



Performance, Value, Outcomes: Medicaid Managed Care

FY 2016-2017

The mission of the Michigan Association of Health Plans is to provide leadership for the promotion and advocacy of high quality, affordable, accessible health care for the citizens of Michigan.

Recommendations and Performance Charts

Michigan Association of Health Plans • 327 Seymour, Lansing, MI 48933 • 517-371-3181

www.mahp.org

RECOMMENDATIONS FOR FY 17 AND BEYOND

I. Finance/Revenue Recommendations

1. The Department of Health and Human Services should administer and the Legislature should **appropriate adequate funding to assure actuarially sound rates** in support of all aspects of Medicaid Managed Care, (CSHCS, MI CHILD, Duals (including the model for Integration), Regular Medicaid, and Healthy Michigan Program). **MAHP supports the Executive Budget recommendation for actuarial soundness increases for traditional Medicaid and Healthy Michigan.**
 - Consistent with federal and state requirements for actuarial soundness, costs related to the health insurance premium tax imposed by the Affordable Care Act, and health insurance claims assessment is considered part of actuarial soundness and should be noted in the certification of the health plan rates and included in the contracts with Medicaid plans; and
 - All Medicaid Policy bulletins issued by the Department after federal approval of actuarial soundness should include economic analysis to demonstrate that the existing and approved rates are not compromised by the proposed changes in Medicaid Policy.
2. The Michigan Legislature should **repurpose all of the revenue generated by the use tax** paid by Medicaid Health Plans to explicitly cover non-Medicaid services and coupled this change with continued support of HICA at an effective rate of no higher than 1% (if no use tax is collected and no higher than 0.75% if use tax revenue continues to be collected.
3. The State of Michigan should continue efforts to **maximize all levels of non-GF Revenue** (federal, special use, local revenue, and cost avoidance) to protect Michigan's safety net. This focus would continue and expand efforts for:
 - Medicaid Health Plan "Special Needs Access Fund, SNAF and Supplemental Hospital reimbursement, HRA, Programs" to assure outreach and coverage for Medicaid beneficiaries;
 - Securing additional federal support into Medicaid, including FQHC, grants and programs to bring wellness and prevention as a key component of Medicaid;
 - Increasing third party collections for Medicaid managed care plans by providing access to other carrier data, including auto insurance and designating Medicaid Health Plans as "agents of department" for purposes of this function.
 - Improving fraud and abuse coordination through the Medicaid Inspector General Office and working with a variety of organizations regarding the development of more community based care to reduce current high cost utilization of care.

- Continue and expand efforts to support health homes and other forms of diversion from emergency department inappropriate use.
4. MDHHS should **enhance and improve the Encounter Data Quality Initiative** to assure that encounter data will be accurately used in health plan rate development, hospital DRG rebasing, and special financing initiatives and be available for studies on quality development, special analysis and potentially as proxy for all payer data base.

II. Access/Capacity/Choice for Beneficiaries Recommendations

5. As recommended in the Executive Budget for FY17, the MDHHS should engage stakeholders in a process to arrive at **a plan for integrating Medicaid services** that will improve overall access, provide choice, reduce administrative complexity, provide a single point of accountability and be implemented in the most cost-effective manner possible. Savings from this initiative should be redirected to provide additional services.
6. Consistent with Healthy Michigan Act, the State of Michigan should implement an **Integrated Long Term Care Initiative** in regions outside of the demonstration initiative for integrated care for those with dual eligibility.
7. The State of Michigan should **continue to improve and reform Medicaid eligibility** by:
 - a. Operationally, creating a default eligibility and enrollment for newborns to be assigned to the same Medicaid health plan as the mother at the time of birth (consistent with the terms of the Medicaid contract).
 - b. Delink Medicaid application from other human services program applications in order to accelerate Medicaid eligibility and enrollment.
 - c. Reform the redetermination process, particularly for those in long term care facilities and other institutional settings to assure no loss of eligibility and continuity of care.
 - d. Begin a process to reform the criteria used and address the “spend-down” category of eligibility with an end objective to improve coordination of services, continuity of care and reduce uncompensated services while saving general fund dollars.

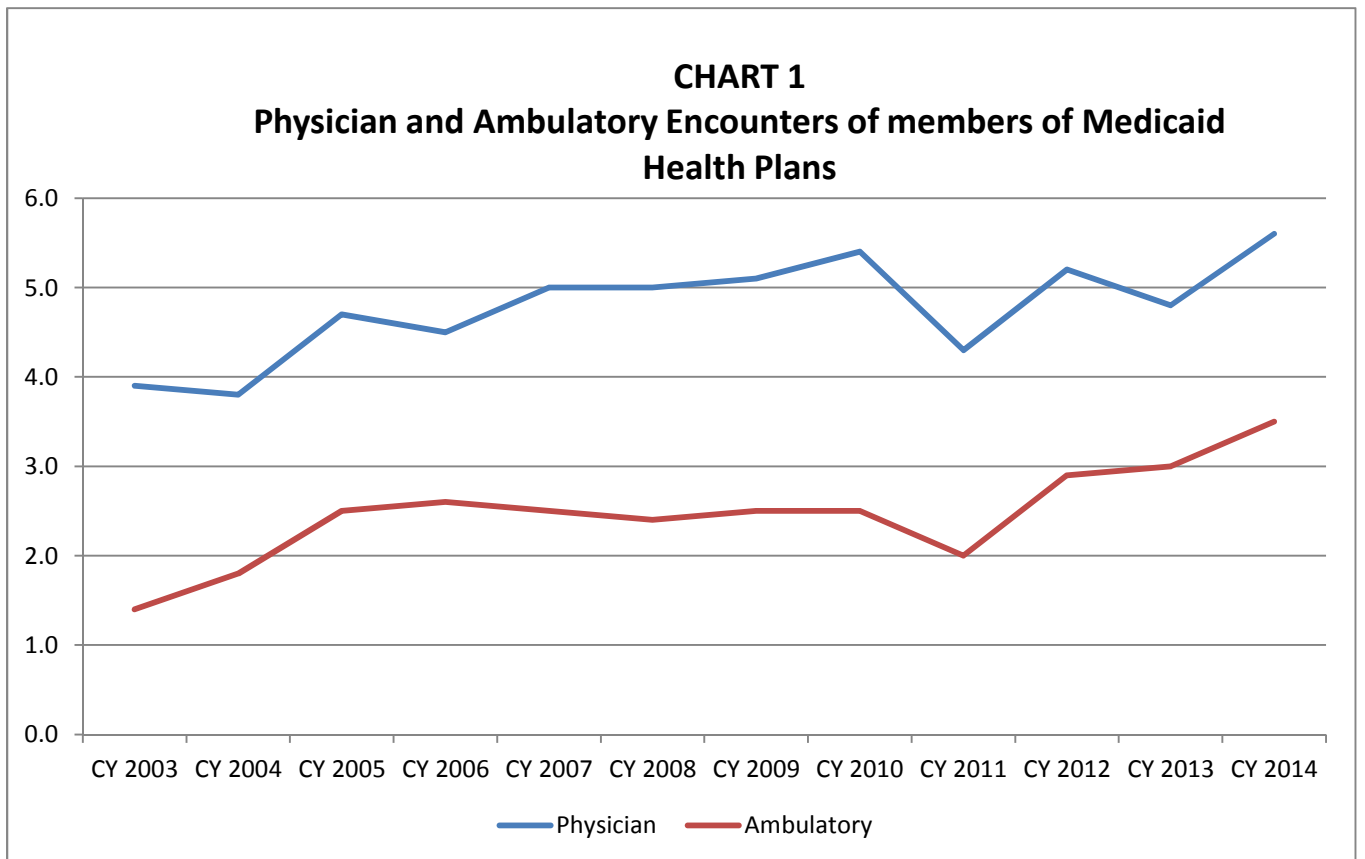
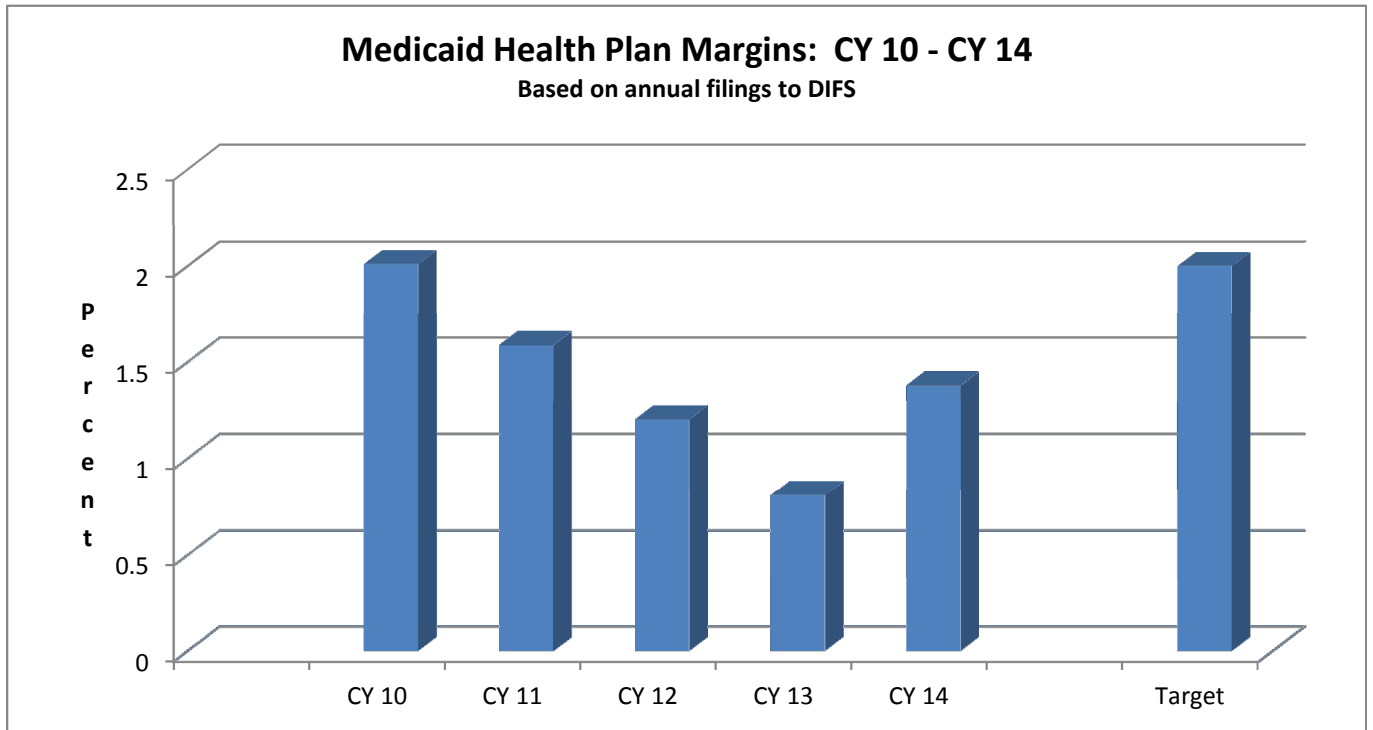
III. Operational/Administrative Efficiency (Cost Avoidance) Recommendations

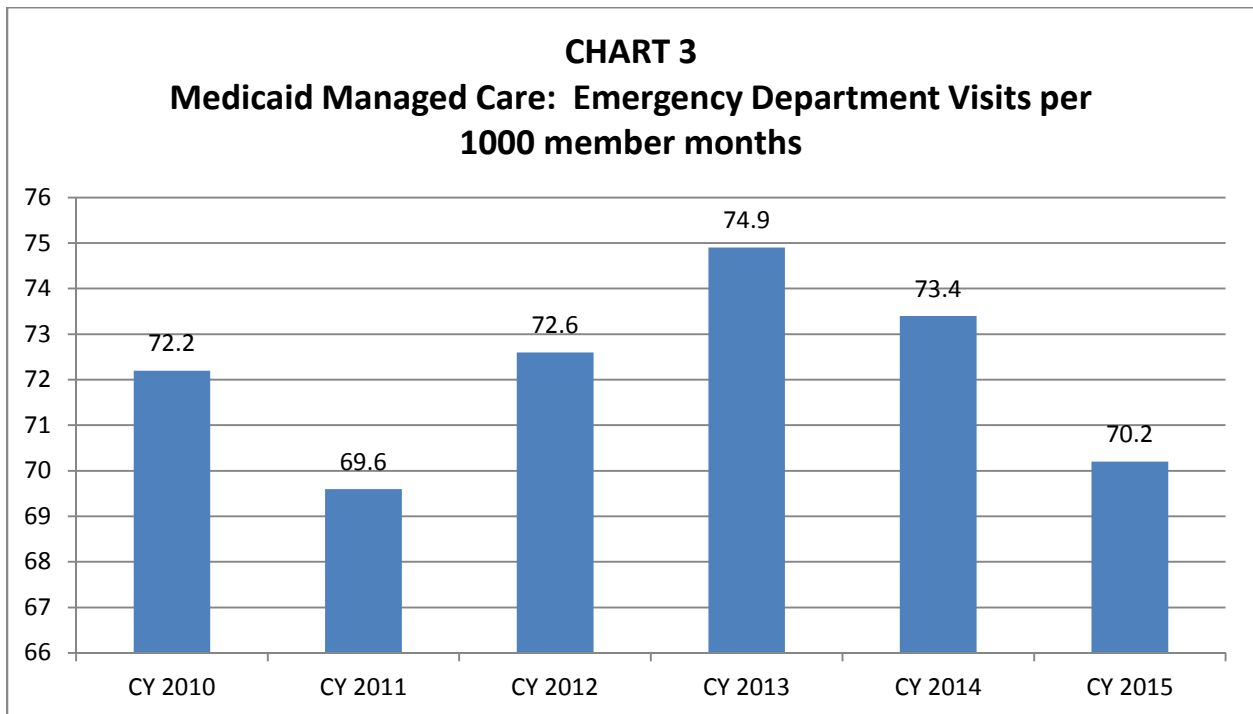
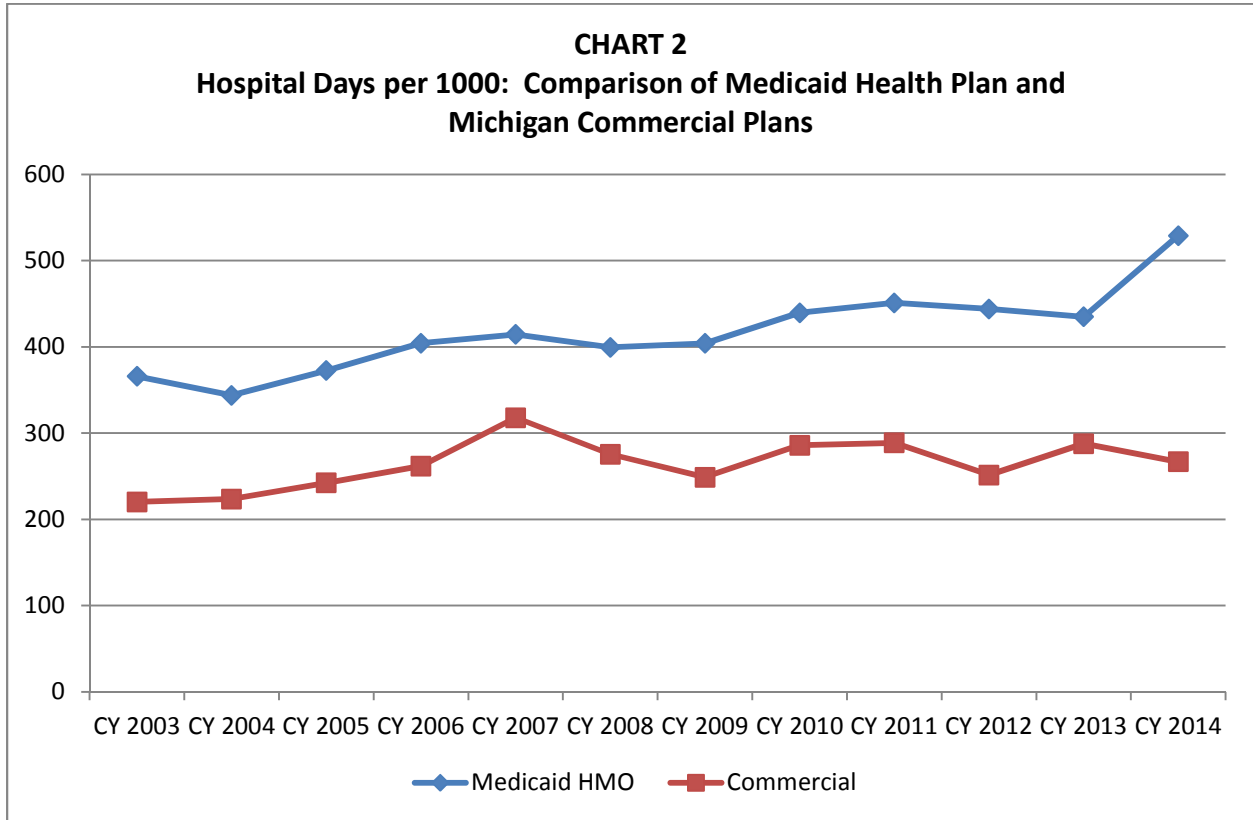
8. The State of Michigan should continue its efforts in **streamlining and coordinating the administration and oversight** of Medicaid Health Plans and related contracted entities. This may include such options as:
 - a. Reduce and/or eliminate paper requirements in lieu of electronic documents and web-based information sites and begin using “deemed compliance” by virtue of national accreditation such as NCQA or URAC;
 - b. Consolidating the internal program administration and coordination of the Integrated Services Plan for the Dual Eligible, MI CHILD, Healthy Michigan Act

- and traditional Medicaid managed care program under a single administrative program.
- c. Changing the regulatory perspective to a “regulation by exception”—that is a focus on those who are performing below standards established in the contract.
9. Implementation of the Healthy Michigan Act should be **consistent with the legislative intent and principles of managed care** that focus on innovations and flexibility.
 10. To help reduce future enrollment and eligibility “churning”, **Michigan should consider the economic feasibility of implementing either a bridge plan or basic health plan** in conjunction with the Insurance Exchange.

Expectations:

“Policy makers, administrators and the public rightfully expect (and we believe receive) value from the Michigan’s Medicaid managed care program. This is largely due to the nature of the performance-based contract, the inherent flexibility of a managed care system, and the emphasis on prevention, care coordination and disease management. While the most obvious strength is cost savings, the benefits in increased access, evidence based policies, and care coordination is leading toward improved health status.”





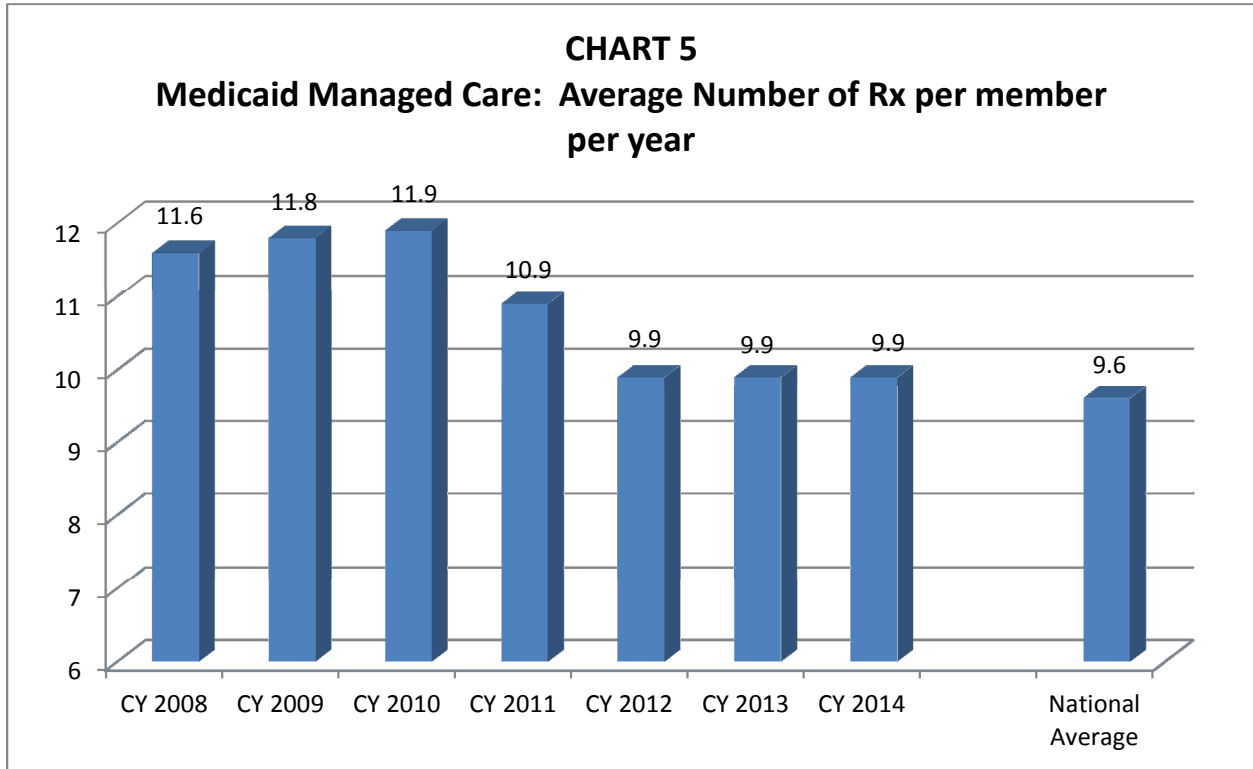
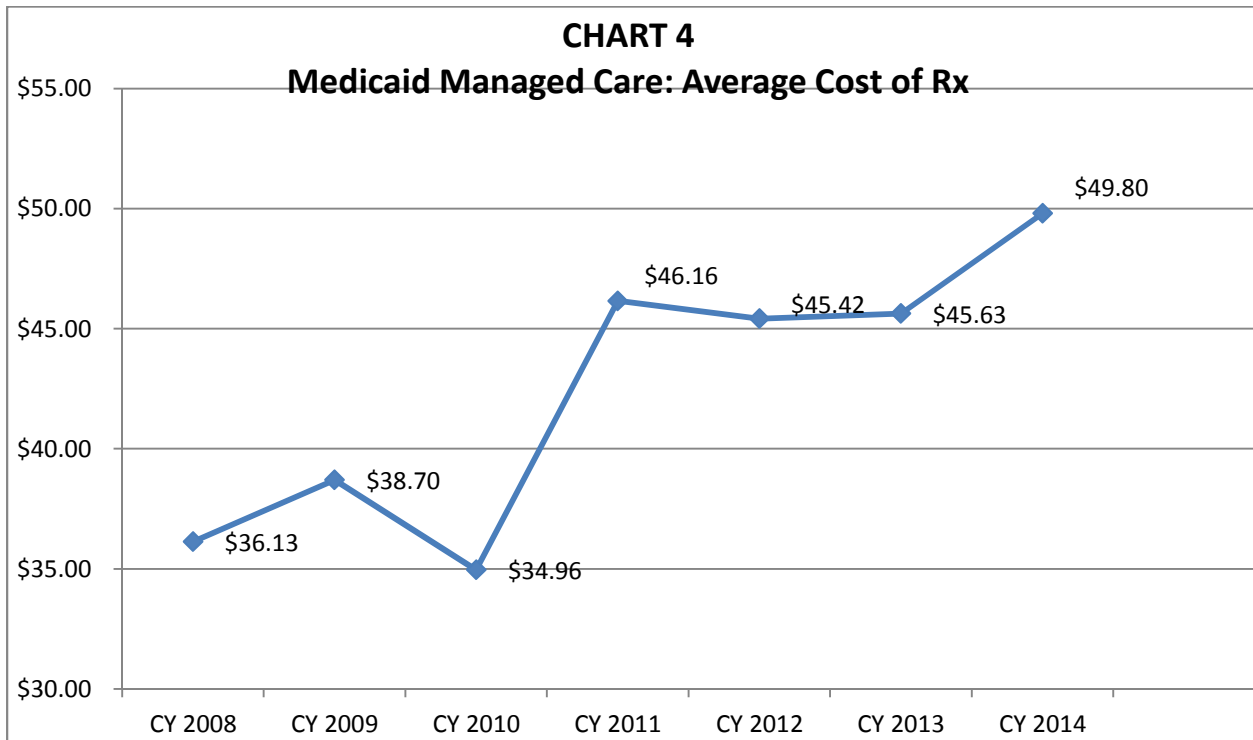


CHART 7
Childhood Immunization Status: Combo 2

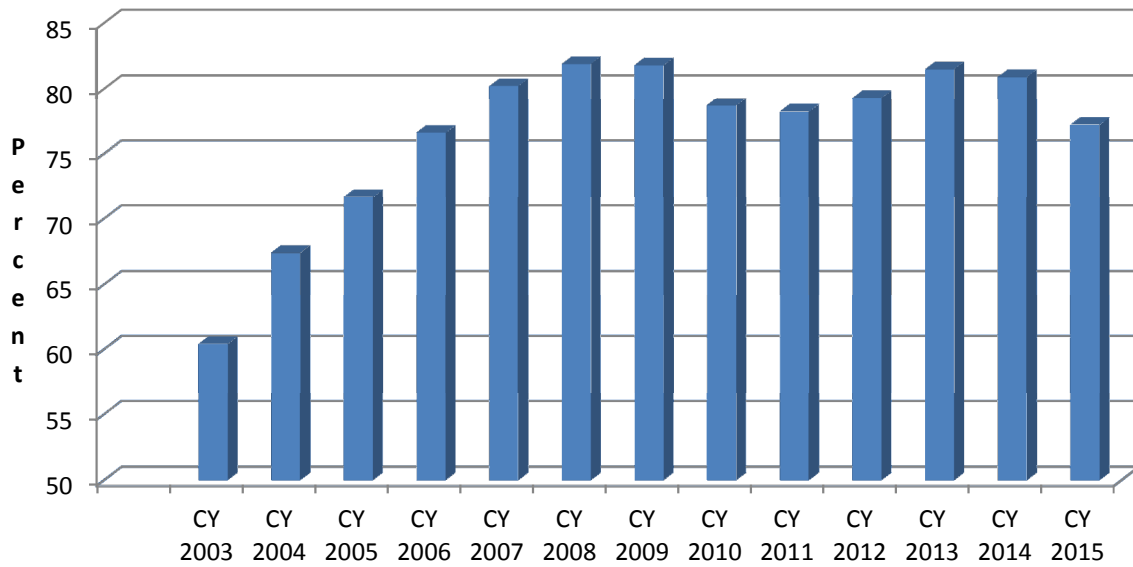


CHART 8
Comprehensive Diabetes Care--HbA1c Testing
 (Percent of members)

