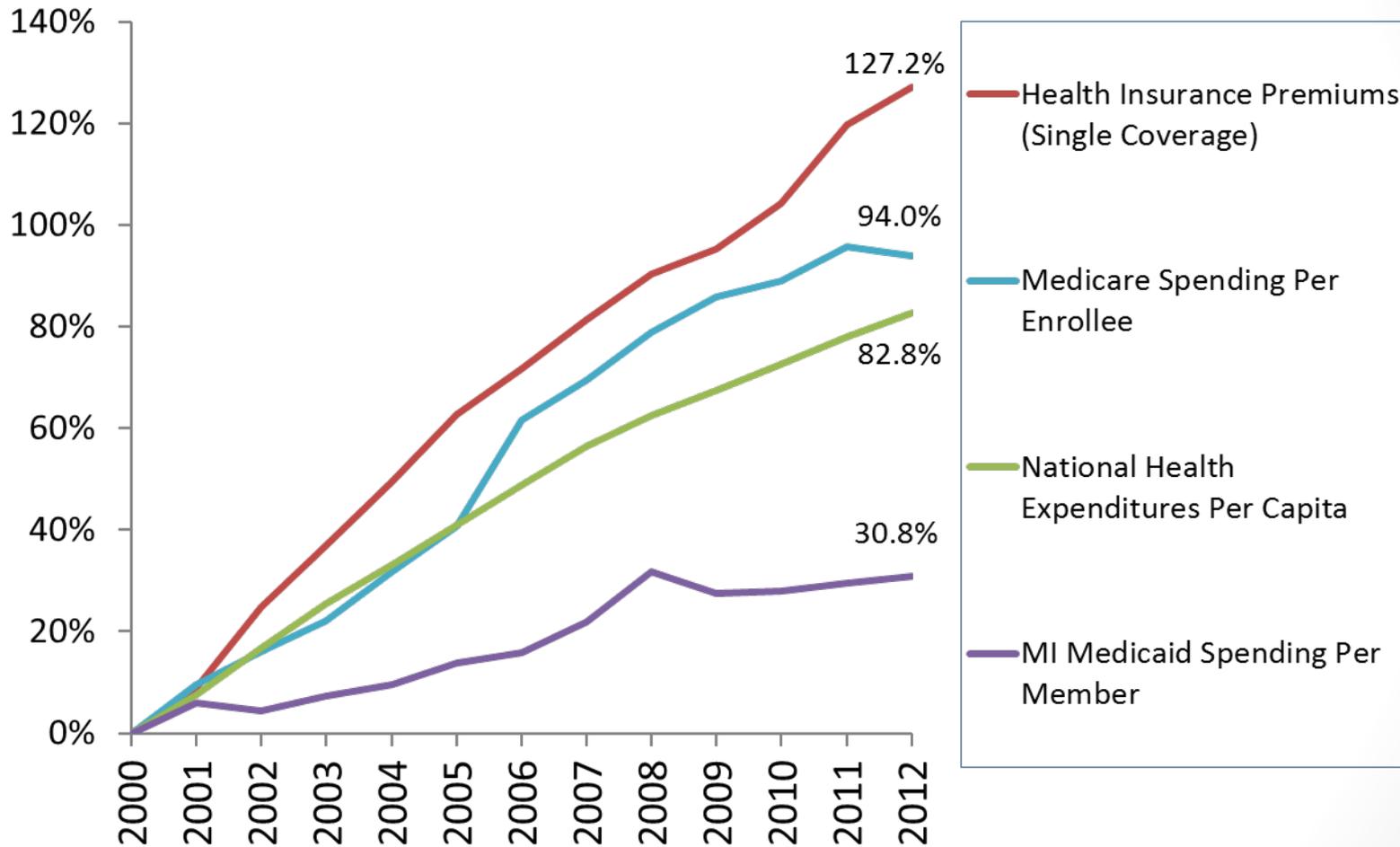
Medicaid Costs
FY 2012



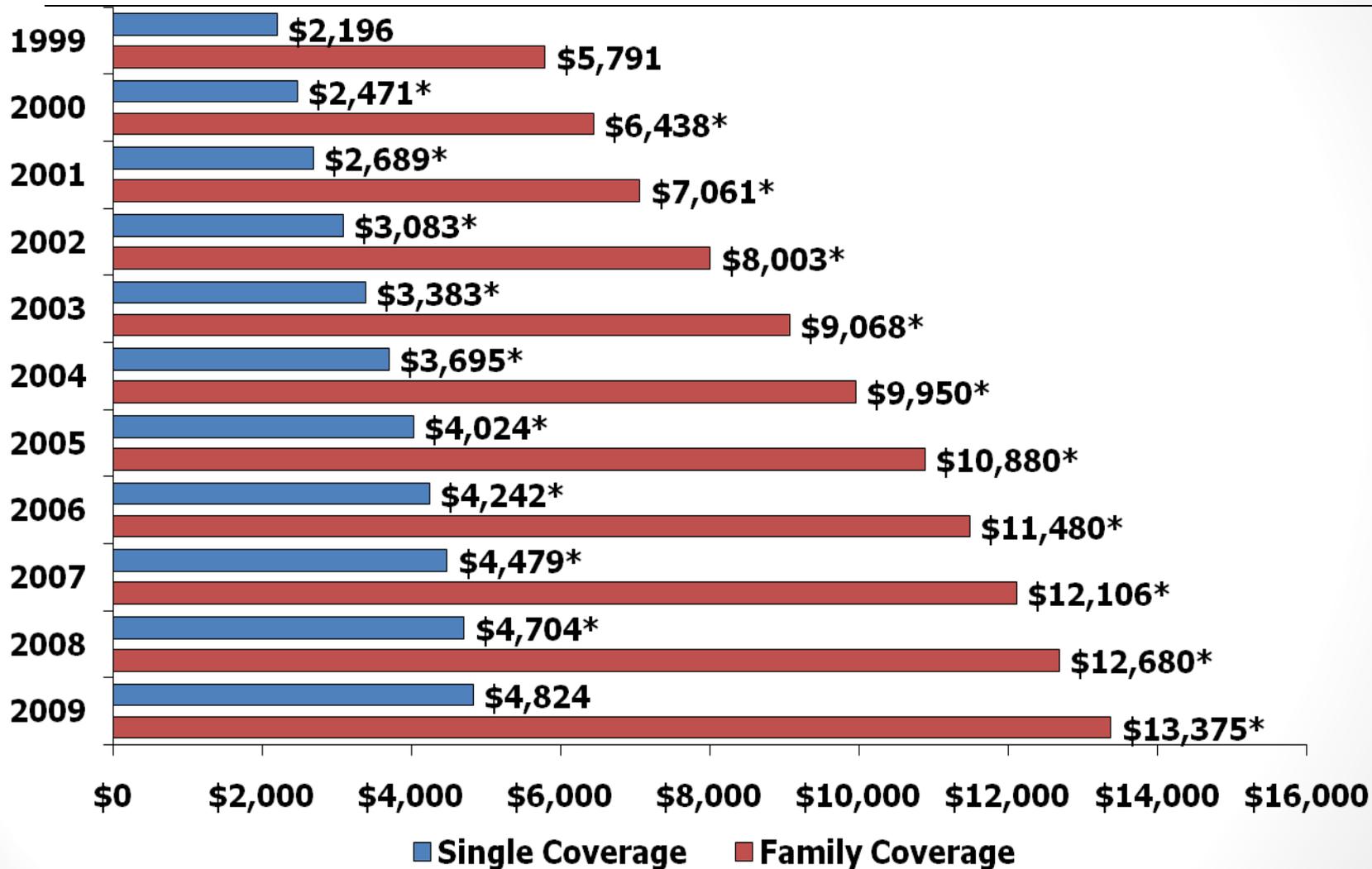
General Fund Support for Medicaid Remains Flat (in millions)



Historical Costs of Health Care 2000-2012

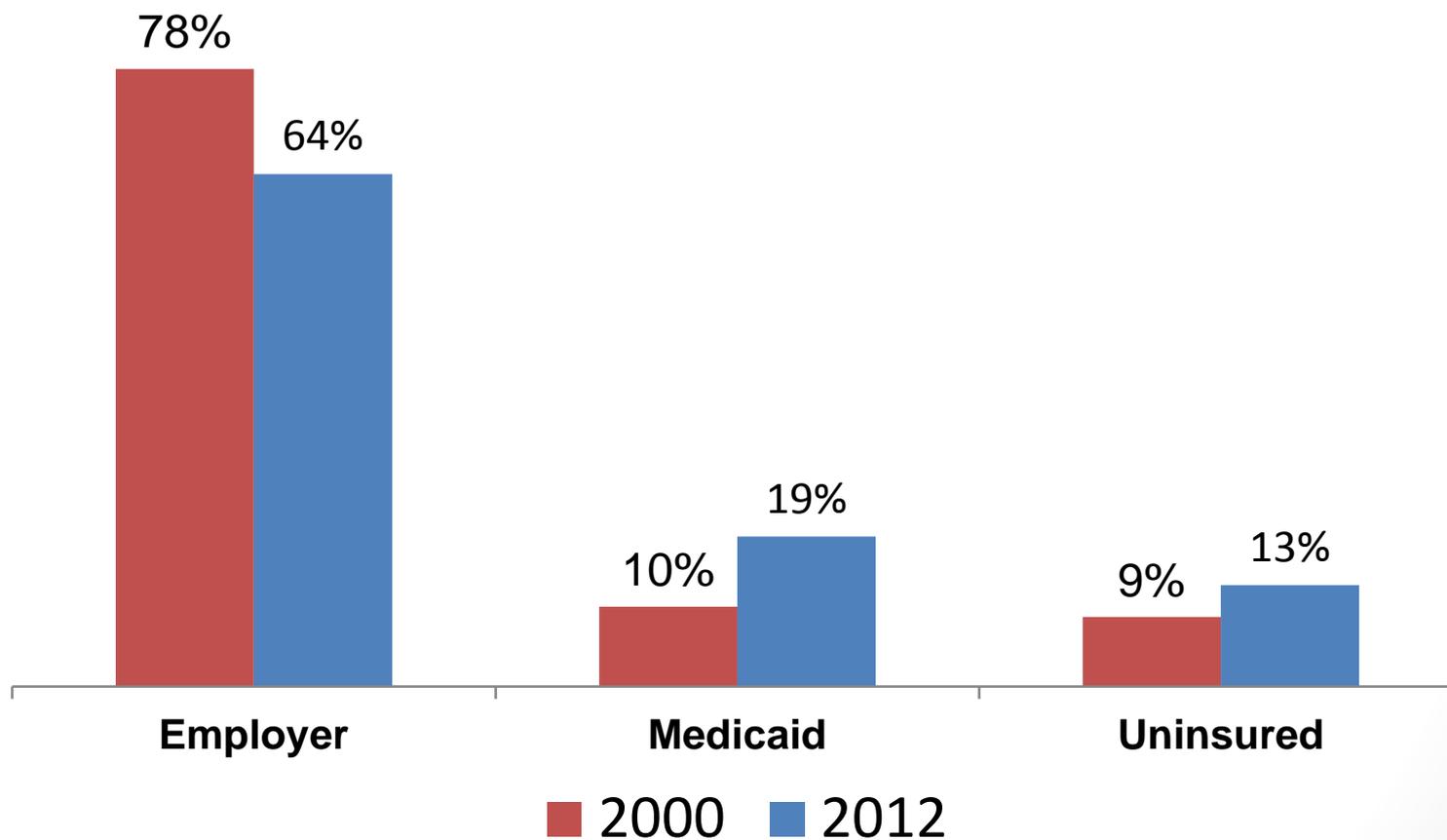


Average Annual Commercial Health Insurance Premiums have more than Doubled in a Decade

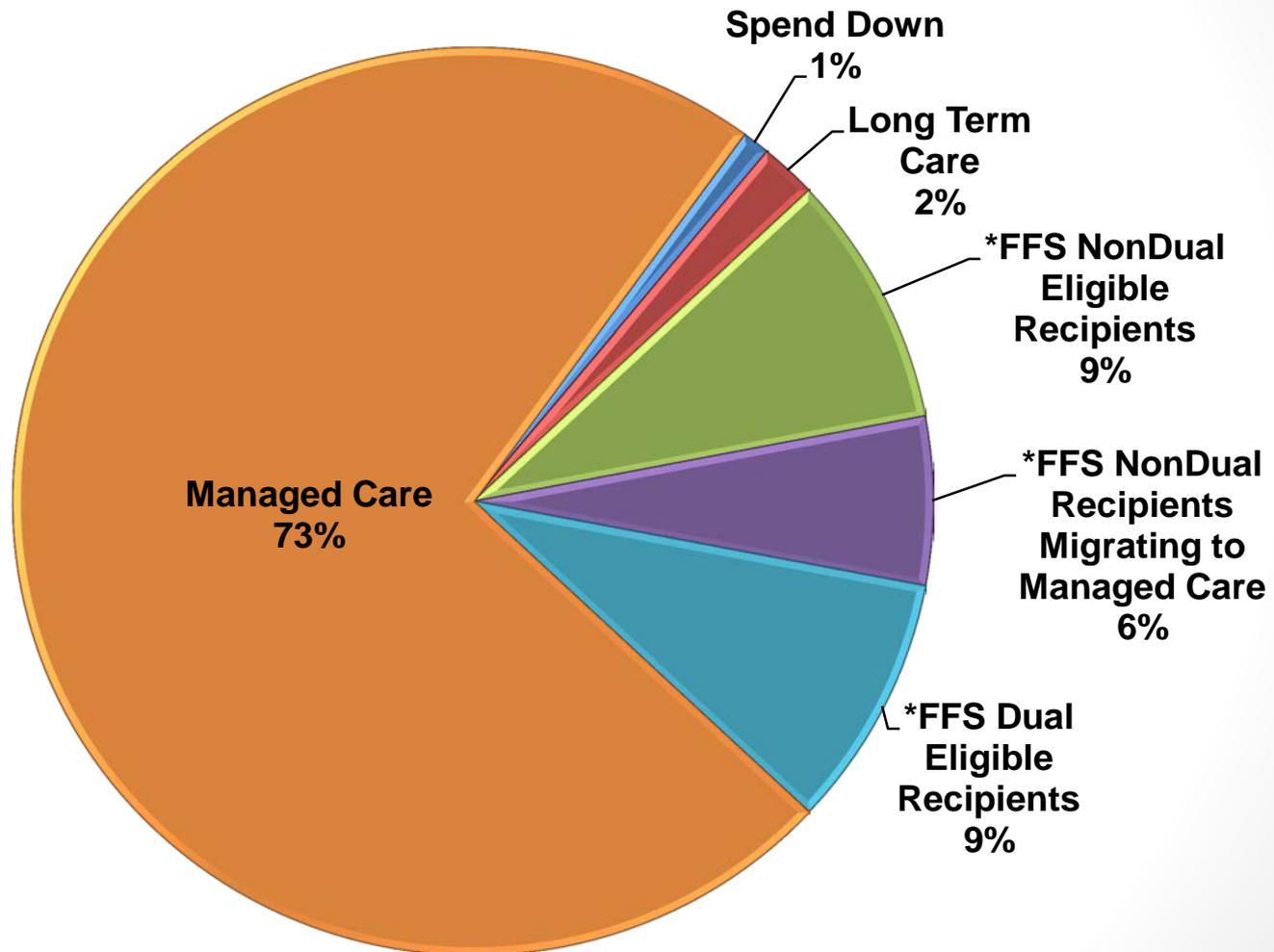


* Estimate is statistically different from estimate for the previous year shown (p<.05). Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2009.

Health Insurance Coverage Shifts

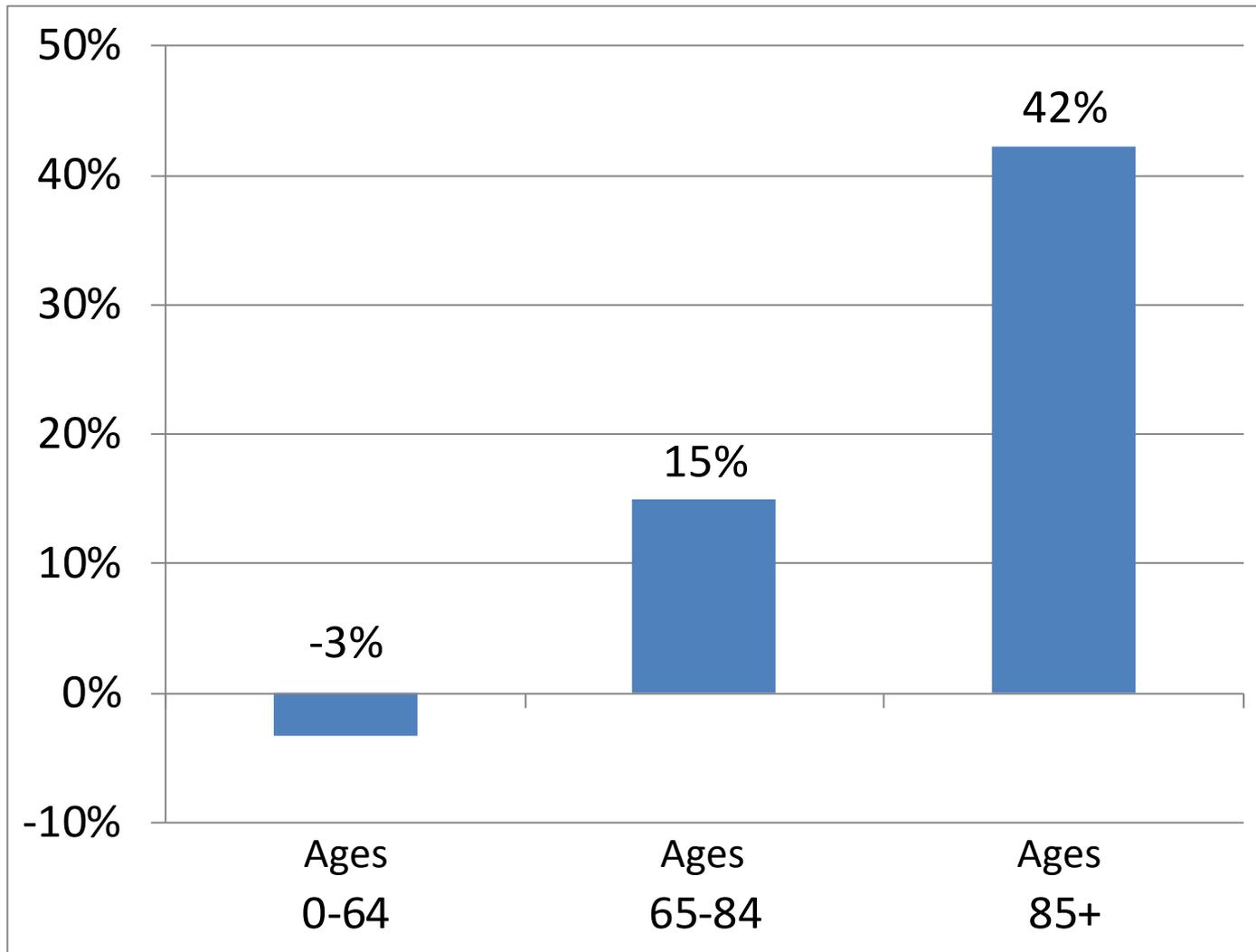


Medicaid Delivery System - FY 13



*FFS = Fee for Service

Michigan Population Change from 2000-2012



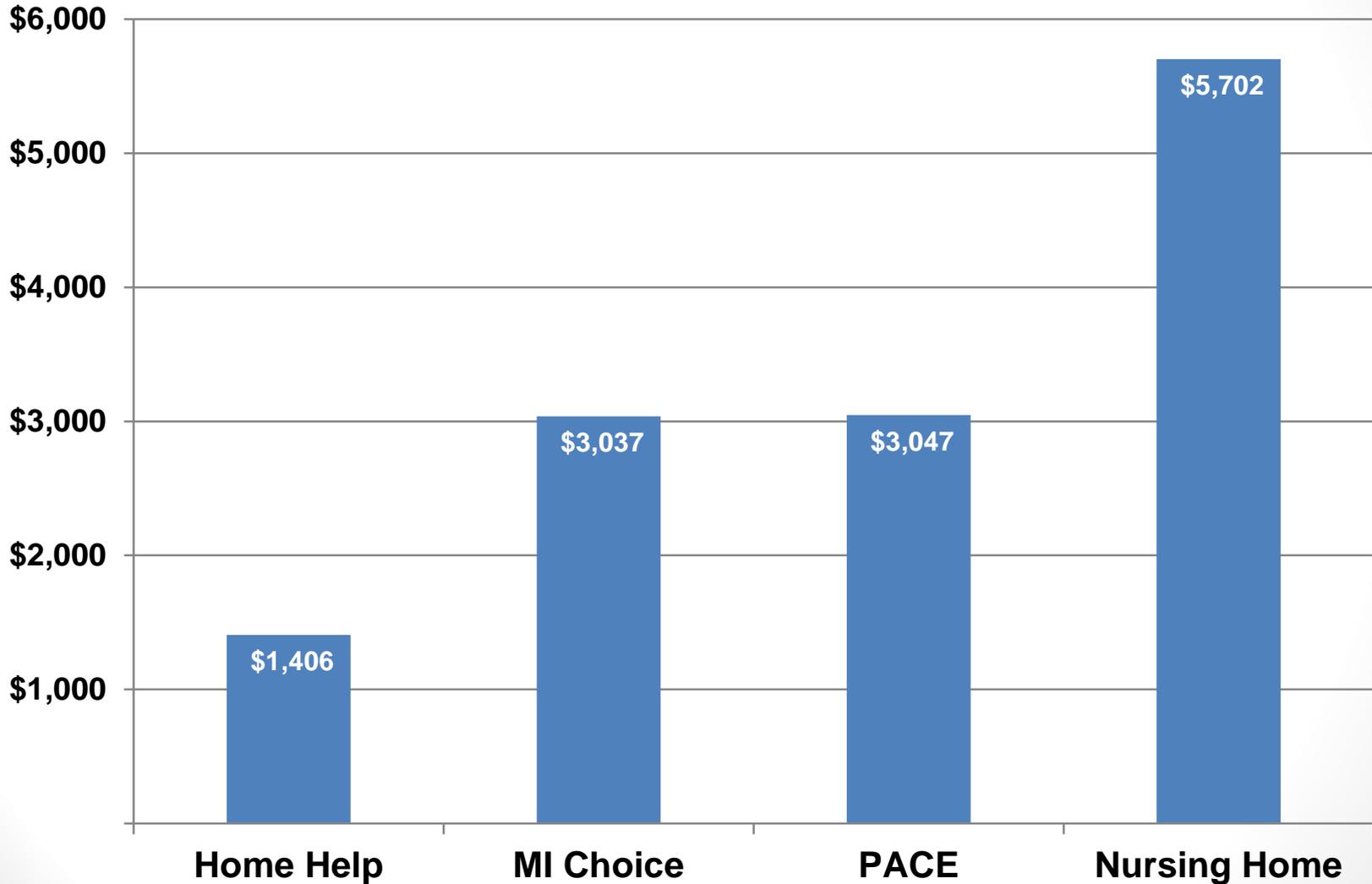
Long Term Care

- Comprised mainly of skilled nursing facility services and home and community based services (the fastest growing segment of long term care)
 - “Aging in place”
 - “Person Centered Planning”
 - “Self Direction”
- Adult Home Help serves approximately 60,000 individuals
 - Most cost effective long term care program
 - Business process review underway to strengthen program to assure sustainability

Long Term Care Supports & Services

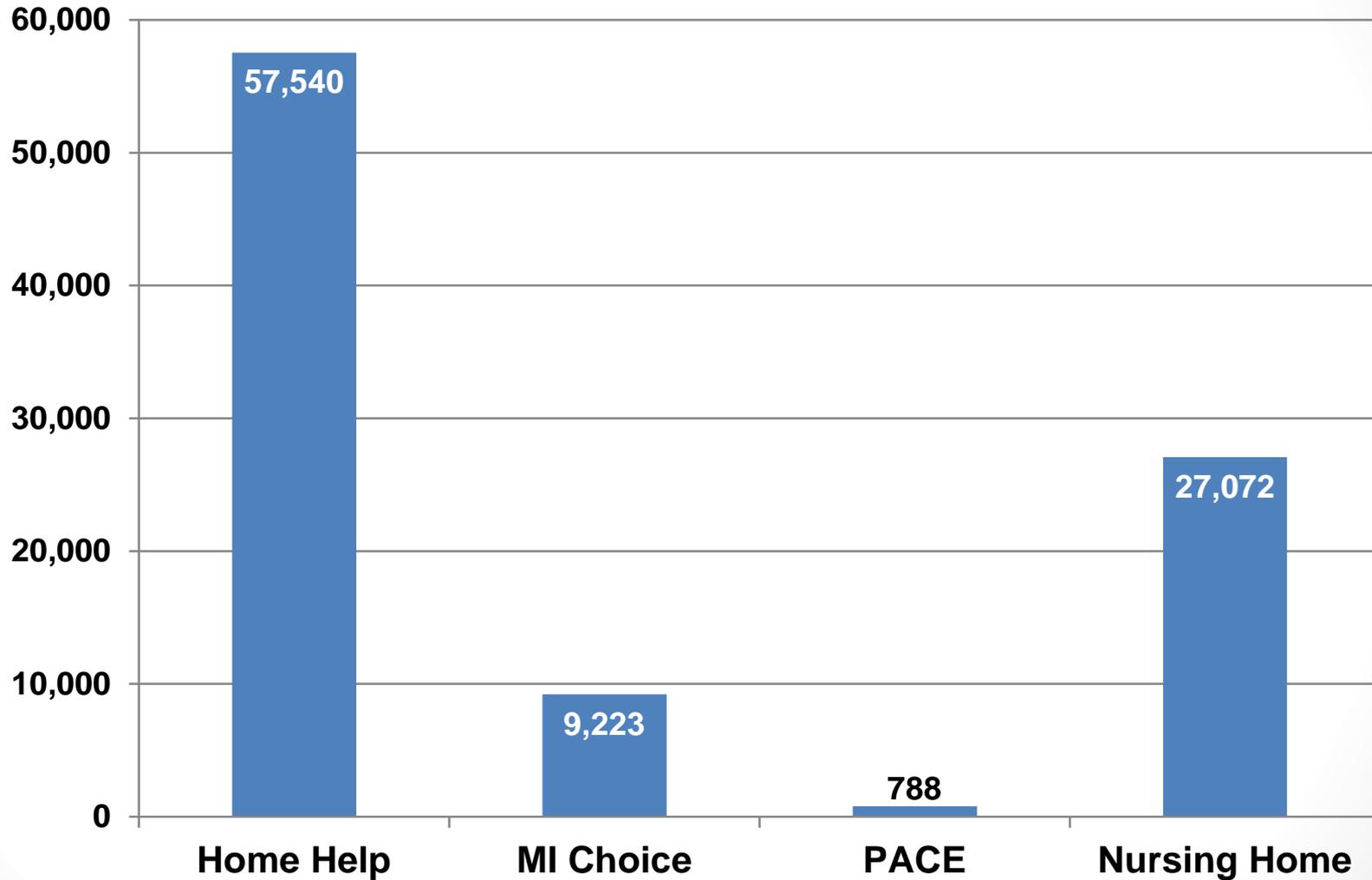
- Medicaid and the Office of Services to the Aging serve as a natural complement to each other.
- Office of Services to the Aging allocates and monitors state and federal funds for all Older Americans Act services, including:
 - Nutrition services
 - Community services
 - A legal hot line
 - Emergency prescriptions
 - Heating assistance
 - Senior education
 - Care management
 - Home delivered meals
- These Office of Services to the Aging services are often enough to prevent an individual from requiring the more extensive supports to live in the community provided by Medicaid.

Long Term Care Cost Per Member Per Month



FY13

Monthly Average Members Served FY 13



Adult Home Help Consumers by County FY13

County	#	County	#	County	#	County	#
Alcona	53	Dickinson	136	Lake	187	Ogemaw	389
Alger	37	Eaton	443	Lapeer	228	Ontonagon	38
Allegan	398	Emmet	106	Leelanau	6	Osceola	6
Alpena	118	Genesee	2,763	Lenawee	332	Oscoda	70
Antrim	117	Gladwin	243	Livingston	271	Otsego	267
Arenac	207	Gogebic	69	Luce	39	Ottawa	367
Baraga	55	Grand Traverse	305	Mackinac	38	Presque Isle	53
Barry	198	Gratiot	174	Macomb	5,322	Roscommon	139
Bay	880	Hillsdale	234	Manistee	241	Saginaw	1,992
Benzie	83	Houghton	162	Marquette	245	St Clair	820
Berrien	1,089	Huron	160	Mason	168	St Joseph	322
Branch	124	Ingham	1,966	Mecosta	469	Sanilac	245
Calhoun	796	Ionia	274	Menominee	146	Schoolcraft	70
Cass	262	Iosco	206	Midland	526	Shiawassee	382
Charlevoix	137	Iron	88	Monroe	510	Tuscola	266
Cheboygan	206	Isabella	286	Montcalm	280	Van Buren	528
Chippewa	163	Jackson	915	Montmorency	66	Washtenaw	1,343
Clare	259	Kalamazoo	1,467	Muskegon	1,089	Wayne	25,805
Clinton	226	Kalkaska	100	Newaygo	305	Wexford	333
Crawford	108	Kent	2,664	Oakland	6,510		
Delta	204	Keweenaw	12	Oceana	223		

Managed Care Plans

- Accountable
- Transparent
- Highly Ranked in National Measurement
- Provides Access and Quality
- Foundation for Healthy Behaviors and Fully Integrated Care

Managed Care Plans

- 13 accredited plans covering medically necessary services
 - Blue Cross Complete of Michigan
 - CoventryCares of Michigan, Inc.
 - HealthPlus Partners
 - McLaren Health Plan
 - Meridian Health Plan of Michigan
 - Midwest Health Plan
 - Molina Healthcare of Michigan
 - Physicians Health Plan – Family Care
 - Priority Health Choice
 - Harbor Health Plan
 - Total Health Care
 - UnitedHealth care Community Plan
 - Upper Peninsula Health Plan

Managed Care Plans Access/Quality

Michigan Medicaid has adopted the highest standard of accountability and transparency. Managed Care Plan performance requirements include:

- Accreditation by an external entity
- An annual audited Healthcare Effectiveness Data and Information Set (HEDIS) report
- All required HEDIS measures must be deemed reportable (free of material bias)
- An annual adult Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey report (measures experience of health care)

Managed Care Plans Access/Quality

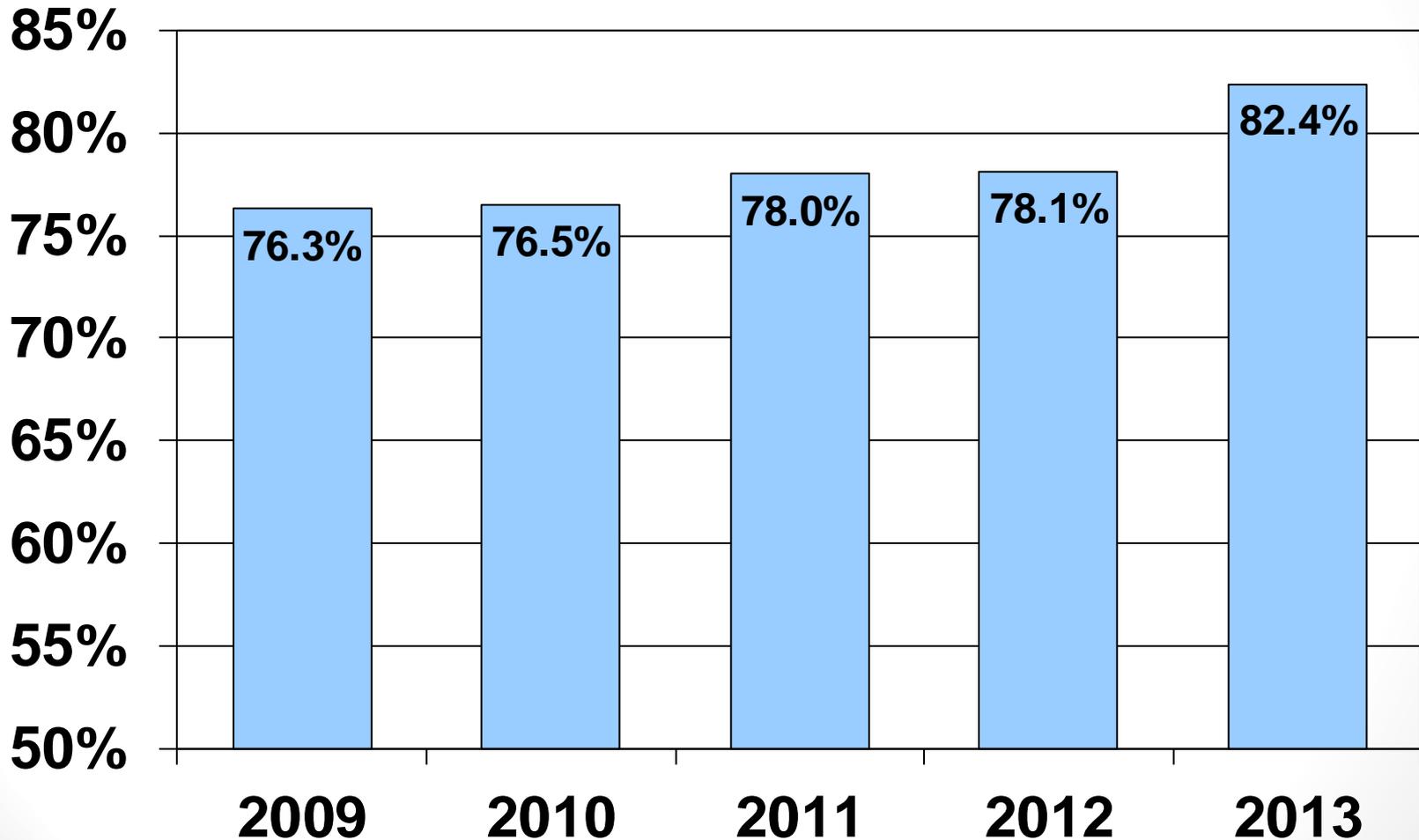
Performance requirements continued:

- Public reporting required by Appropriation Section 1662
- Consumer guide to assist beneficiaries in their in plan selection
- Managed Care Plan Contractor performance bonus based on plan scores relative to national Medicaid benchmarks
- Auto assignment preference based on performance

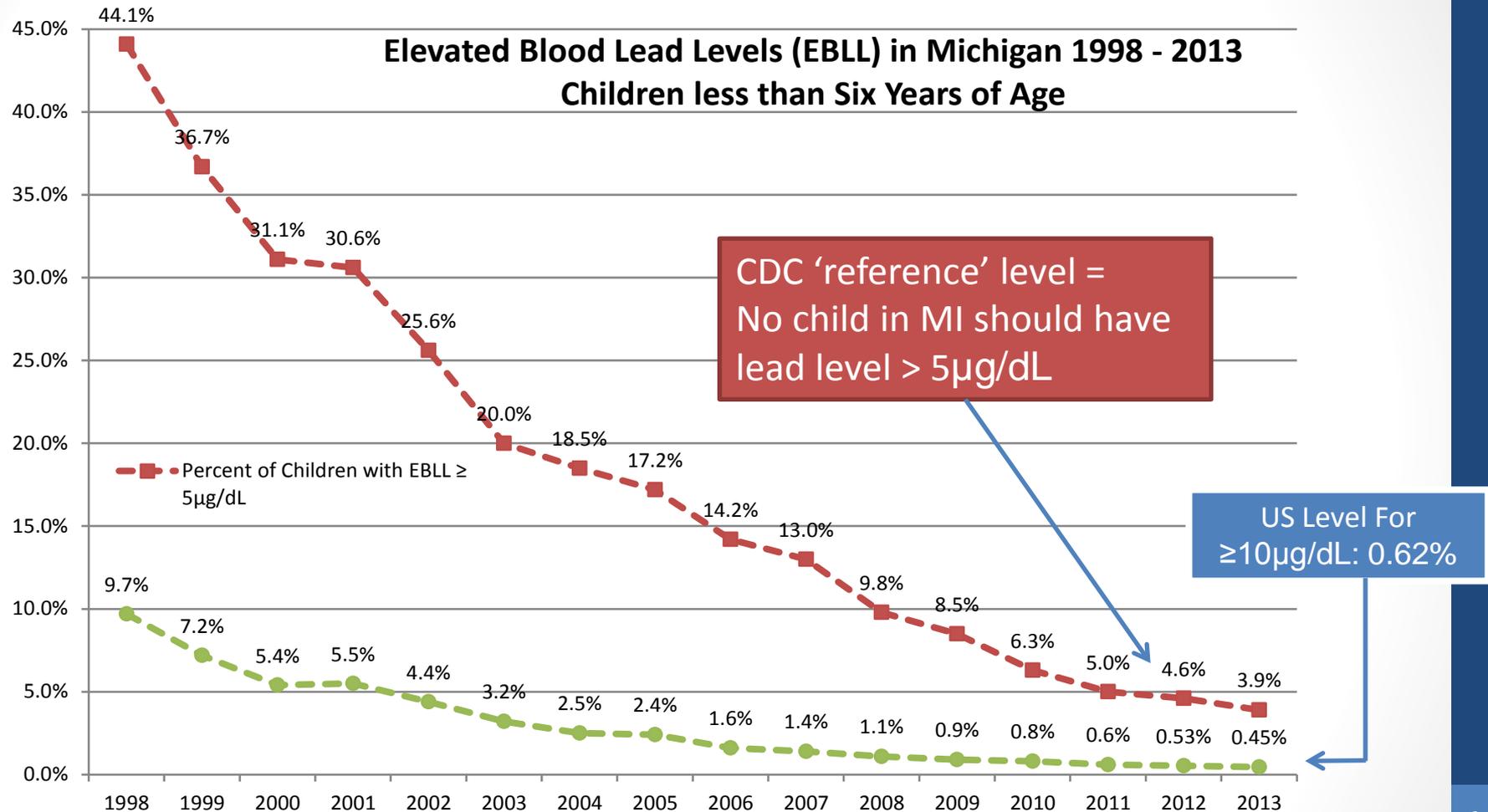
Managed Care Plans Excel

- National Committee for Quality Assurance (NCQA) ranks 6 of Michigan's Managed Care Plans in the top 20 nationwide. (2013)
 - Blue Cross Complete, Priority Health, Midwest Health, UnitedHealthcare Community, HealthPlus Partners, and Upper Peninsula Health
- Demonstrates commitment to provide high quality health care to our most vulnerable citizens

Managed Care Plans Blood Lead Testing - 3 year olds



Childhood Lead Poisoning Prevention Program

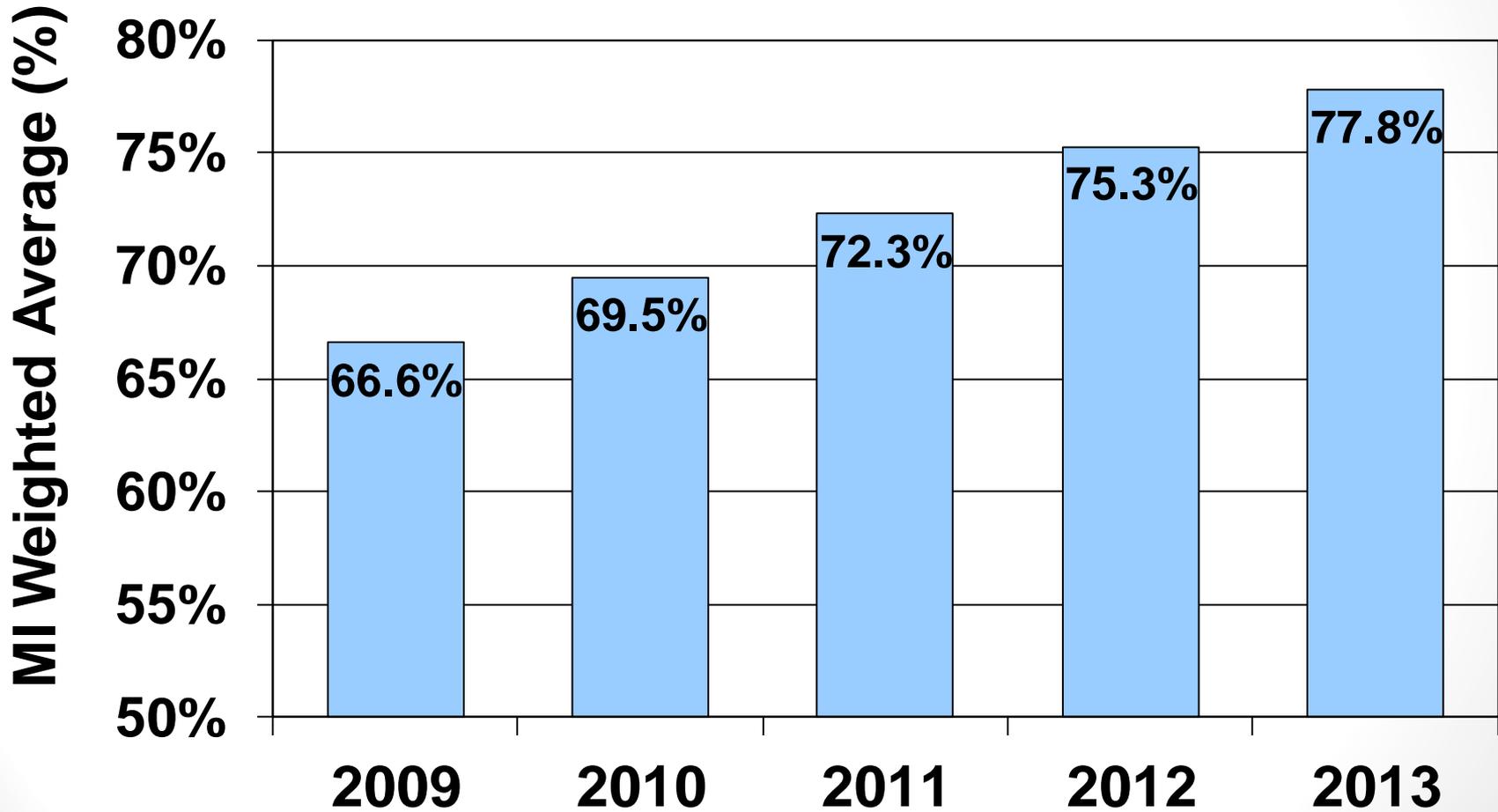


February 14, 2014
 Source: MDCH Data Warehouse

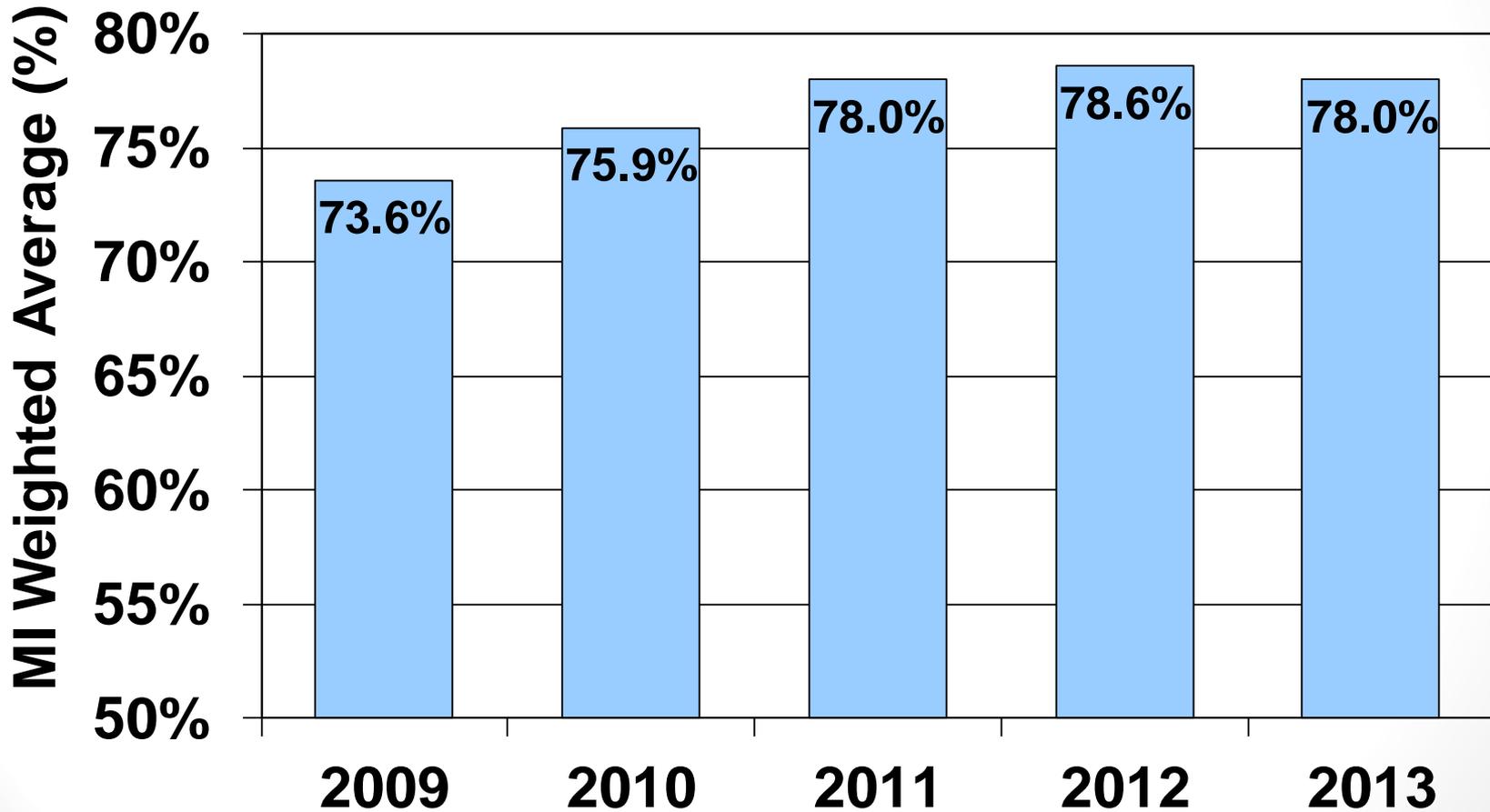
Healthy People 2020 Target: No children with lead levels \geq 10 μ g/dL by 2020.

Counties with highest proportions of children with lead levels $>$ 5 μ g/dL in 2013: Bay, Branch, Crawford, Huron, Jackson, Kent, Keweenaw, Lenawee, Mackinac, Manistee, Mason, Wayne

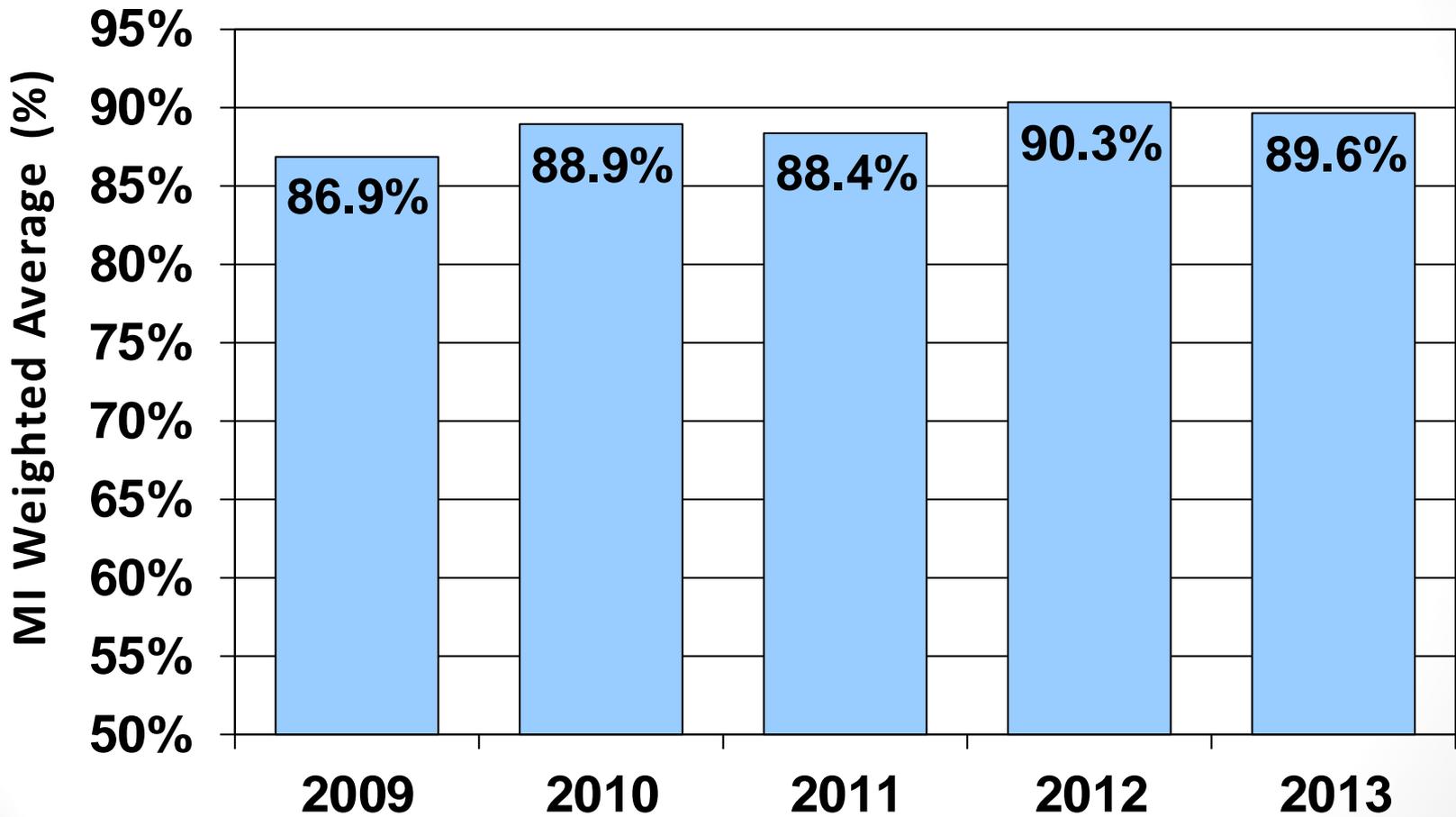
Managed Care Plans Well Child Visits - First 15 Months



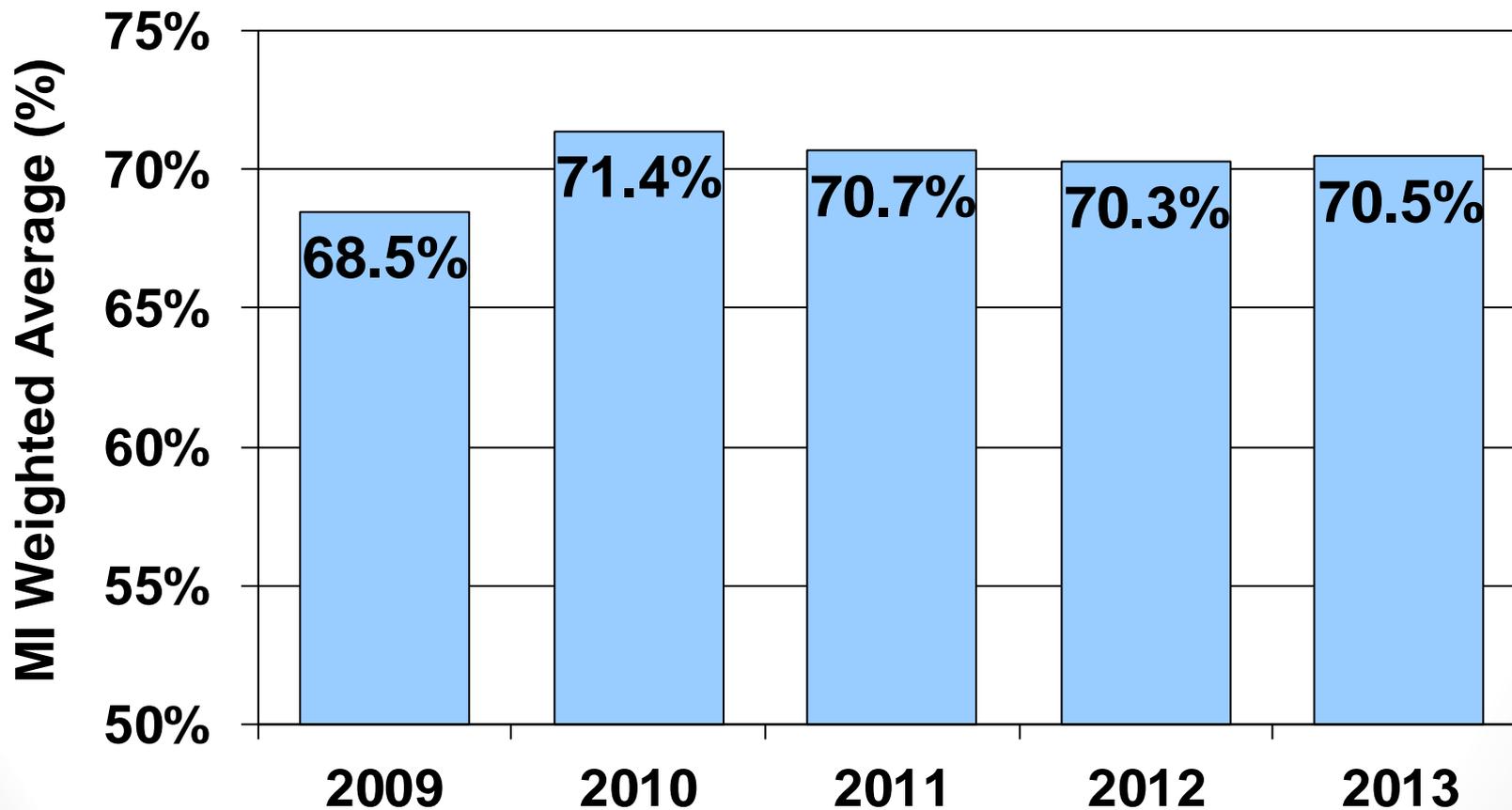
Managed Care Plans Well Child Visits - 3 – 6 years



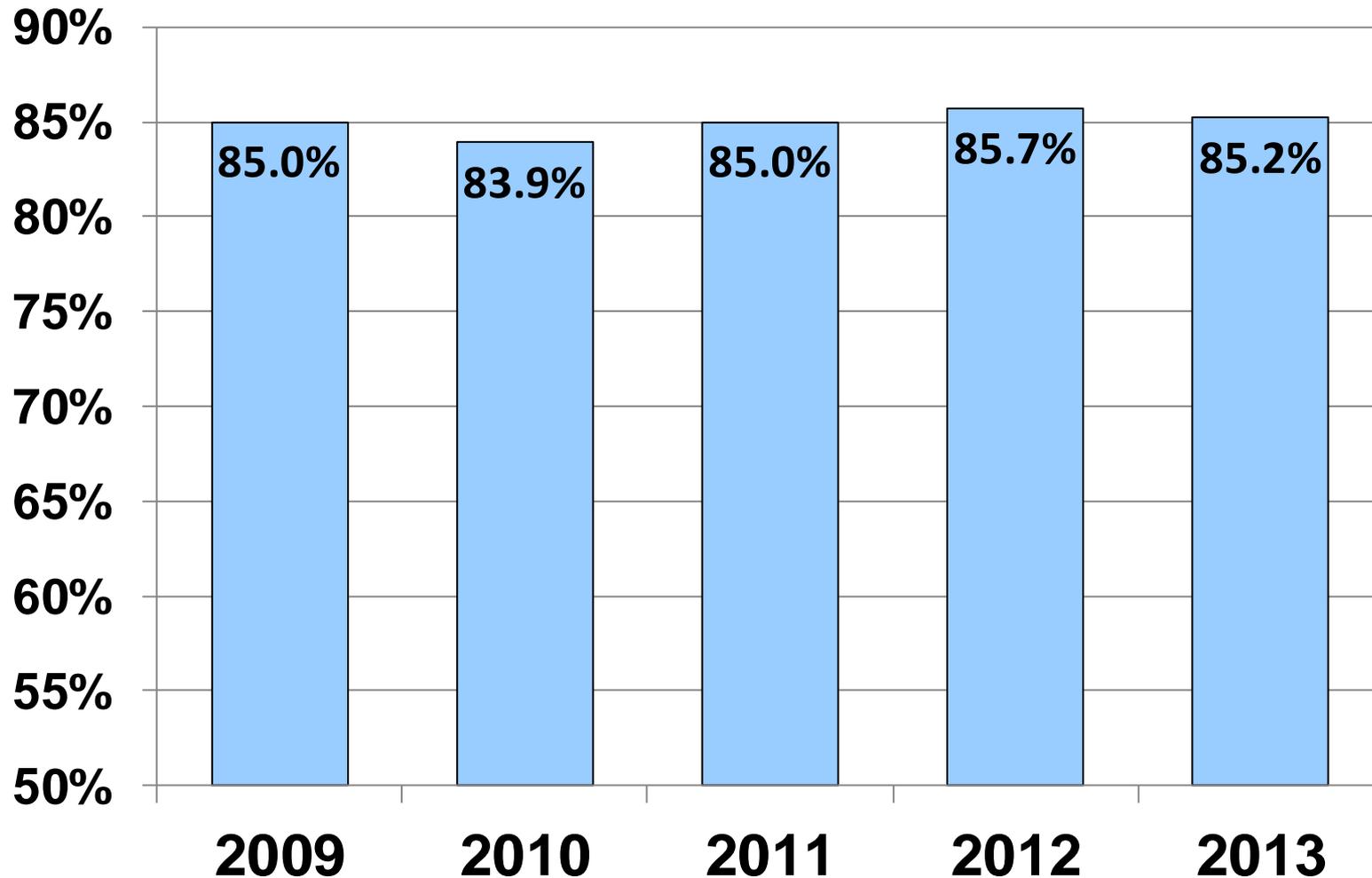
Managed Care Plans Prenatal Visits



Managed Care Plans Postpartum Visits

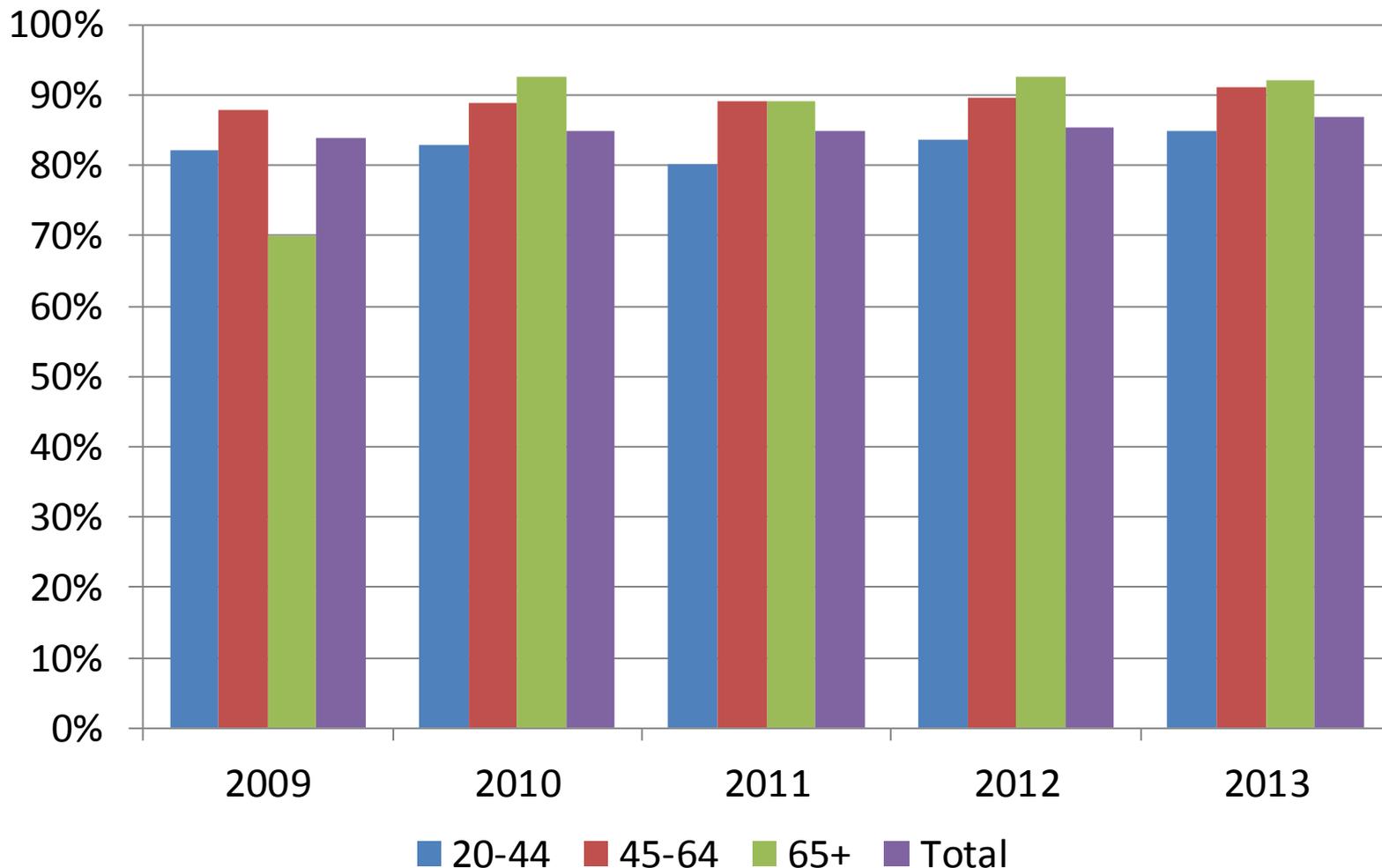


Managed Care Plans Diabetes Testing (HbA1C)



Managed Care Plans

Percentage of Adults with Preventive/Ambulatory Visit



Michigan Medicaid Works

- Cost effective
- Efficient
- Provides access to services
- Provides quality services
- Highly ranked nationally in numerous areas
- Providing value day after day and year after year

FY14 Major Initiatives

- Healthy Michigan Plan
- Integrated Care – MI Health Link
- Expansion - Healthy Kids Dental

Healthy Michigan Plan Waiver Progress

- Public Act 107 of 2013 signed into law
September 2013
- Healthy Michigan Plan Waiver submitted to
Federal government November 8, 2013
- Federal government approved waiver
December 30, 2013

Healthy Michigan Plan Requirements

Public Act 107 of 2013

<u>Section Number</u>	<u>Description</u>	<u>Effective Due Date</u>	<u>Comments</u>
105D(1)(A)	DCH may begin enrollment of individuals under 105(D) if waiver is approved by 1/1/2014.	1/1/2014	Approval received 12/30/13
105D(12)	DCH in collaboration with contracted health plans and providers shall create financial incentives for contracted health plans, providers, and enrollees.	1/1/2014	Completed 12/30/13 - Managed Care report sent to legislature Subsection C applies whether or not either or both of the waivers requested under section 105D are approved, the PPACA and ACA is repealed, or the state terminates or opts out of the program established under this section
105D(1)(B)	DCH shall pursue a range of consequences for enrollees who consistently fail to meet their cost-sharing requirements. DCH to report plan of action to the legislature.	6/1/2014	
105D(27)(B)	By June 1, 2014 DCH shall determine, and SBO shall approve, how annual state savings and other nonfederal net savings shall be calculated.	6/1/2014	This calculation will determine whether federal gov't matching funds are under 100% of annual state savings and other nonfederal net savings.
105D(7)	DCH shall develop a methodology that decreases the amount an enrollee's required contribution may be reduced per section (1)(E), based on, but not limited to, enrollee's failure to pay cost-sharing requirements and inappropriate utilization of the ED	6/1/2014	
105D(1)(F)	DCH design and implement a co-pay structure that encourages the use of high-value services, while discouraging low-value services.	7/1/2014	
105D(4)	DCH pursue any and all necessary waivers to enroll dual eligible persons into the 4 integrated care demonstration regions by July 1, 2014	7/1/2014	This section applies whether or not either or both of the waivers requested under section 105D are approved, the PPACA and ACA is repealed, or the state terminates or opts out of the program established under this section

Healthy Michigan Plan Requirements (continued)

Public Act 107 of 2013

<u>Section Number</u>	<u>Description</u>	<u>Effective Due Date</u>	<u>Comments</u>
105D(27)(B)	By September 1, 2014 the calculations and methodology used to determine annual state savings and other nonfederal net savings shall be submitted to the legislature.	9/1/2014	This calculation will determine whether federal gov't matching funds are under 100% of annual state savings and other nonfederal net savings.
105D(28)	DCH shall submit (given a guideline included in the procedure developed in this subsection) to the Dept. of Treasury all requests for the offset of state tax refunds claimed on returns filed or to be filed for that tax year of an enrollee who owes a liability to the state of past due uncollected cost-sharing, as allowable by the federal government.	11/1/2014 (annually thereafter)	
105D(30)	DCH shall submit a report to the legislature that identifies the causes of overutilization and improper emergency service usage that includes specific best practice recommendations for decreasing overutilization of EDs and improper Emergency Service usage, as well as how those best practices are being implemented. Both broad recommendations and specific recommendations related to the Medicaid program, enrollee behavior and health plan access issues shall be included	12/31/2014	
105D(8)	DCH shall make an initial baseline (FY 2012-2013 Data) uncompensated care report containing at least the data described within this subsection. The Medicaid Hospital Cost Report shall be part of the uncompensated care definition and calculation. DCH shall also collect and examine other relevant financial data for all hospitals and evaluate the impact that providing medical coverage to the expanded population has on the actual cost of uncompensated care for all hospitals in the state.	12/31/2014	
105F(3)	The Advisory Committee shall issue a report with recommendations on the creation of a database on health care costs and health care quality in MI.	12/31/2014	This section applies whether or not either or both of the waivers requested under section 105D are approved, the PPACA and ACA is repealed, or the state terminates or opts out of the program established under this section

Healthy Michigan Plan - Implementation

- Many system changes
- Promulgate Policy
- Managed Care Plans are preparing for program
- Establish Plan Rates
- Provider Engagement
- Three state plan amendments
- Converting current Adult Benefits Waiver beneficiaries into the Healthy Michigan Plan

Healthy Michigan Plan – Special Terms & Conditions

- MI Health Account Operation Protocol - Due March 2014
- Healthy Behaviors Incentives Program Operational Protocol – Due March 2014
- Quarterly Progress Report – Due 4/1/14 and quarterly thereafter
- Administrative Cost and Budget Reporting – Due 4/1/14 and quarterly thereafter
- Monthly Enrollment Reports – Due 4/20/14 and monthly thereafter
- Healthy Michigan Evaluation Plan – Due 4/29/14
- Comprehensive State Quality Strategy – Due 4/30/14
- Ongoing monthly calls with federal staff
- Annual report

Healthy Michigan Plan – Consumer Engagement

- MI Health Account
 - Quarterly statements
- Healthy Behaviors
 - Identifying areas of improved health through health risk assessment
 - Informing and encouraging healthy behaviors
 - Rewards for engaging in healthy behaviors

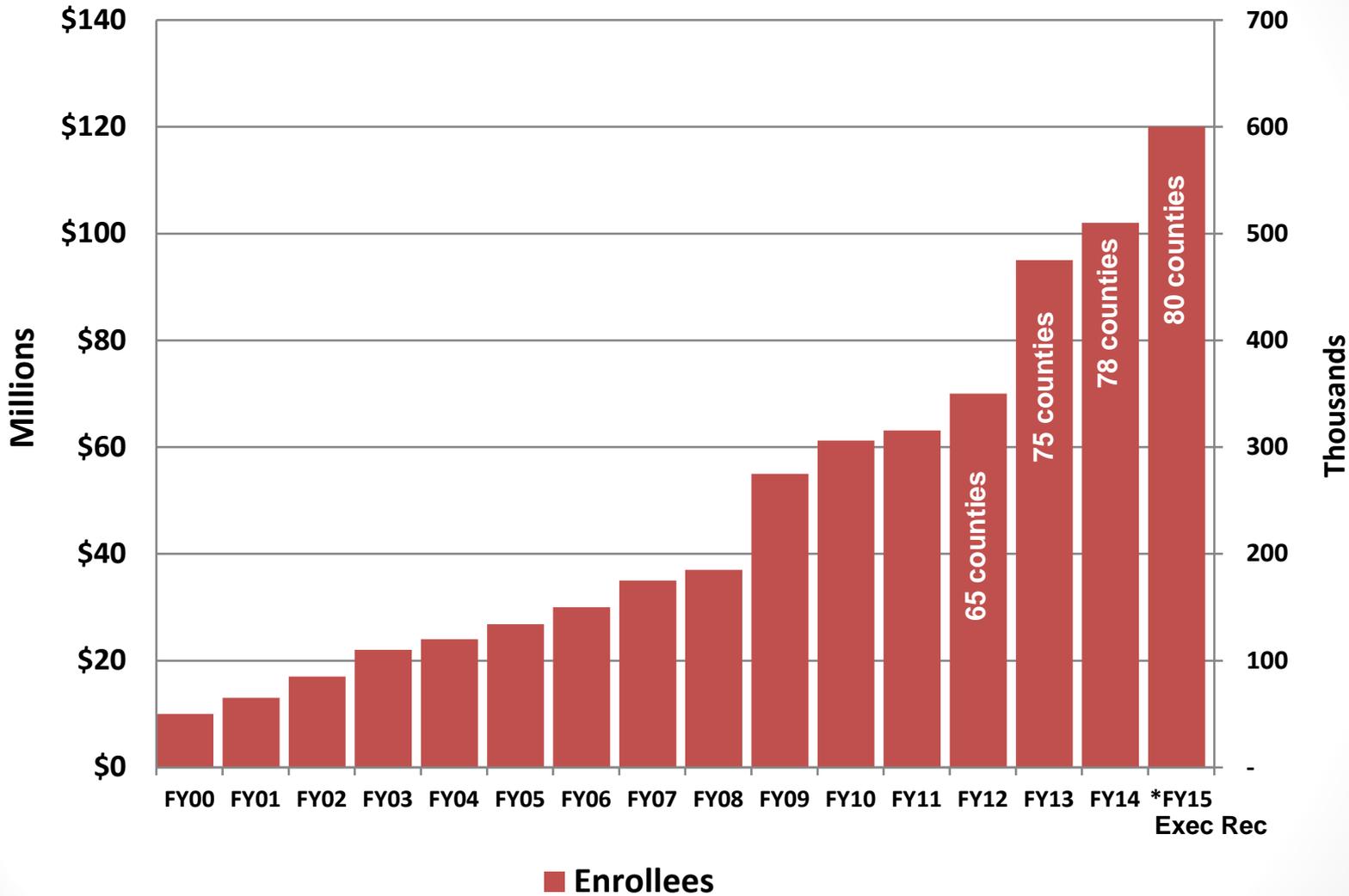
Integrated Care – MI Health Link

- Three year demonstration with Center for Medicare and Medicaid Services for people dually eligible for Medicare and Medicaid
- Four regions: Upper Peninsula, Southwest (eight counties), Macomb and Wayne counties
- Selected eight Integrated Care Organizations for the four regions
 - UP: Upper Peninsula Health Plan
 - Southwest: CoventryCares, Meridian Health Plan
 - Macomb/Wayne: Amerihealth, CoventryCares, Fidelis, Midwest, Molina, UnitedHealthcare
- All Medicare and Medicaid covered services included (primary, acute, pharmacy, long term supports and services, behavioral health)

Integrated Care - MI Health Link

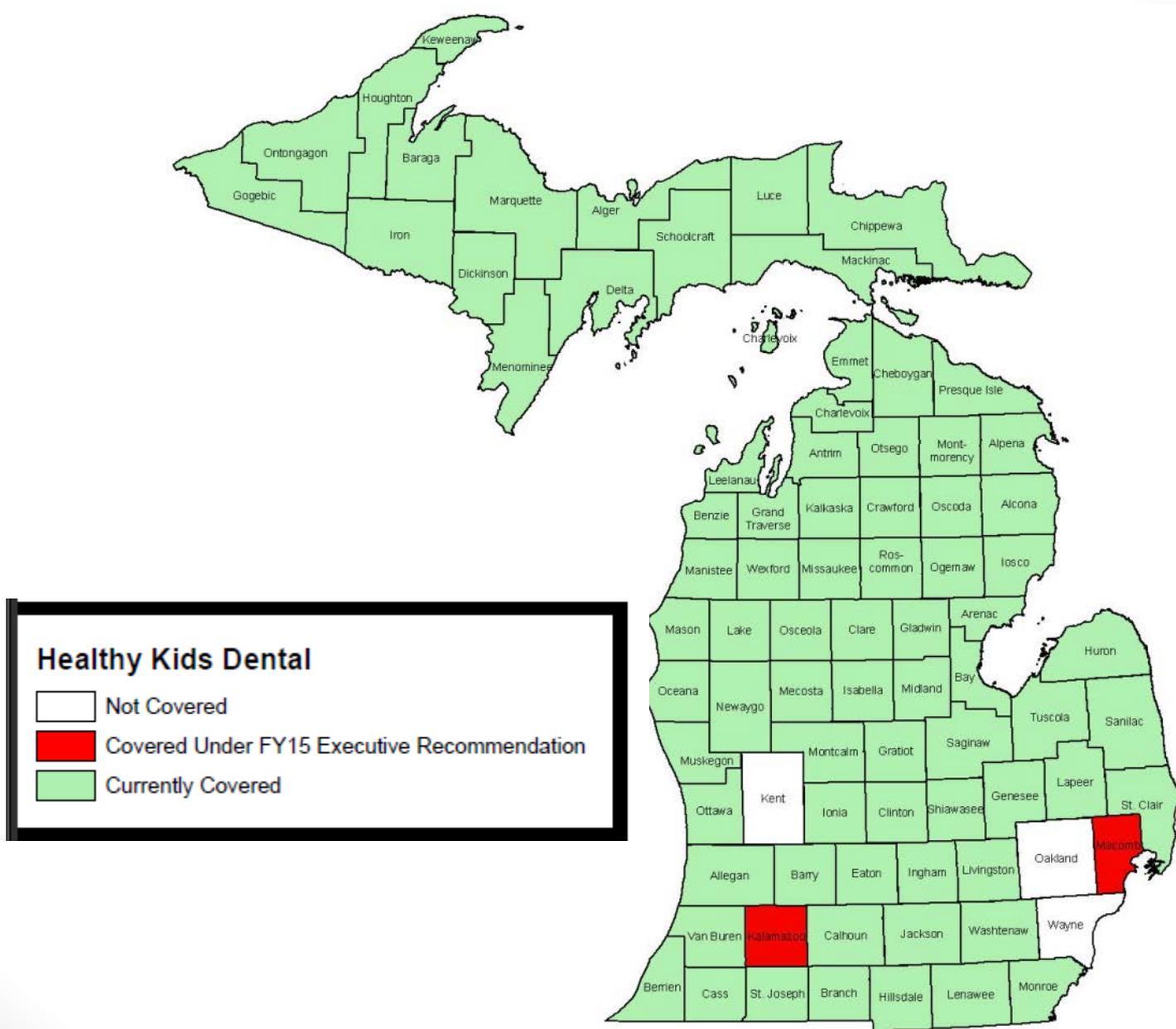
- Program development continues –
 - merging Medicare and Medicaid enrollment processes
 - quality management strategies
 - service parameters
 - payments and encounters
 - systems changes
 - care coordination strategies
 - combined appeals processes
- Create an integrated care Ombudsman Program
- Complete rate setting process
- Finalize three-way contract
- Readiness Reviews conducted with Centers for Medicare & Medicaid Services contractor

Making Dental Health a Priority



\$5.4M to expand Healthy Kids Dental to reach 100,000 more children

Healthy Kids Dental Coverage by County



Governor Snyder's FY 15 Recommendation

FY 2015 Program Investments and Other Adjustments (in millions)

Description	FY 2015 Recommendation	
	GF/GP	Gross
<u>On-going Investments</u>		
Healthy Kids Dental Phase-In	\$5.4	\$15.7
Primary Care Physician Rate Increase	\$26.0	\$75.5
MIChoice Wait List Elimination	\$9.0	\$26.2
Programs for All-Inclusive Care for the Elderly	\$5.7	\$16.4
Wayne State Psychiatric Residency Program	\$5.6	\$5.6
<u>One-Time Investments</u>		
Dental Clinic Program	\$4.1	\$4.1
<u>Other Adjustments</u>		
Special Medicaid Rural Hospital Payments	(\$12.0)	(\$35.6)
Healthy Michigan Plan Savings	(\$232.1)	\$0
State Restricted Revenue Shortfall in Medical Services	\$0	\$110.0

Protect Michigan's Health Care Safety Net FY 2015 Key Budget Adjustments (in millions)

Description	FY 2014 Recommendation	
	GF/GP	Gross
Caseload and Utilization Adjustment	\$31.5	\$81.0
2.5% for Health Plan Actuarial Soundness	\$30.8	\$89.4
Federal Medical Assistance Percentage (FMAP) from 66.32% to 65.54%	\$62.3	\$0

MDCH Contact Info and Useful Links

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Facebook: <http://www.facebook.com/michigandch>

Twitter: @MIHealth, <https://twitter.com/mihealth>

Useful Links:

Executive Budget: <http://www.michigan.gov/mibudget2015>

MI Healthier Tomorrow: www.michigan.gov/mihealthiertomorrow

Healthy Michigan Plan: www.michigan.gov/healthymichiganplan

MIChild: www.michigan.gov/michild