STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

OLGA DAZZO
DIRECTOR

September 14, 2011

To All Interested Parties:

The Michigan Department of Community Health (MDCH) Medical Services Administration (MSA) is issuing the attached Request for Input (RFI) to gather input from a broad spectrum of interested parties regarding the initiative to integrate Medicare and Medicaid for individuals who are eligible for both programs ("dual eligibles"). The MDCH is interested in hearing suggestions, concerns, and other feedback. We would like to hear from any interested party, including those who are eligible for both Medicare and Medicaid, their allies and advocates, providers of services, and potential contracting entities.

Michigan's initiative to integrate care and financing for dual eligibles is an effort to ensure that dually eligible beneficiaries have access to appropriate services; benefit from integrated and comprehensive services that meet their individual needs; and receive improved care coordination of health care, behavioral health, and long-term services and supports. MDCH also seeks to create payment systems that hold providers accountable for the care they deliver. Michigan aims to reward high-quality care, improve health outcomes, and more effectively spend health care dollars.

The MDCH has received a contract from the Centers for Medicare and Medicaid Services (CMS) to develop a plan to integrate care for dually eligible adults. The MDCH proposes combining Medicare and Medicaid funding for dual eligibles, and then contracting with entities that would be responsible for integrating Medicare and Medicaid funded services to ensure individuals receive coordinated and comprehensive services and supports. By combining Medicare and Medicaid funding, the Michigan Medicaid agency expects to offer a broader menu of services that will better meet the needs of the population in the most cost effective way. The MDCH plans to evaluate the contracted entities based on a comprehensive set of quality metrics that will be developed to assess performance, including metrics that measure the experiences and satisfaction level of individual beneficiaries.

The MSA proposes to assume complete operational responsibility for the care of this population, including the administration, management, and oversight of all Medicare-funded and Medicaid-funded services. This model would significantly improve the alignment of financial incentives and improve provider accountability by making a global payment for all Medicare and Medicaid services, and by developing a broader continuum of behavioral health services, long-term services and supports, and other community support services. Under the proposed model, the Michigan Medicaid agency believes this unprecedented level of integration is necessary to achieve better health outcomes for this population and to provide higher quality, more cost-effective, person-centered care.

The questions in the RFI cover a broad range of topics and are intended for all interested parties. Please feel free to respond to only those questions on which you would like to provide input. Please visit https://janus.pscinc.com/dualeligibles/ to review background information and respond to the RFI online. Instructions for responding to the RFI are outlined on page 5.

Because we are eager to move forward designing this promising initiative, responses to the RFI must be submitted by **5:00 PM on October 7, 2011**. **We encourage you to send this RFI to anyone else that you believe would be interested in providing input on this initiative.**

We thank you in advance for your participation.

Sincerely,

Stephen Fitton

Stephen Fitton, Director
Medical Services Administration

attachments

State of Michigan

Michigan Department of Community Health
Medical Services Administration

Request for Input

Integrating Care for People Eligible for both Medicare and Medicaid

ISSUED: September 14, 2011

Contents

Overview of the Integrated Care Model

Michigan's proposed integrated care model calls for the integration of Medicare and Medicaid funds to contract for the delivery of all covered services for dually eligible beneficiaries. Covered services will include: all services currently covered by Medicaid; all acute care benefits currently covered by Medicare; pharmacy benefits; behavioral health and developmental disabilities services; and all long-term care benefits provided through Medicare and Medicaid including, but not limited to, short-term rehabilitation and long-term nursing facility care, all home and community-based services currently provided under a 1915(c) waiver, home health services, hospice, and personal care services.

The Michigan Department of Community Health is pursuing with the federal Centers for Medicare and Medicaid Services (CMS) a new financing mechanism that would combine, at the state level, the Medicare and Medicaid funding for all dual eligibles, who will be automatically enrolled in an integrated care plan. The Medical Services Administration (MSA) is proposing to receive and administer the funds that Medicare would have spent for these dual eligibles, along with the responsibility for ensuring provision of that care. CMS will be a full partner in helping to develop and finalize the plan.

In the proposed model, the state Medicaid agency plans to contract with one or more entities to administer the program under an acuity-based capitation arrangement. Risk will initially be shared between the state and the contracted entities, with full risk eventually transferred to the contractors. A robust care coordination program is the hub of the delivery model, with each enrollee having a health home focused on person-centered care.

Michigan's plan for integrated care includes the program elements listed below.

- All core Medicare and Medicaid services, with the potential for additional social supports
- A comprehensive and accessible provider network across the array of services (i.e., medical care, long-term services and supports [LTSS], and behavioral health and developmental disabilities services and supports)
- A single standardized assessment tool to identify participant needs
- A care coordinator (a person or team) to assist in the development and carrying out of person-centered plans, which will include all of the medical, LTSS, and/or behavioral health and developmental disabilities supports and services that are needed.
- Person-centered planning
- Person-centered health homes
- Family caregiver involvement (Beneficiaries may include family caregivers in the person-centered planning process and in the delivery of services and supports, if they desire)
- Strong home- and community-based options
- Plan performance metrics to evaluate effectiveness (i.e., information to tell us if the model is improving health and quality of care for dual eligibles)
- Quality-management strategies and measurements (i.e., strategies to ensure that service providers offer the most appropriate, high-quality services and supports based on the choices and needs of the participant)
- Data sharing among providers across the continuum of care (e.g., electronic health records to ensure that all providers have the information they need to provide the best possible care)

- Automatic enrollment with the ability for each beneficiary to opt out
- Enrollee protections, including grievance and appeal processes that meet the standards required by Medicare and Medicaid

With the development of an integrated care system for dual eligibles, Michigan seeks to create a delivery model that will improve care for beneficiaries while reducing inefficiencies and aligning incentives for providers. The MDCH anticipates that integrated care will provide plan enrollees with a seamless delivery system offering a full spectrum of services. It will eliminate the fragmentation currently experienced by beneficiaries in the existing fee-for-service model. Each dual eligible will have the benefit of working with a care coordinator or care coordination team to assist in accessing the supports and services identified in the beneficiary's person-centered plan of care. The existing barriers to home- and community-based services will be addressed as incentives will align for beneficiaries to receive the services they need in the setting of their choice. The MDCH expects that the integrated care model will make it easier for participants to understand the health care system, easier to access the services they need and easier to resolve problems that come up. Comprehensive participant education will ensure that people understand how the integrated care plan works, what it means to be enrolled and how to opt out, if desired.

Providers will experience administrative efficiencies by working with a single administrative system and payer source instead of dealing with multiple entities for authorization and payment of services. In an integrated model, providers will have more opportunity to work with enrollees to eliminate redundancies in service and improve quality through better care coordination. The incentives for providers to provide the right care at the right time will be enhanced through an integrated system.

Definitions for several of the terms used in this description and the questions in the next section can be found in Appendix A. The dual eligible population is described in Appendix B. An overview of the process by which the Michigan Department of Community Health is engaging stakeholders in the development of its plan can be found in Appendix C.

Questions for Response

Questions for All Interested Parties

1. What is working well in the current system of services and supports (i.e., medical care, long-term services and supports, and behavioral health and developmental disabilities services and supports) available to people who are eligible for and enrolled in both Medicare and Medicaid?

2. What are the problems in the current system of services and supports for people who are eligible for and enrolled in both Medicare and Medicaid? What is not working that might be addressed in an integrated system that coordinates care across the providers/caregivers you see?

3. Do you have any comments on the proposed program elements listed on page 1? Is there anything missing from the list?

    a. What program elements or features should be included in an integrated care model that would encourage participation from people who receive services through Medicare and Medicaid? How can we make this program attractive so that people will not opt out?

    b. Which specific supports and services do you consider to be most important for people who are eligible for both Medicare and Medicaid? *Please consider the following three categories of care in your response: Long-term services and supports; behavioral health and developmental disability services; and medical care.*

4. The purpose of this initiative is to transform the health care system for people who are eligible for both Medicare and Medicaid. What suggestions do you have for care integration/coordination elements that we should require? How can care coordination among medical care, long-term services and supports, and behavioral health and developmental disability services be improved?

5. What should contracted entities be required to do to support person-centered care and services?

6. What are the advantages and/or disadvantages to making single entities responsible for contracting with providers to ensure that all covered services and supports are available to and coordinated for dual eligibles?

7. What financial misalignments do you see in the current system? What incentives would support high-quality, cost-effective care?

8. What are the most critical issues the state should be mindful of when it formulates a plan to integrate care for people who are eligible for both Medicare and Medicaid? Is there anything you are especially worried about as the state develops this plan? Are there elements of the proposed plan that make you especially supportive of it?

Questions for Potential Contracting Entities

9. Which service components (e.g., medical care, long-term services and supports, behavioral health/developmental disability services, community supports) will be especially challenging for you to provide? What are your suggestions for addressing these concerns?

10. What information would you need in advance of preparing a response to a future RFP?

RFI Response Instructions

The deadline for receipt of RFI responses is **October 7, 2011, by 5:00 PM**. Responses may be submitted in one of the following ways:

- Online (preferred method)
  - Go to https://www.surveymonkey.com/s/DualEligibles_RFI to complete the online form.

- In writing
  - If you do not have Internet access, you may submit a response by mail to:

    Amanda Menzies
    Public Sector Consultants, Inc.
    600 W. Saint Joseph St., Suite 10
    Lansing, MI 48933

  - Individuals responding to the RFI by mail should prepare a response (typewritten, if possible) to the Questions for Response. The first page of the response should include the following information:

    - The person's name, organization (if any), and address; and
    - The person's affiliation or interest (advocate, dually eligible beneficiary, health care professional, health plan, hospital, labor, long-term care, behavioral health/developmental disabilities, non-hospital safety-net provider, public health, etc.)

  - Questions should be answered in order and numbered according to the RFI. ***Interested parties are welcome to respond to any or all of the RFI questions***; please respond to the questions you feel are appropriate for you.

  - Please limit the response ***for each question*** to 300 words.

Appendix A

Definitions

1. **Beneficiary**—an individual who receives Medicare and/or Medicaid benefits.
2. **Care Coordination**—a person or team who will assist beneficiaries in gaining access to needed Medicare, Medicaid, and waiver services, as well as social, educational, and other services, regardless of the funding source for the services.
3. **Community Support Services**—services that promote disease management, wellness, and independent living, and that help avert unnecessary medical interventions (e.g., avoidable or preventable emergency department visits and facility admissions).
4. **Contracting Entity**—an entity with which the MDCH contracts that is responsible for providing integrated care to a specified group of dual eligibles.
5. **Covered Services**—for the purpose of this document, the set of services to be offered by the contracting entities and paid for with integrated Medicare and Medicaid funds by the Michigan Medicaid agency.
6. **Dual Eligible**—a person who is eligible for and enrolled in both Medicare and Medicaid.
7. **Fee-for-Service (FFS)**—a method of paying an established fee for a unit of health care service.
8. **Home- and Community**-B**ased Services (HCBS)**—services and supports provided to individuals in their own home or community residential settings that promote their independence, inclusion, and productivity.
9. **Integrated Care**—comprehensive care that at a minimum includes all Medicare and Medicaid covered services, and that may include additional services to be defined by the Medical Services Administration. Integrated care is delivered using a person-centered approach that ensures that all of the health and support needs of individuals in the target population are met. Care is coordinated across the health care, behavioral health and developmental disabilities, and long-term services and supports delivery realms such that all care is regarded as a single comprehensive system of care, and such that beneficiaries receiving integrated care experience the provision of their Medicare, Medicaid, and other included services, and care management as a single program.
10. **Integrated Financing**—Federal and state Medicare and Medicaid funds combined at the state level for dual eligibles who are enrolled in an integrated care plan.
11. **Long Term Services and Supports (LTSS)**—a wide variety of services and supports that help people meet their daily needs for assistance and improve the quality of their lives. Examples include assistance with bathing, dressing, and other basic activities of daily living and self-care, as well as support for everyday tasks such as laundry, shopping, and transportation. LTSS are provided over an extended period, predominantly in homes and communities, but also in facility-based settings such as nursing facilities.
12. **Medicaid**—the program of medical assistance for low-income people who meet eligibility criteria.
13. **Medical Services Administration**—the state agency that is responsible for the administration of the Michigan Medicaid program.

14. **Medicare**—the federal health insurance program for people aged 65 and older, people under the age of 65 with certain disabilities, and people with end stage renal disease (ESRD; permanent kidney failure requiring dialysis or a kidney transplant). Medicare Part A provides coverage of inpatient hospital services and services of other institutional providers, such as skilled nursing facilities and home health agencies. Medicare Part B provides supplementary medical insurance that covers physician services, outpatient services, some home health care, durable medical equipment, and laboratory services and supplies, generally for the diagnosis and treatment of illness or injury. Medicare Part C provides Medicare beneficiaries with the option of receiving Part A and Part B services through a private health plan. Medicare Part D provides coverage for most pharmaceuticals.
15. **Person-centered Planning**—a process for planning and supporting a person receiving services that builds on the individual's desire to engage in activities that promote community life and that honors the person's preferences, choices, and abilities. The person-centered planning process involves families, friends, and professionals as the individual desires or requires.
16. **Person-centered Health Home**—health homes are designed to be person-centered systems of care that facilitate access to and coordination of the full array of primary and acute physical health services, behavioral health care, and long-term community-based services and supports.

Appendix B

An Overview of the Population

CURRENT COVERAGE AND PAYMENT FOR DUAL ELIGIBLES

Currently, care for people who are eligible for both Medicare and Medicaid is often fragmented, unmanaged, and uncoordinated and is based on an inefficient fee-for-service (FFS) provider payment system. Different eligibility and coverage rules in Medicaid and Medicare contribute to these problems and encourage cost-shifting and underutilization of cost-effective health care interventions. In addition, dual eligibles must navigate the two very different and complicated administrative structures of Medicare and Medicaid. Multiple membership cards, varying coverage rules, and numerous uncoordinated specialty providers can cause a significant amount of confusion.

While Medicare is responsible for covering services directed toward the acute physical health care needs of dual eligibles, including pharmacy, nearly all behavioral health and long-term care supports and services, including high-cost custodial nursing home care, are covered by Medicaid. Combined Medicare and Medicaid spending on this population reached more than $7 billion in Michigan in 2010. The nearly $3.6 billion spent on Medicaid services represents 38 percent of Medicaid expenditures, while dual eligibles represent only 12 percent of total Medicaid enrollment. The disproportionate spending on this population is due primarily to the complex health care needs and the high need for long-term care among dual eligibles. In 2010, about 80 percent had at least one chronic condition; 14 percent had 6 or more chronic conditions. Nearly half of the Medicaid expenditures in 2010 were for long-term care ($1.6 billion).

DUAL ELIGIBLE POPULATION CHARACTERISTICS

There are approximately 220,000 dually eligible beneficiaries in Michigan. The dual eligibles are a diverse group, including older people with chronic illness, younger people with physical disabilities, people with intellectual and developmental disabilities, and those with serious mental illness (Tables 1, 2, and 3 summarize these characteristics). They vary considerably in the prevalence of chronic conditions, their physical and behavioral health, and cognitive disabilities. Some dual eligibles have multiple chronic conditions that require an intense level of services, which make comprehensive care integration and education about condition management especially important; others have minimal care needs. These factors shape the amount and type of services needed and the opportunities and benefits of care integration.

Table 1: Count and Percentage of Dual Eligibles by Age Group, March 2011

Age group	Number	Percentage
Under 19	149	0.1%
20–34	20,209	9.1
35–49	44,349	20.0
50–64	55,100	24.9
65–74	47,195	21.3
75–84	31,520	14.2
85+	23,165	10.4
Total	**221,687**	**100.0**

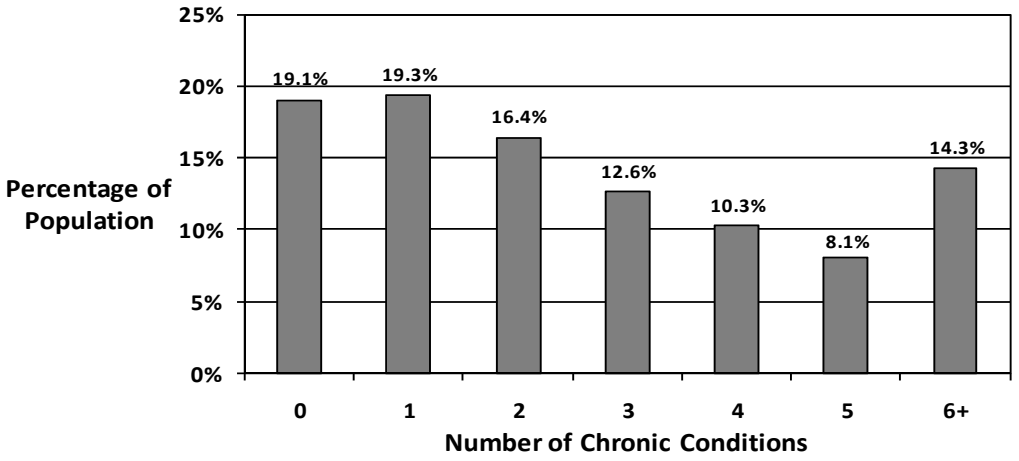
SOURCE: Medicaid Data Warehouse – 2010 Unduplicated Count of Beneficiaries.

Table 2: Age of Dual Eligibles by Gender, March 2011

	Under 65	65 and older	Total
Female	64,539	71,725	**136,264 (61.5%)**
Male	55,268	30,155	**85,423 (38.5%)**
Total	**119,807 (54%)**	**101,880 (46%)**	**221,687 (100%)**

SOURCE: Medicaid Data Warehouse – 2010 Unduplicated Count of Beneficiaries.

Table 3: Multiple Chronic Conditions among Dual Eligibles, 2009



SOURCE: Medicare Chronic Conditions Warehouse.

Appendix C

Stakeholder Engagement Process

The goal of the Michigan Department of Community Health is to design an integrated care model that will simplify coverage for dually eligible beneficiaries while also increasing coordination among care providers. The MDCH considers stakeholder input crucial to the design of a model that will work in Michigan and is committed to the process outlined above to ensure that its plan reflects the needs and desires of those who are likely to be directly affected.

The MDCH is employing a multifaceted stakeholder engagement process, including stakeholder interviews, public forums, a request for input (RFI) process, and technical work groups. In addition, an e-mail box has been created for all interested stakeholders to use to submit comments regarding the plan at any point during the planning process.

Stakeholders Interviews

A diverse group of approximately 30 people representing consumers and advocates, providers, health plans, health systems, and others was selected to participate in stakeholder interviews during the months of July and August. The stakeholder interviews were designed to provide the MDCH with initial input regarding critical issues for consideration from key constituencies. You can go to https://janus.pscinc.com/dualeligibles/ to see a list of the questions asked during interviews.

Public Forums

Public forums provided interested individuals, including consumers and their advocates, an opportunity to learn about and offer input into the state's plans for integrating care for dual eligibles. More than 900 people attended the forums. In addition to hearing a presentation from Michigan's Medicaid agency, forum participants were asked to describe what they like about the current system as well as issues that exist. They also offered feedback regarding the state's proposed approach for integrating care. The forum agenda, including discussion questions, and the PowerPoint presentation can be found at https://janus.pscinc.com/dualeligibles/.

Request for Input

The Michigan Department of Community Health is soliciting input regarding the development of an integrated care delivery model via a request for input (RFI). Input from the RFI will help the state further define its integrated care model. This RFI is intended only as a tool to invite comment on integrated care and is not to be construed as leading to a procurement process.

Work Groups

Following the RFI process, in the fall of 2011, work groups will be convened to consider the views offered during the interviews and forums, as well as information gathered through the RFI process to provide more in-depth input into the state's plan. The topics for work group consideration have yet to be defined and will be based largely on the input received through the other avenues. Information about the work groups will be posted at https://janus.pscinc.com/dualeligibles/ as it becomes available.

E-mail Box

As noted above, stakeholders may submit comment on integrated care at any time to an e-mail box directed to integrated care. The e-mail address is: Integratedcare@michigan.gov.

The stakeholder engagement process is expected to wrap up by the end of 2011, at which point the MDCH will use the input from the process along with other relevant data to develop its final plan for integrating care for dual elgibles. The plan is due to the Centers for Medicare and Medicaid Services (CMS) by the end of March 2012.