Contract & Financial Issues Committee, April 19, 2018, 1:00pm

EDIT Update – Carol Mills

Carol stated that last month there was discussion about which Nurse Practitioners were currently able to perform psych evals, with the result being that all Nurse Practitioners could perform psych evals. This has been changes so that now only Psychiatrists and Psychiatric Nurse practitioners are allowed to perform these evals. Carol stated that PERS billing is not covered by Healthy Michigan, it is a GF expenditure. Costing methodology has not been finalized. FY18 midterm cost report is due by August 31, 2018. Carol spoke about parking lot issues from today's meeting. One is ACT and whether or not it can be unbundled for billing. Nursing home coding was also discussed as CMH services for those in Nursing Homes are coded different than other services. She stated that the Department is working on CCI's for Children that are I/DD. HRA process was discussed, as well as some data integrity issues. Carol stated that the Cost per Code document is updated quarterly on the State's website (www.michigan.gov).

GF Negotiations – Lisa Morse

Lisa stated that the next Contract Negotiations meeting is scheduled for tomorrow, April 20, 2018. They will be discussing Amendment #2, as well as FY19 Amendment #1. Topics will include GF Allocation memo, School to Community Data Collection, ORR Guidances that are being issued, and a request to set up a data base for substantiated rights complaints regarding employees. Lisa stated that Kendra Binkley from MDHHS has requested names of those who wish to be involved in the COFR workgroup. Lisa asked that anyone who is interested email her by the end of business Friday, April 20, 2018.

Legislative Update – Alan Bolter

Alan reported that both the House and the Senate have released their versions of the Budget. He first reviewed the house version and gave details of line items contained in it. Some of the highlights were the addition of $5.5 Million GF for non-Medicaid MH services to hold harmless CMHs that may be negatively impacted by the new FY19 GF funding formula. This funding fix is for one year, but the process will be over 5 years. Another highlight was the addition of $2.49 Million GF to reimburse counties for 50% of the cost provide up to $83/month to court appointed guardians and conservators to individuals who receive CMH services; and the addition of $500,000 GF for St. Mary's in Livonia for a 10-bed detox unit. The House version recommends dropping the autism services line from $199 Million to $159 Million and would cap the reimbursement rates at 75% of the federal Department of Defense's TRICARE reimbursement rates. The House version also recommends reducing $9.5 Million Gross ($6.3 Million GF) to the MH and Wellness Commission recommendations; reducing $1.5 Million Gross ($500,000 GF) funding for implementation costs of 298 Pilots; and, removes $1.7 Million Gross ($117,800 GF) to discontinue providing $50 Gift Cards to Healthy MI Plan recipients, with incomes below 100% FPL who complete a health risk assessment.

Alan stated that the deemed status boilerplate language (Section 994) was removed from the House Version.

Alan then reviewed the Senate Budget as it was proposed, reviewing line items listed. Some of the highlights were the removal of a one-time funding for autism navigator funding $1.025 Million GF; removal of a one-time funding for university autism funding $250,000 GF; and, reducing MH and Wellness commission funding $2 Million Gross ($1 Million GF). Alan reviewed the full boilerplate language for the 298 Pilots as presented in the Senate version. An addition to that language was that the Health Plans be allowed to contract directly with a service provider in an effort to achieve the contractual requirements with this state for managing the physical and behavioral health of Medicaid eligible individuals within the pilot region. The Association will be discussing with legislators that this is beyond the original RFP that went out. Group discussed details of what the outcome of the 298 process may or may not be.

Alan reviewed Section 959 – Medicaid Autism Benefit Containment – which would require the department to continue coverage for autism services that were covered on January 1, 2018 and specifies cases in which a second opinion is needed and requires a report on cases requiring a second opinion. The Association is going to argue that this is a potential parity violation.

Alan then spoke about Section 1009 – Direct Care Wage Increase – which would require the funds provided from this section be utilized by a PIHP for increasing wages, for the employer's share of federal insurance contributions, purchasing worker's comp insurance, or the employers share of unemployment costs.

Alan reviewed the "unenrolled" topic regarding the 298 Pilot process, and what to do with this population. The department proposed creating a new entity to manage their care, but then proposed that this population be contracted to ONE PIHP to manage their care. This presents multiple issues, such as regional coverage, etc. Alan stated that this topic is still being discussed. Group wondered if this would fix the funding retroactively. Alan stated he will find out. Alan reported that these numbers (from the House version and the Senate version) will likely change during the May Revenue estimating conference.

Group discussed the likelihood of whether the language in the Section 298 boilerplate discussed today (Section 298.2.e) could be removed.

Funding Issues – Bruce Bridges

Medicaid Funding Report

Bruce reviewed the spreadsheet distributed to the group in the packet, giving details on each line of funding per date comparison and the cash flow analysis (both for FY17 and FY18.)

Rate Setting 3-23-18 meeting

Bruce reviewed the highlights of the most recent Rate Setting meeting that was provided in the packet. He stated that many people in the "18 to 64" age group who are new to SSI or SSDI who get associated traditional Medicaid coverage as a "DAB" will have Healthy

Michigan coverage prior to this coverage as a result of their income. Counting their migration as is done in the rate setting presentation is not very meaningful. The "over 65" aged group who have DAB coverage has grown at a consistent pace over a number of years. The count of people under 65 with DAB coverage has declined at a rate that was faster than the growth experienced in the over 65 group for several years until recently. In the last few months the growth of the 65 + age group is approximate to the decline in other age groups. The capitation rate of the over 65-age group or rate cell is about 1/3rd on average of what is paid for other age groups in rate cells. The actual monthly count of DAB covered people at 492,000 is currently only 7,000 less than the actuarially certified projection of 499,000 or less than a 2% difference. However, the makeup of the population versus what was projected, means that almost 4% less in available funds are arriving for the PIHP's to provide services with then certified as needed. The current 4% funding shortfall is approximate to the entire wage pass through granted in the budget. In FY18, PIHP's are having some difficulty implementing the wage pass through and continuing services having also experienced a $133 million decline in their financial position from the previous fiscal year. Leslie Thomas stated that she will be participating in a workgroup with the Department and Milliman regarding MUNC and reporting and will keep the group updated on this topic.
Meeting adjourned at 2:00pm.