
mahp
Michigan Association
of Health Plans

MAHP: Who We Are

- The Michigan Association of Health Plans is a nonprofit corporation established to promote the interests of member health plans.
- MAHP's mission is "to provide leadership for the promotion and advocacy of high quality, accessible health care for the citizens of Michigan."
- Represents 11 health plans covering all of Michigan and more than 35 related business and affiliated organizations. Our member health plans employ about 8,000 persons throughout the state.
- Member health plans provide coverage for more than 3 million Michigan citizens – nearly one in every three Michiganders.
- Member health plans collect and use health care data, support the use of "evidence-based medicine", and facilitate disease management and care coordination in order to provide cost-effective care.

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Our members

Aetna Better Health of Michigan [1,2,3]

Health Alliance Plan [1,2,3]

Molina Healthcare of Michigan [1,2,3]

Physicians Health Plan [1,3]

United Healthcare Community Plan [1,2,3]

McLaren Health Plan [1,2,3]

Meridian Health Plan / Michigan Complete Health [1,2,3]

Paramount Care of Michigan [1,3]

Priority Health [1,2,3]

Reliance HMO [3]

Upper Peninsula Health Plan [2,3]

Key: 1 = Commercial Health Plan **2 = Medicaid Health Plan** **3 = Medicare Advantage or Medicare Special Needs Plan**

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MAHP VISION

To Provide leadership for the promotion and advocacy of high-quality, affordable, equitable, and accessible healthcare for Michigan's citizens.

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Medicaid Managed Care

QUALITY

•Smart Incentives built into Medicaid Contracts with private health plans

- Return on Investment (improved health status, access and costs savings)
- HEDIS quality scores tracked and measured against commercial and Medicare benchmarks
- Plans are increasingly implementing a variety of value-based payment (VBP) models that aim to drive system change towards greater efficiency and improved health outcomes. In contrast to traditional fee-for-service payment models that are based on the volume of care provided, value-based payment models reward providers based on achievement of quality goals and, in some cases, cost savings

ACCESS

•Managed care provides greater access to care

- Robust Health Plan provider networks
- No wait list for Medically necessary and clinically appropriate services
- Provides structure that generates state savings and increases reimbursements to providers

COST

•Medicaid services are managed and costs are predictable

- saving over $400 million/year (compared to FFS)—Nearly $8 billion in savings to Taxpayers since 2000
- Additionally, Health Plans have returned nearly $400 million to the State due to less-than-expected claims and medical utilizations during the COVID-19 pandemic

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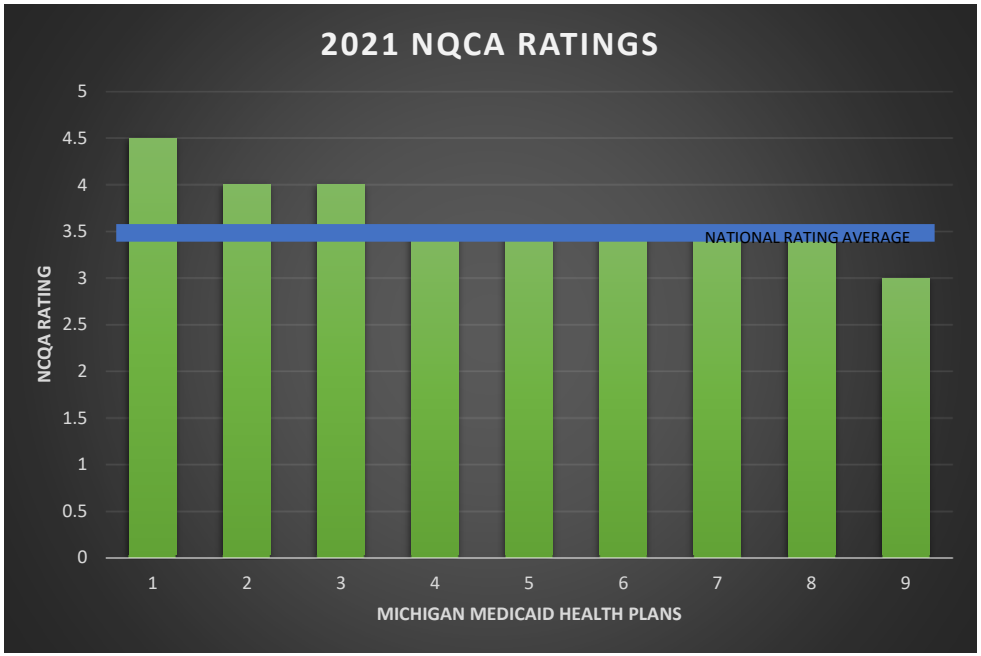
Medicaid Managed Care

- Medicaid services under managed care are accountable
  - Audited data related to clinical quality of care measures (HEDIS)
  - Use of external measures to determine customer satisfaction (CAHPS)
  - Contract performance standards (Status improvement, access measures, etc.)
  - Reporting requirements as licensed HMOs and Contracted Medicaid Plans



–National Accreditation and rating through NCQA/URAC, who compare the quality and services of more than 1,000 health plans that collectively cover 138 million people—more than 43% of the nation's population through stressing health outcomes and consumer satisfaction

Medicaid Managed Care

MI Health Link- Duals Demonstration

- Under the Medicare-Medicaid Financial Alignment Initiative CMS measures consumer experience in multiples ways, including beneficiary surveys such as the Consumer Assessment of Healthcare Providers and Systems (CAHPS).
- MI Health Link plans are required to annually conduct the Medicare Advantage Prescription Drug (MA-PD) CAHPS survey, which measures important aspects of an individual's health care experience. In 2021 39, MMP plans reported nationally. Upper Peninsula Health Plan with a score of 91/100 is the top scoring health plan in the nation.
- Despite bumps along the way, this demonstration program is saving money, providing better out comes and increasing member satisfaction.
  - Estimated savings to state for CY 18 is $2.5 million ($4.6 million federal)
  - Estimated savings to state for CY 19 is $2.6 million ($4.8 million federal)

Populations Remaining in Fee-for-Service

- Individuals receiving Long-Term Services and Supports (LTSS) make up most of the population remaining in Fee-for-Service
- In FY17, individuals receiving Medicaid LTSS compromised just 5% of total Medicaid enrollment yet accounted for over 20% of total Medicaid expenditures.
- FY 2017 Michigan Medicaid LTSS Program Enrollment:

LTSS Program	Average Annual Enrollment for FY 2017
Home Help FFS	51,682
MI Choice	11,841
Nursing Facility Population- FFS	27,567

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Behavioral Health Integration

The current system using partial-risk Prepaid Inpatient Health Plans (PIHPs) to manage a siloed behavioral health benefit for the Medicaid population is failing. For FY 19, most of the PIHPs reported spending more on Medicaid services than the state had budgeted for them for (Medicaid/HMP expenditures were greater than Medicaid/HMP revenue).

Ongoing statewide deficits for the PIHPs eclipsed $77 million in FY 18. In FY19, four PIHPs (Community Mental Health Partnership of Southeast Michigan, Lakeshore Regional Entity, Macomb County Community Mental Health and Oakland Community Health Network) were large enough to require MDHHS to provide additional state funding totaling more than $20.7 million dollars under terms of the existing shared risk contract.

Four "one-time" bail outs have occurred in supplementals in the last five years. In 2018 the additional cost to the State was nearly $93 Million. The trend of four "one-time" bail outs raise serious questions about their ability to effectively manage risk.

Managed Care is the predominant financing model for state Medicaid programs, with nearly 40 states contracting with Managed Care Organizations (MCOs) to provide all or some physical health benefits for beneficiaries.

Behavioral Health Integration

1 in 5 Medicaid beneficiaries have a behavioral health diagnosis, and they account for almost half of total Medicaid expenditures. Mental illness in addition to a chronic physical health condition is associated with a more than 60% increase in health care costs.

Too many Michiganders are failed by our current system. While Medicaid recipients are allowed to choose their physical health care through a very successful managed care system, for mental health services, they are required use a broken community mental health system that lacks in services and doesn't allow for consumer choice. That's why MAHP supports SB 597, 598 & 714, to make investments in mental health and ensure everyone gets the health care they need.

People with mental health concerns often have physical health issues.
But today their care is not integrated. We need one system that can help those with both problems. Unfortunately, Medicaid consumers must navigate two separate and independent healthcare systems. Thirty-four other states have begun integrating care under one system - it's time to stop treating Medicaid patients differently and give them the benefits that most Michigander with commercial insurance have through employers today.

Smarter collaboration can free up more money for our state's mental health needs.
When medical doctors and mental health professionals work together, they can catch problems earlier and avoid costly treatments – allowing more people to get the health care they need while saving the state money.

MAHP looks forward to continuing work with the legislature and administration to find a truly integrated model.

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Budget and Policy Considerations

- **Actuarial Sound Rates:**
  - Federal regulations require capitated rates to Health Plans to be certified by an actuary and cover all federal, state, and local taxes, fees, and assessments.
  - Encounter Quality Initiative (EQI) data evaluated from all 9 Medicaid Health Plans. Review of eligibility category historical pricing and experience trend, historical pharmacy experience and trend, and office administered drug experience trend.
  - Review suggests a needed actuarial soundness rate increase between 2.8% and 4.3% for FY 23.
  - For comparison: Average federal and state Medicaid spending across the nation grew by 11.4% in FY 21, and state projected growth will slow to 7.3% in FY 22.[1]
  - FY 23 Executive Budget Recommendation of 2.0%.

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1 https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-spending-growth-fy-2021-2022/

Budget and Policy Considerations

- **Review Single Preferred Drug List (SPDL):**
  - Implementation of the SPDL has occurred faster than FY 21/22 rate development assumptions. Ingredient cost increases and utilization shifts to more expensive brand-name prescription drugs exceeded FY 21 assumptions. Rebate value obtained by the State remains unknown at this time.
  - In FY21 MDHHS had to make a rate adjustment in the amount of $93 Million to account for inaccurate assumptions made during rate development
  - The SPDL assumption in FY22 capitation rates was based off the utilization mix of October 2020 to March 2021 experience.
  - Growth in costs has exceeded the growth in revenue through the first four months of the rate year. The funding gap originates from Milliman using the above base period that doesn't reflect the current cost environment and the application of insufficient trends.
- **Managed Long Term Supports and Services:**
  - PA 107 of 2013 (enacted 2014) created MCL 400.105d Subsection (4) which instructs the Department to plan to enroll all existing FFS populations into Health Plans if cost effective.
  - Department currently "exploring" options as required in previous year boilerplate. (Section 1857)
  - MAHP recommends the State begin planning an implementation of a managed care long term supports and services program.

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Budget and Policy Considerations

Dental Redesign

Current Landscape

Health Michigan Program (HMP)	Pregnant Women	Adult Dental Program (ADP)	Healthy Kids Dental Program (HKD)
Dental is a fully integrated healthcare benefit	Dental is a fully integrated healthcare benefit	Dental is a segregated benefit	Dental is a segregated benefit

Proposed Dental Redesign

The Governor has proposed to extract integrated dental benefits from the HMP and pregnant woman by increasing provider rates and consolidating dental coverage under a single contract through the HKD program to increase utilization rates. This proposal will segregate healthcare, remove valuable consumer supports and increase long-term costs to the State of Michigan.

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Legislative Considerations

- Actuarially Sound Funding: Proposed 2.0% placeholder may be too low
- Support Sickle Cell Disease Initiative funding enhancement
- Support Behavioral Health Investments (Jail Diversion, Crisis Centers, Mobile Units)
- Support Future Policy Recommendations for Doula Care Addressing Health Equities Across the Lifespan
- Support One-Time Investments in Initiatives to Address Racial Disparities (Centering Pregnancy, Medicaid Health Incentive Pool)
- Supportive of Additional Rate Increases for Dental. Concern Over Segregating Dental Services from Physical Health.

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MAHP Resources

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Governor's Dental "Carve Out" Proposal

Background

When the Legislature expanded Medicaid in 2014, it created the Healthy Michigan Program (HMP) that today covers the integrated healthcare needs of nearly a million eligible Michiganders who depend on HMP to get and stay healthy. The Michigan legislature rightly determined that whole person's health–including dental care, as well as physical, vision and mental healthcare services should all be integrated healthcare benefits under the program. Individuals in HMP and pregnant women enrolled in Medicaid now have access to integrated healthcare coverage that includes dental through their managed care health plan.

Unfortunately, those not enrolled in HMP or pregnant have segregated healthcare benefits. For these populations, managed care health plans provide their physical healthcare while separate stand-alone programs like the Adult Dental Program (ADP) and Healthy Kids Dental (HKD) provide their dental coverage completely separated from an individual's whole person health picture.

HMP is a success and a nationally modeled program. It often is touted by Governor Whitmer, who as a state senator at the time voted for Medicaid expansion and the creation of HMP which includes integrated healthcare benefits.

Healthy Michigan Program (HMP)

Dental is a fully integrated healthcare benefit

Pregnant Women enrolled in Medicaid

Dental is a fully integrated healthcare benefit

Adult Dental Program (ADP)

Dental is a segregated benefit

Healthy Kids Dental Program (HKD)

Dental is a segregated benefit

Disparities between Dental Programs

Over the years, many significant disparities between these programs have unfairly advantaged the Healthy Kids Dental Program (HKD).

Age Disparities

The HKD program is made up exclusively of children and young adults (age 0-21), who traditionally costs less to insurer. Conversely, HMP and pregnant women enrolled in Medicaid are largely comprised of adults with greater dental needs and expenses.

Health Disparities

Children and young adults are single handedly the healthiest age groups to insurer. Pregnant women and adults face greater health impediments, conditions, and obstacles and require costlier wrap around supports and services.

Utilization Disparities

Through Michigan's system of public education, children are required to get a dental exam prior to the age of seven. This state requirement has influenced utilization rates, preventive care, and best health practices with the HKD younger insured population. Adults are not held to the same mandates and face a greater severity of costly dental needs to address their lack of preventive care.

Cost Disparities

Adult populations typically face more extensive and expensive emergency related dental needs and encounter longer-term treatments for life-long untreated dental diseases and conditions.

Governor's Proposal

The Governor has proposed to extract and segregate dental benefits from the HMP and pregnant woman enrolled in Medicaid by increasing provider rates and consolidating dental coverage under a single contract through the HKD program to increase utilization rates. This proposal will segregate healthcare, remove valuable consumer supports and increase long-term costs to the State of Michigan.

Healthy Michigan Program (HMP)

Dental is a fully integrated healthcare benefit

Pregnant Women enrolled in Medicaid

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Adult Dental Program (ADP)

Dental is a segregated benefit

Healthy Kids Dental Program (HKD)

Dental is a segregated benefit

- ***Segregates Care:*** Integrated dental healthcare benefits are essential to an individual's healthcare coverage because they coordinate, monitor, align and effectuate positive patient-centered health outcomes.
  - The Michigan Legislature required integrated dental benefits for new Medicaid enrollees when they expanded Medicaid under HMP.
  - The Governor's proposal would undo the Legislature's and federal government's work to coordinate and integrate dental care as a managed care benefit.
  - Integrated healthcare benefits provide comprehensive and cohesive patient centered benefits and outcome monitoring.
  - Segregated healthcare leads to a patchwork of uncoordinated benefit coverages that result in unnecessary finger pointing between network providers over coverage disputes.
  - Segregated care leaves health plans financially responsible when segregated care providers fail to provide adequate care and services to customers

Integrated Healthcare Benefits

Health Plan A

Segregrated Healthcare Benefits

Medical Health Plan A

Vision Health Plan B

Vision Health Plan C

Mental Health Plan D

- ***Removes Consumer Supports:*** Managed care's wrap around consumer supports and services have reduced emergency room dentistry visits and driven positive outcomes in adult dental preventive care.
  - » In relatively short seven-year window that dental care has been integrated, managed care has provided innovative wrap around supports for consumers.
  - » Consumer supports like financial incentives and transportation supports to and from dental appointments have increased access to dental care.
  - » Managed care's innovative value-based care payment models to dental providers have driven patient outcome monitoring and supports.
  - » 360-degree wrap around supports and services for consumers would be lost under the Governor's proposal.
- ***Increases Long Term Costs:*** The Governor's proposal will increase state spending by $243 million annually and create long term financial liabilities for Michigan.
  - » The Governor's proposal is not a one-time investment–it's a $243 million annual financial obligation that will drive up healthcare costs forever.
  - » Increasing provider rates without value-based care payment outcomes under an integrated managed care system will lead to higher costs and the loss of measurable and healthier patient outcomes.