



2012 Strategic Priorities

- 1. Implement the Michigan 4 x 4 Wellness Plan.**
- 2. Implement the infant mortality plan.**
- 3. Achieve person-centered care by integrating clinical, long term and support services.**
 - a. Implement person-centered medical home demonstration grant.
 - b. Implement Medicare/Medicaid dual eligible integration plan.
 - c. Integrate behavioral and physical health.
 - d. Continue to promote electronic health record adoption and MiHIN implementation.
- 4. Implement federal health care reform law.**
 - a. Plan and implement expansion of Medicaid to 133% of FPL.
 - b. Evaluate Basic Health Plan Option.
 - c. Develop Medicaid offerings with LARA and new eligibility rules with DHS to implement through MiHealth Marketplace.
 - d. Implement 2013 and 2014 physician fee schedule increase to 100% of Medicare.
 - e. Explore option to provide health homes to Medicaid enrollees with chronic conditions.
 - f. Identify other health reform opportunities that meet Gov. Snyder's reform goals.
- 5. Ensure access to excellent and compassionate behavioral and DD services.**
 - a. Evaluate continuum of behavioral health and DD services.
 - b. Evaluate psychiatric hospitals.
 - i. Conduct revenue cycle review.
 - ii. Conduct capital needs review.
 - iii. Evaluate quality measures and staffing levels.
 - c. Develop plan to reduce number of people with mental health and substance abuse in jails, use '08 Mental Health Workgroup Report as guide.
 - d. Implement autism coverage in Medicaid.
 - e. Bring efficiencies to mental health system administration.
- 6. Continue to build community-based system of care for the aging population.**
- 7. Prepare DCH infrastructure for massive change including 500,000 new Medicaid members effective 1/1/14.**
- 8. Achieve service excellence in all customer points across DCH.**
- 9. Aggressively pursue grant funding to support implementation of strategic priorities.**

Department Name: MDCH
Executive/Director: Olga Dazzo
Period: Feb-12

Legend:
Green 90% or greater of target
Yellow >=75% to <90% of target
Red less than 75% of target

	Metric	Status	Trend	Target	Current	Previous	Frequency	Metric Definition/Goal
Health Outcomes								
3a	Implementation of the Michigan Health and Wellness 4 x 4 Plan in five communities		➔	5	New	New	Monthly	Establish five local coalitions to undertake media campaigns and implement two robust initiatives targeted at reducing obesity.
3b	The Percent of MCIR Records that include BMI		➔	5%	New	New	Monthly	Utilize the Michigan Care Improvement Registry (MCIR) to collect data on individual Body Mass Index (BMI).
3c	The number of hospitals that adopt an OB hard stop policy		➔	10	New	New	Monthly	Reduce the number of hospitals performing elective deliveries at less than 39 weeks, unless for the safety of the mother or child.
1a	The number of children being served by Healthy Kids Dental		⬆	TBD	349552	311425	Monthly	Increase number of Medicaid children receiving dental services through expansion into additional counties.
2a	The number of children with autistic disorder diagnosis receiving services		⬆	TBD	496	NA	Monthly	Increase the total number of children, with autistic disorder diagnosis, who receive treatment for their autism.
Delivery of Care								
	The adoption of electronic health records (EHR)		⬆	TBD	553	445	Monthly	Increase the number of healthcare professionals that adopt EHR through the EHR Incentive Program.
5a	Primary care provider participation		➔	TBD	TBD	TBD	Monthly	Increase the number of primary care doctors that accept Medicaid patients.
	The number of individuals identified with Alzheimer's/Dementia through option counseling pilot program		➔	45	New	New	Monthly	Increase number of people identified with Alzheimer's/dementia through the options counseling pilot program ,which allow for individuals to get supportive services earlier.
4b	The number of transitions from nursing homes to the MI Choice Home & Community Based Waiver		⬆	TBD	120	91	Monthly	Increase the number of transitions from nursing homes to the MI Choice Home & Community Based Waiver.
	The number of persons with mental illness or substance abuse diagnoses diverted from jail /criminal justice system		⬇	30%	22%	NA	Monthly	Increase the percentage of persons with mental illness/substance abuse and in criminal justice system being diverted from jail or successfully closed from criminal justice system
Customer Service								
	Medicaid claims processed on a timely basis		⬆	95	NA	97.7	Monthly	Increase the percent of Medicaid claims processed timely - within 30 days.
	Fee For Service (FFS) call center (medical service provider) hold time		⬆	5%	4	2	Monthly	Decrease the percent of FFS provider callers on hold for more than 5 minutes.
4a	The MI Choice Home and Community Based Waiver waiting list		⬇	TBD	126	170	Monthly	Increase the number of people moved from the waiting list, to the MI Choice Home and Community Based Waiver.
	Create coordinated statewide access to aging and disability services through Aging and Disability Resource Center (ADRC) partnerships		⬆	37	19	0	Monthly	Increase access to statewide information and assistance through a 'one stop' approach including statewide resource database, geo-routed 1-800 number and number of counties included in ADRC partnerships.
Organizational Efficiency								
	The number of Women, Infants and Children (WIC) accounting audits		⬆	2	4	2	Monthly	Increase the number of WIC audits to meet federal regulation.
	The number of electronic records for mental health patients		➔	86%	New	New	Monthly	Increase the number of CMH service programs utilizing nationally certified electronic health records for all consumers to 40 of 46 CMHS in first year
6a	Savings through cost avoidance measures		⬆	0.5	11.76	-10.5	Monthly	Increase savings through cost avoidance measures to Medicaid providers.
6b	The number of Medicaid fraud referrals to the Office of the Attorney General		⬆	7	2	0	Monthly	Increase the number of Medicaid fraud referrals to the Office of the Attorney General to recover monies.



DEPARTMENT OF COMMUNITY HEALTH
Overview of the Executive Budget
Recommendation

Presentation to
House Appropriations Subcommittee on Community Health
February 21, 2012

Olga Dazzo, Director
Nick Lyon, Chief Deputy
Tim Becker, Senior Deputy

Who we are



9.8 M
Michiganders

Public
Health

Services
to the
Aging

Medicaid

Beh. Health
Developmental
Disabilities

Supported by:

- Operations Admin.
- Policy & Planning
- Inspector General
- Commissions



Our Guiding Principles

Our Mission is to **protect, preserve, and promote** the health and safety of the people of Michigan with particular attention to providing for the needs of vulnerable and underserved populations.



Our vision is for Michiganders to be healthy, productive individuals, living in communities that support health and wellness, with ready access to an affordable, person centered, and community-based system of care.

Leadership, Excellence, Teamwork



We will Accomplish Our Vision By:

1. Improving the health of our population.

This action will help Michiganders be healthy, productive individuals, living in communities that support health and wellness.

2. Reinventing our health care system.

This action will create accessible person-centered, community-based system of care. This action will also help us comply with federal health reform law.

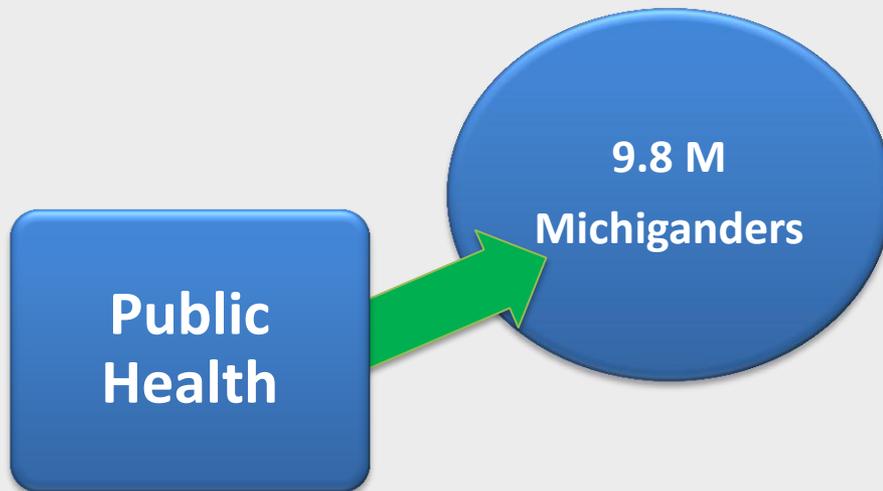
3. Reducing health costs per person served.

This action will help create ready access to affordable health services.

4. Reinventing our government operations.

This action will help us deliver excellent customer service, operate effectively, and have proper infrastructure to implement massive change.

Public Health – Strategic Priorities

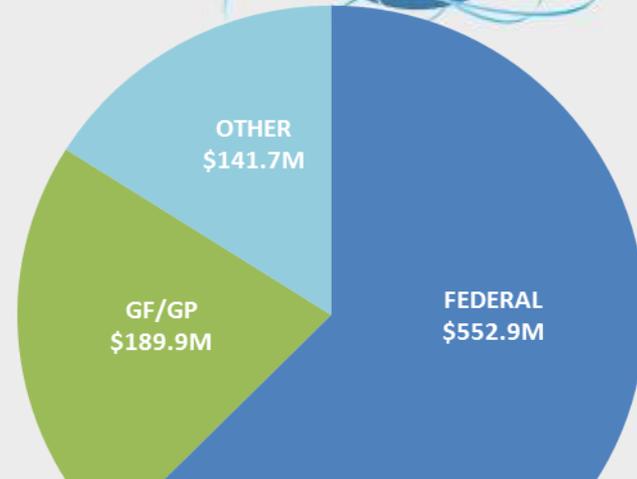
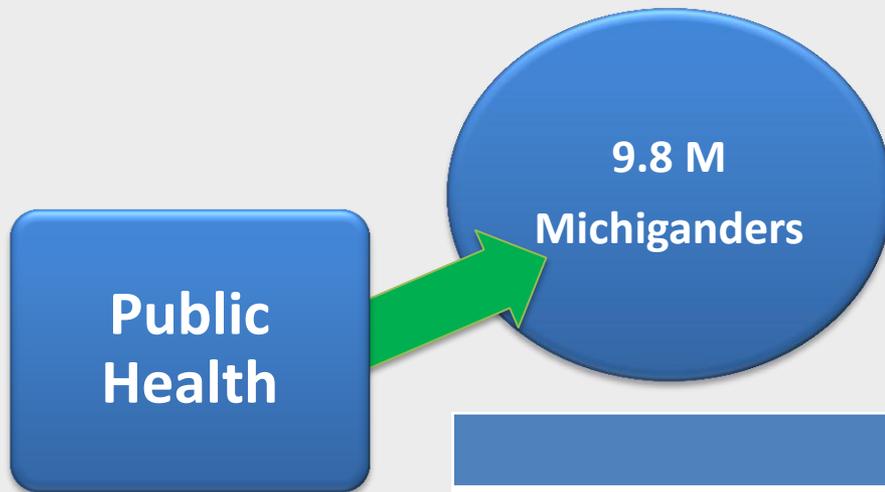


Key Issues

- Obesity
- Infant mortality
- Smoking

1. Improve the health of our population.
 - a. Implement the Michigan 4 x4 Wellness Plan. \$2.25 M
 - b. Implement the Infant Mortality Plan. \$896,000

Public Health - Budget



	2012	2013
Children Special Health Services	\$307 M	\$301 M
WIC Program	270 M	270 M
Public Health Services	310 M	302 M
Health and Wellness Initiatives	8 M	11 M
Total	\$895 M	\$884 M

Health and Wellness Initiatives



Program Area		Total
Michigan Child Immunization Registry		\$2.10 M
Cancer		.90 M
Local Health Accreditation		.15 M
Ongoing Obesity Work:		1.87 M
Cardiovascular disease	\$.67 M	
Diabetes	\$.60 M	
School Health	\$.35 M	
Health Disparities	\$.25 M	

Program Area		Total
Ongoing Infant Mortality		\$1.15 M
Health Disparities	\$.25 M	
Pregnancy Prevention	\$.90 M	
Smoking Prevention		1.83 M
Implement 4 x 4 Plan		2.25 M
Implement Infant Mortality Plan		.90 M
Total		\$11.15 M

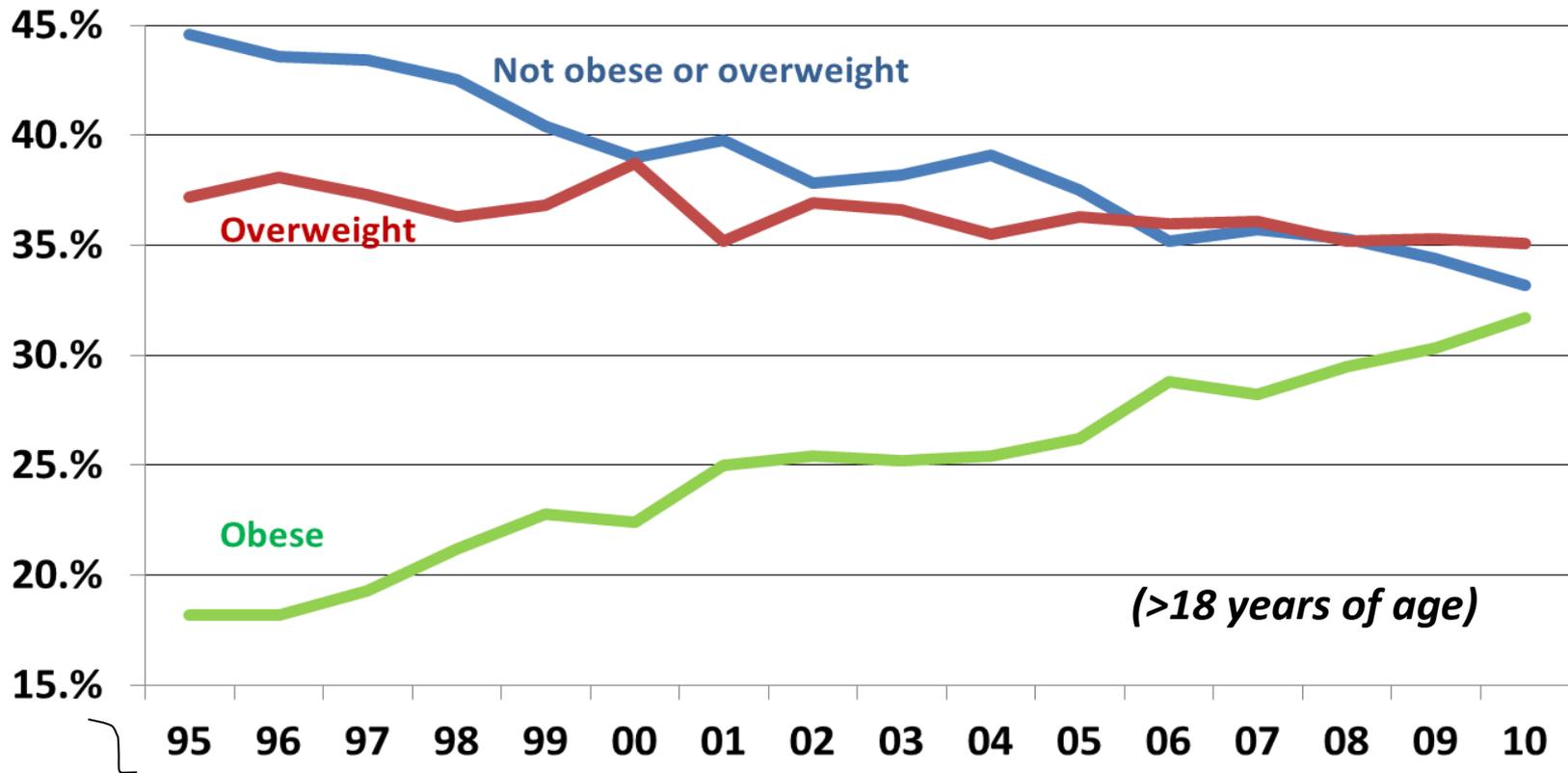


Our health begins with:

(D - R - A - F - T)

**The Michigan
Health and Wellness
4 x 4 Plan**

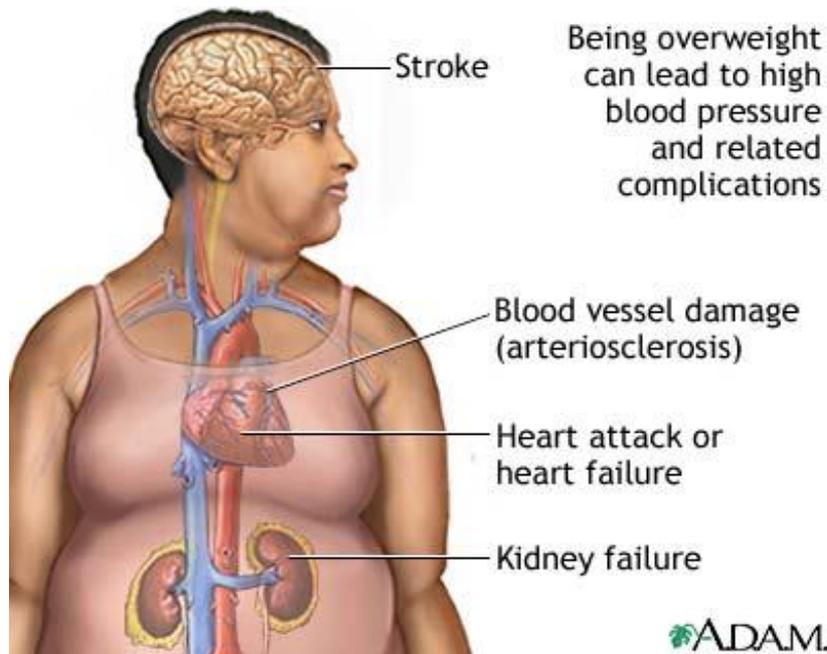
The Problem: A Public Health Crisis



Obese: BMI >30 **Overweight:** BMI >25 <29.9 **Not Obese or Overweight:** BMI <24.9

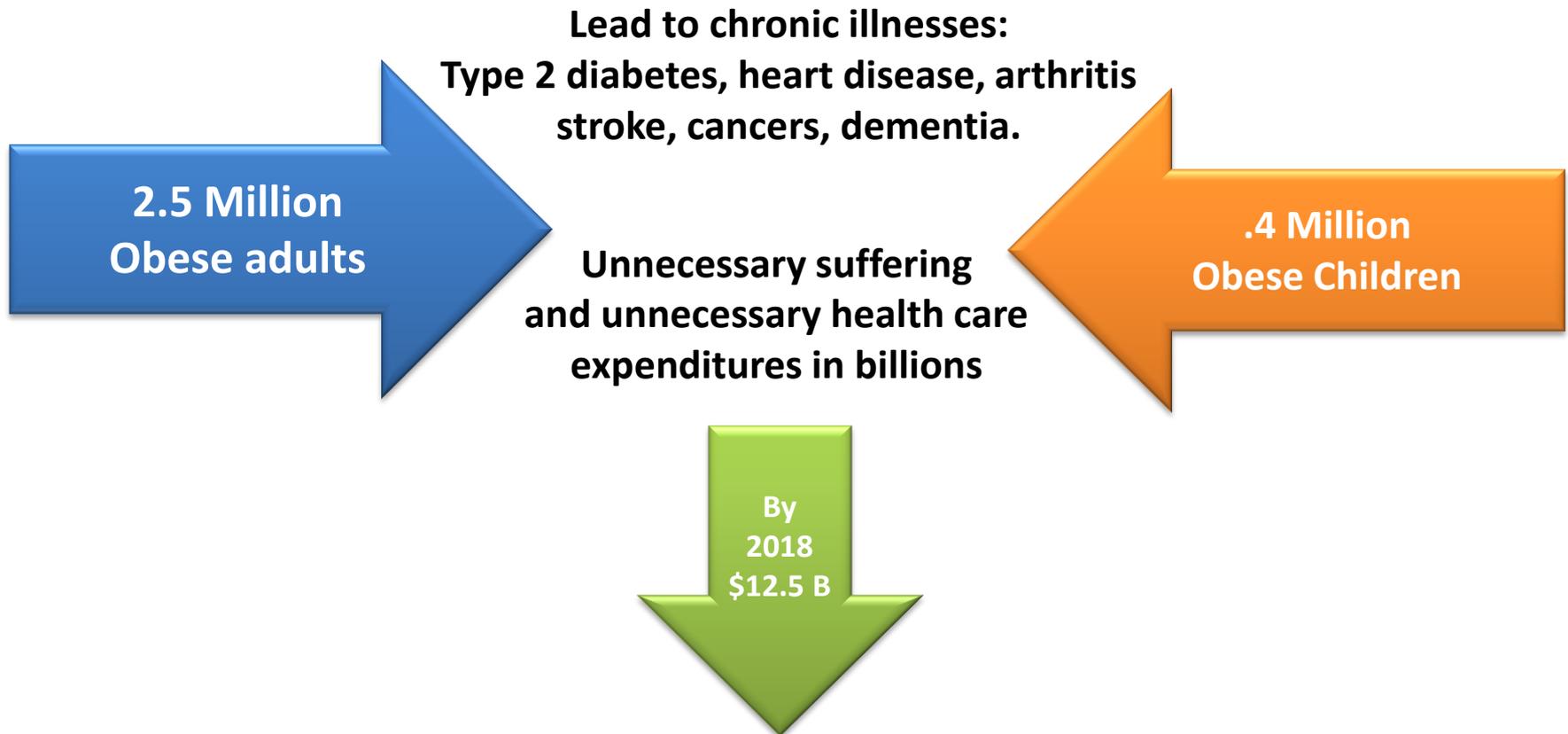
Source: BRFSS Survey, 2011

As we eat our way into obesity, we are not aware that carrying too much fat in our bodies sickens our organs and blood vessels.



Too much accumulation of fat is created by mix of poor quality foods and liquids, high calorie intake, sedentary lifestyle.

Impact on Michigan's people and its economy



Results in lack of productivity and precludes investment in more productive areas.

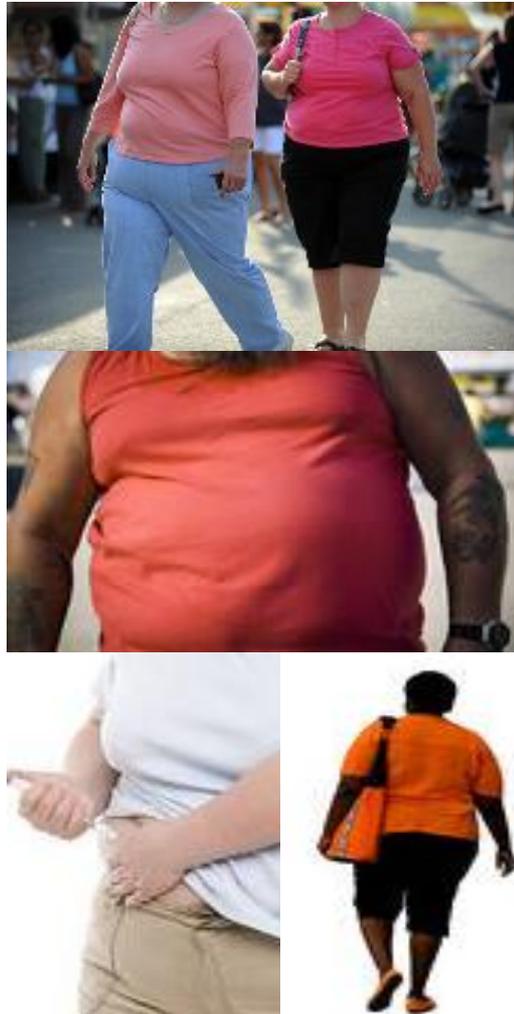
Note: 75% of \$2.2 Trillion U.S. health care spend goes to treat chronic conditions.

Barrier: *we don't see ourselves as obese*

Obese
BMI: 30 – 34.9



Severely Obese
BMI: 35 – 39.9



Morbidly Obese
BMI: > 40





Vision to address Obesity



**Create environment
for every Michigander
to be healthy and productive
through easy adoption of the
Michigan 4 x 4 Plan**



The Michigan 4 X 4 Plan

4 Key Healthy Behaviors

- Maintain a healthy diet
- Engage in regular exercise
- Get an annual physical examination
- Avoid all tobacco use

4 Key Health Measures

- Body mass index (BMI)
- Blood pressure
- Cholesterol level
- Blood sugar level

Michigan Health Dashboard: <http://www.michigan.gov/mihealthandwellnessdashboard>

County Health Rankings: <http://www.countyhealthrankings.org/michigan>

Michigan 4 x 4 in Action

Governor Snyder

- Height: 5'11
- Weight: 192 lbs
- BMI: 26.8
- Cholesterol: 183
(HDL 50, LDL 115)
- Blood Sugar/Glucose: 99
- Blood Pressure 102/60

Director Dazzo

- Height: 5'4
- Weight: 159 lbs
- BMI: 27.3
- Cholesterol: 116
(HDL 57, LDL 51)
- Blood Sugar/Glucose: 93
- Blood Pressure: 114/68

Goal Levels for Everyone

BMI: 18.5-24.9

Blood Glucose: Less than 100

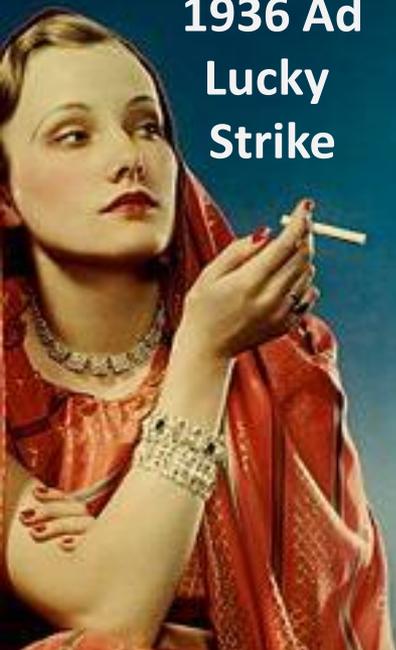
Cholesterol: Less than 200

Blood Pressure: Less than 120/80

Coalition Membership

- **Food and beverage industry**
- **Agriculture**
- **Education**
- **Media**
- **Legislature**
- **Government: federal, state, local**
- **Public health systems**
- **Healthcare industry (delivery and financing)**
- **Weight management programs**
- **Business and workers**
- **Labor unions**
- **Land use and transportation**
- **Leisure and recreation**
- **Churches**
- **Employers large and small**
- **Trade organizations**
- **Service organizations**
- **Technology companies**
- **Universities**
- **All DCH administrations**

1936 Ad
Lucky
Strike



1964
Surgeon General's
Report

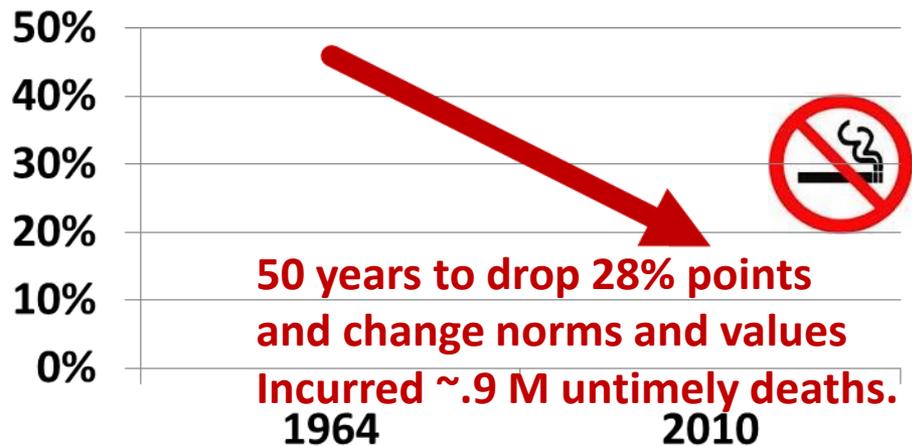
Dr. Luther L. Terry: "Smoking Causes Cancer" The Battle Began



Tobacco Free Michigan is a grassroots organization dedicated to promoting tobacco-free environments and to improving health and quality of life through education and advocacy.



Michigan's % Adult Population



**We don't have 50 years
to transform ourselves into
healthy productive individuals
and help create a vibrant
Michigan economy.**

- **Compounding threats:**
 - aging of population
 - unsustainable costs trends to payors (employers, government)
 - 75% of health care spend is related to chronic illnesses rooted in obesity.
- **Must find ways to accelerate adoption of healthy norms and values.**



Strategies

- A. Develop multi-media public awareness campaign to promote social movement encouraging every Michigander to adopt the Michigan Health and Wellness 4 x 4 Plan.**
- B. Deploy 46 existing or new community coalitions throughout Michigan to support the adoption of the 4 x 4 Plan.**
- C. Engage professional and trade organizations and departments from state government to help coalitions implement the 4 x 4 Plan.**
- D. Create state infrastructure to support plan implementation energizing the local coalitions, professional and trade organizations, and state departments.**
- E. Share the 4 x 4 Plan based on input from 500 Summit participants, Steering Committee, and the MSU, UM, Wayne State advisory group. The plan includes strategies for individuals , schools, worksites, healthcare institutions, and communities.**
- F. Seek funding to finance the plan for a projected first year cost of \$18.25 M.**

4 x 4 Plan Annual Budget

Actions	46 Coalitions	5 Coalitions
Multimedia campaign	\$6.00 M	\$1.00 M
Deploy coalitions to implement 4 x 4	11.50 M	.90 M
Engage profess. and trade organizations	.25 M	.10 M
Create support structure at MDCH	.50 M	.25 M
Total	\$18.25 M	\$2.25 M
\$16 M funding will be pursued through CMS Innovation Grant and foundations		

Infant Mortality Reduction Plan

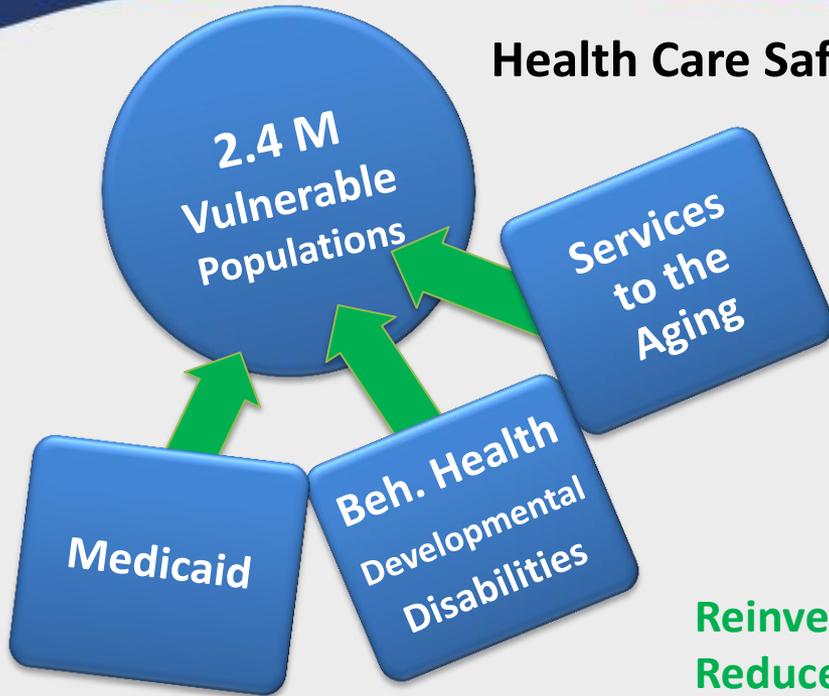


- Implement a Regional Perinatal System with MHA.
- Promote policies to eliminate unnecessary deliveries before 39 weeks gestation.
- Promote adoption of progesterone protocol for high risk women.
- Promote safer infant sleeping practices to prevent suffocation.
- Expand home visiting programs to support vulnerable women and infants.
- Support better health status of women and girls.
- Expand teen pregnancy prevention program.
- Work with MEDC, DEQ, LARA, DNR, DTMB, MDOT, MSHDA to improve determinants of health: housing, transportation, employment, education, nutrition, and elimination of institutional discrimination.

D - R - A - F - T



Health Care Safety Net*



Key Issues

- Fragmented and costly.
- Aging population will require more services.
- Promote community-based system of care.

Reinvent our health care system.
Reduce health costs per person served.

- Achieve Person-centered care by integrating clinical, long-term and support services.
- Ensure access to excellent and compassionate behavioral and DD services.
- Continue to build community-based system of care for our aging population.

*Children With Special Needs Program and WIC are also part of the Michigan Health Care Safety Net.



Safety Net

Key Budget Assumptions

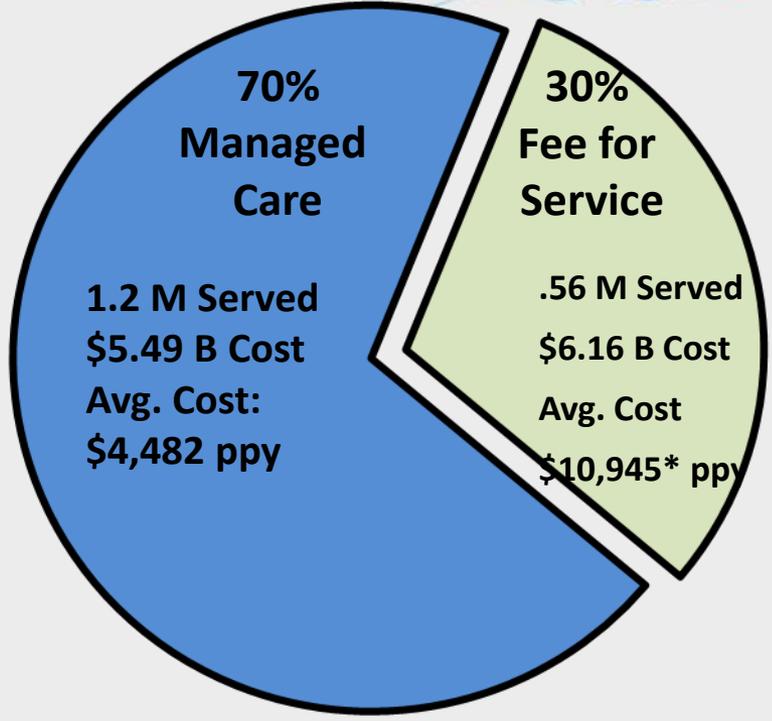
- **Medicaid and Mental Health Caseload, Trend**
 - Medicaid inflation and utilization, 3% CPI
 - Medicaid Caseload projected to increase by 2.4%
 - CSHCS Caseload to increase by 4.7%
 - Mental Health caseload to increase by 2.4%
- **HMO/PIHP Actuarial Soundness**
 - HMO increase 1.50%
 - PIHP increase 1.25%
- **Regular FMAP Adjustment for Medicaid, Mental Health and CSHCS, and QAAP programs**
 - Increase from 66.14% to 66.39%

	FY 13 GF/GP	FY 13 All Funds
	\$45.8 M	\$115.3 M
	\$25.3 M	\$75.2 M
	-\$25.7 M	\$0 M

Medicaid – Financing Models

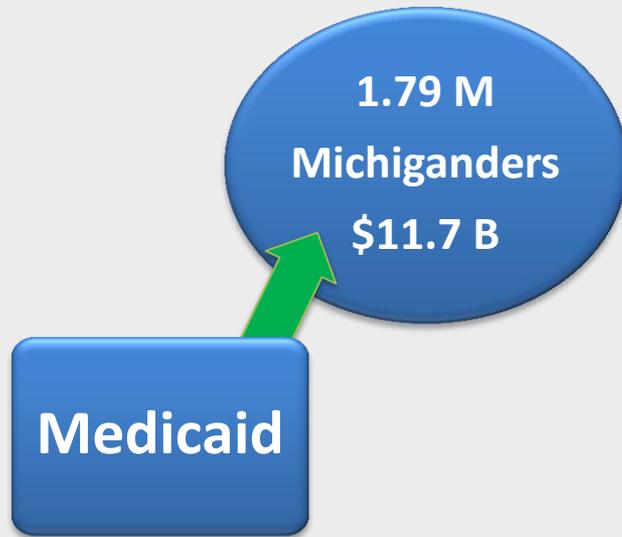


Medicaid



***The current fee for service population requires higher intensity and quantity of medical and long-term care services (nursing home, MiChoice Waiver, Home Help) resulting in higher health care costs per person per year.**

Medicaid – Strategic Priorities



1. Achieve-person centered care by integrating clinical, long-term and support services.

- a. Implement person-centered medical home grant.
- b. Implement Medicare/Medicaid dual eligible integration plan.
- c. Promote use of electronic health record.
- d. Increase nursing home transition, decrease MiChoice wait list.
- e. Expand PACE system to Berrien County.
- f. Increase healthy kids dental.
- g. Implement autism coverage in Medicaid.

2. Plan for implementation of federal health care reform law.

- a. Medicaid expansion to 133% of FPL.
- b. Implement 2013 and 2014 primary care fee increase to 100% Medicare.
- c. Develop MAGI-based eligibility policies.
- d. Evaluate Basic Health Plan Option.

Medicaid



Program Enhancements

	FY 13 GF/GP	FY 13 All Funds
• Recognize primary care rate increases to Medicare level	\$0	\$281.8 M
• Cover Autism in Medicaid and MiChild	10.1 M	34.1 M
• Expand healthy kids dental	8.4 M	25.0 M
• Increase nursing home transition and reduce wait list for MIChoice program	3.4 M	7.5 M
• Expand Pace program to Berrien County	0	0
• Non-emergency transportation rate increase	.9 M	1.9M
• Provide 6 FTE's for dual eligible integration	.3 M	.6 M

Medicaid

Cost Reductions



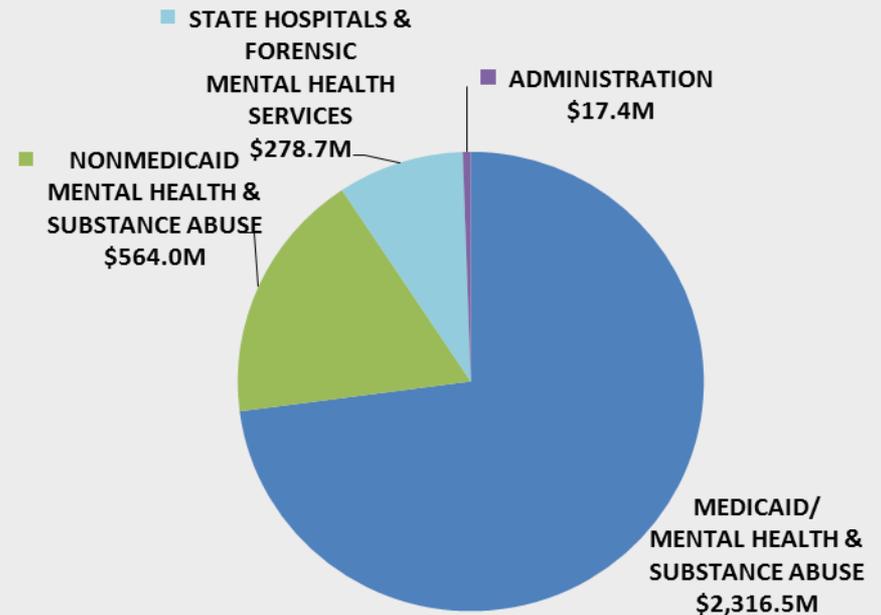
	FY 13 GF/GP	FY 13 All Funds
Recognize savings for estate recovery	-\$5.6 M	-\$16.6 M
Recognize savings from Medicaid/Medicare Dual Integr.	-10.0 M	-29.8 M
Recognize savings for PDL legislation	-6.3 M	-18.7 M
Credit balance resolutions	-1.0 M	-3.0 M
Third party liability data match	-1.7 M	-5.0 M
Retrospective overpayment detection	-6.7 M	-20.0 M
Coverage for urgent care centers	-.3 M	-.9 M
Inspector General staffing and cost avoidance from fraud	-1.3 M	-4.8 M
Enhanced prescribing pharmacy program	-1.5 M	-4.5 M
Pharmacy proposal for general injectable drugs	-.7 M	-2.0 M

Behavioral Health Services and DD Budget



243,000
Michiganders
\$3.2 B

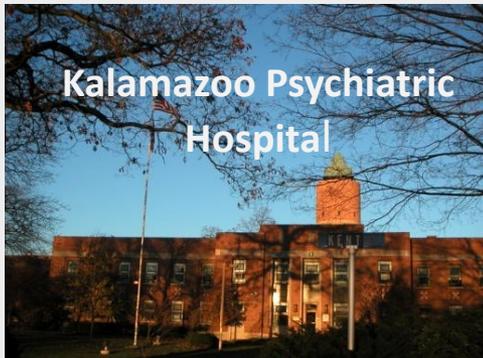
Beh. Health
Developmental
Disabilities



Behavioral Health and DD – Strategic Priorities



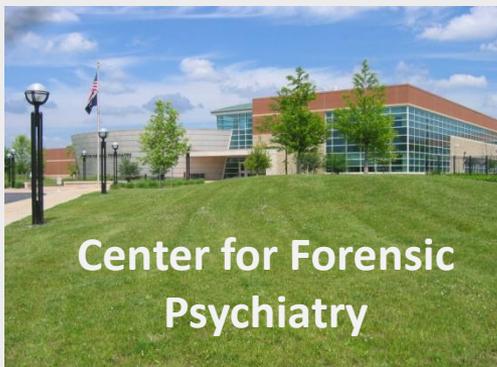
Caro Center



Kalamazoo Psychiatric Hospital



Hawthorn Center - Children



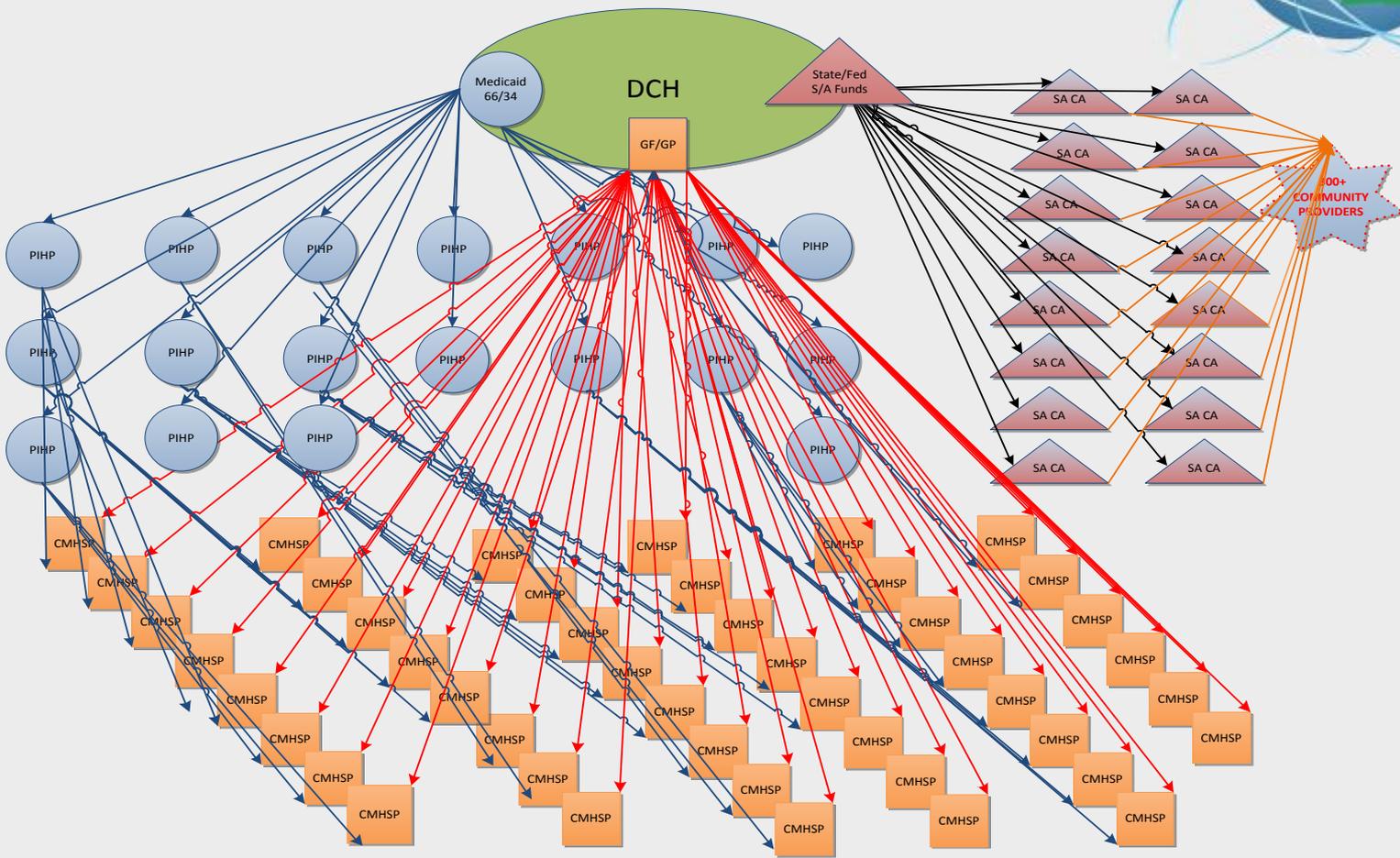
Center for Forensic Psychiatry



Ensure access to excellent and compassionate behavioral and DD Services.

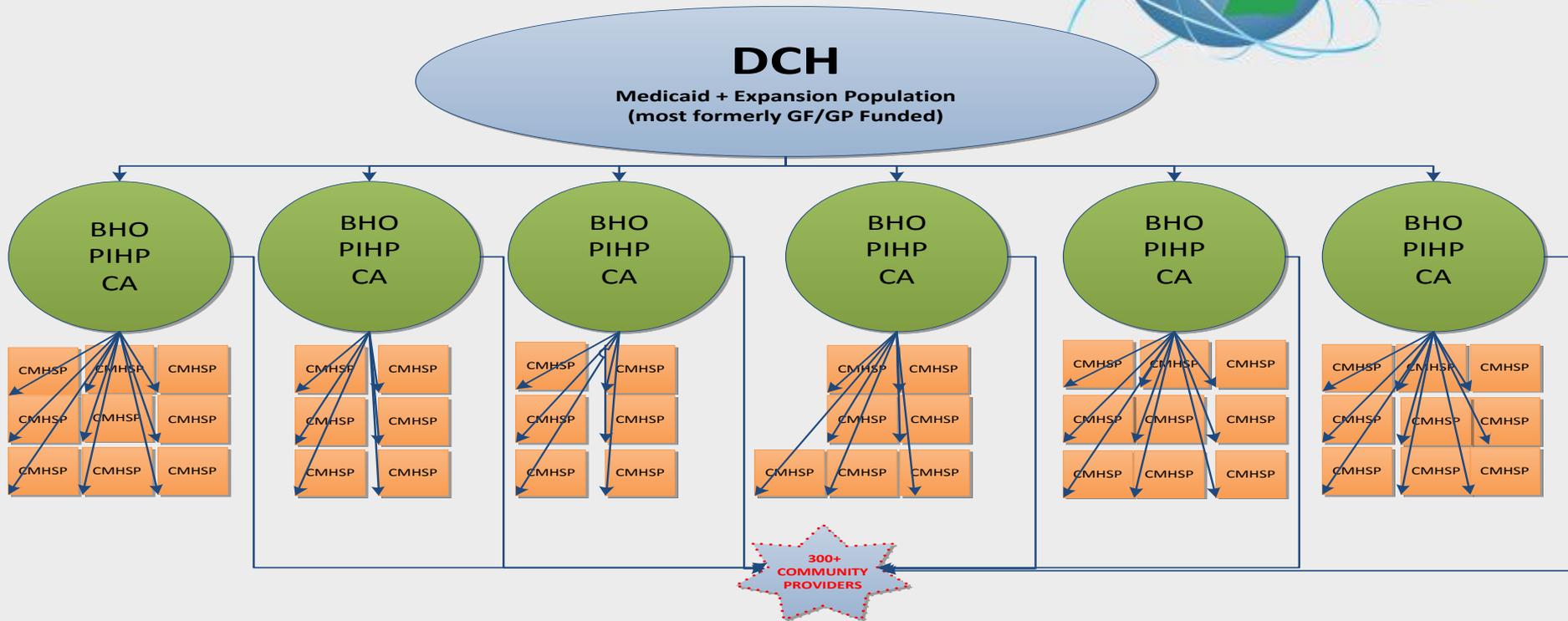
- a. Evaluate psychiatric hospitals: revenue cycle, capital needs, quality, service.
- b. Develop plan to reduce number of people with mental illness and substance abuse in jails.
- c. Integrate physical and mental health.
- d. Bring efficiencies to the mental health system administration.

Current complex Behavioral Health contracting and funds flow.



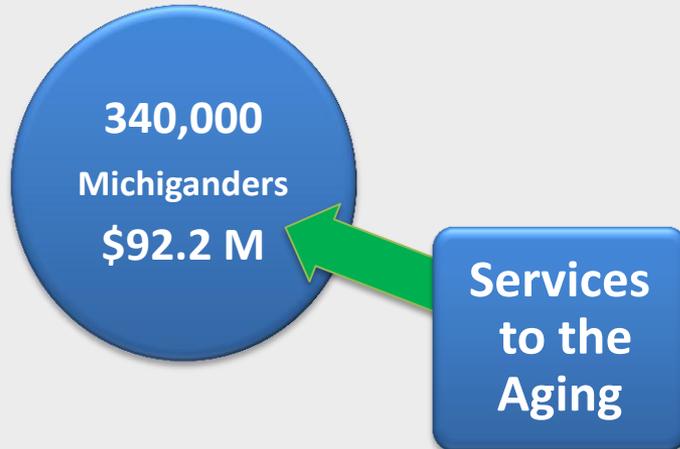
1. Each PIHP is also a CMHSP
2. PIHP Medicaid line reflects two separate contracts with each PIHP (one ABW one Medicaid).
3. CA's do not provide services – they use Community Providers
4. CMH's may directly provide services (rural) or contract out or a combination.

Planning for a more streamlined system.



If ACA Remains as written – most uninsured served under GF by CMH’s will become Medicaid expansion. Virtually eliminates GF to 46 CMH’s and moves all through entity managing Medicaid
Recommend PIHP/CA function merged into common managed Behavioral Health Organization with responsibility for health home/care for special populations.
Recommend Fewer Regions (5 or 6) that align with Physical Care (Medicare/Medicaid Regions)

Office of Services to the Aging Strategic priorities and budget recommendations.



Key issues

- Growth of aging baby boom generation.
- Growth of Alzheimer's/dementia cases.
- Elder abuse fastest growing crime.

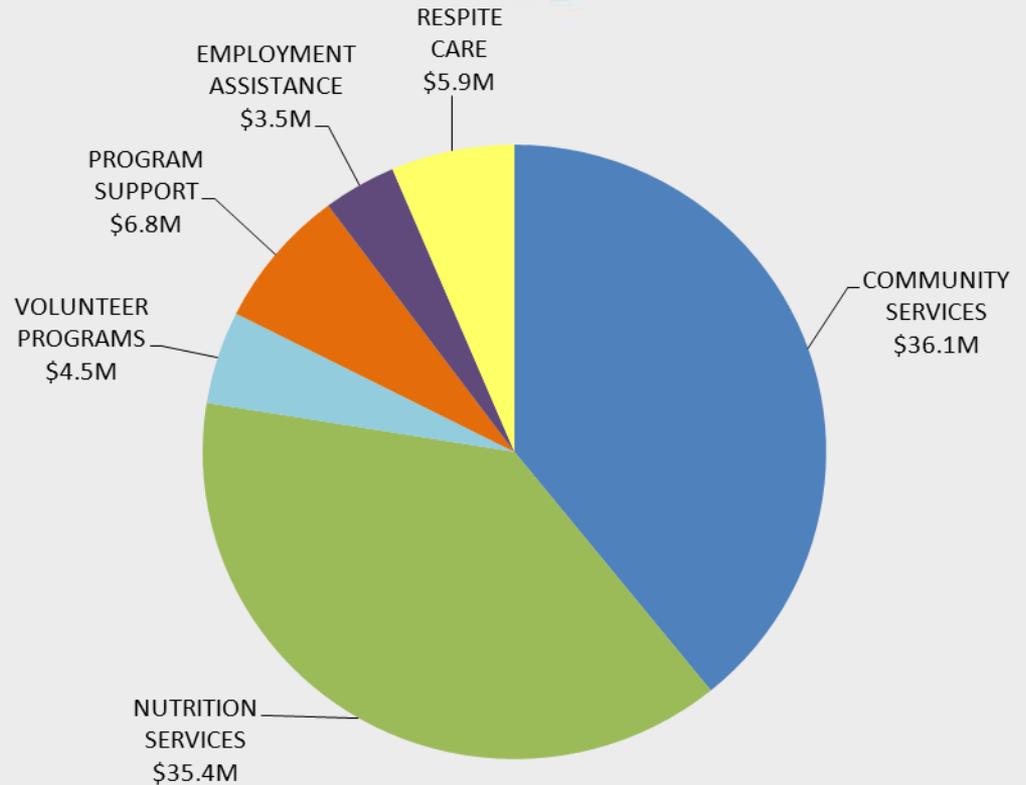
1. Continue to build community-based system of care.

- a. Expand community living programs for senior citizens. Total \$1.1 M
 1. Community living programs. \$500,000
 2. Alzheimer's/dementia caregivers. \$250,000
 3. Elder abuse prevention. \$100,000
 4. Elder abuse preventive initiatives \$250,000

Office of Services to the Aging Budget



Participants Served	340,764
Dollars Spent	\$92.2M
Federal	\$57.0M
GF/GP	\$28.6M
Other	\$6.6M





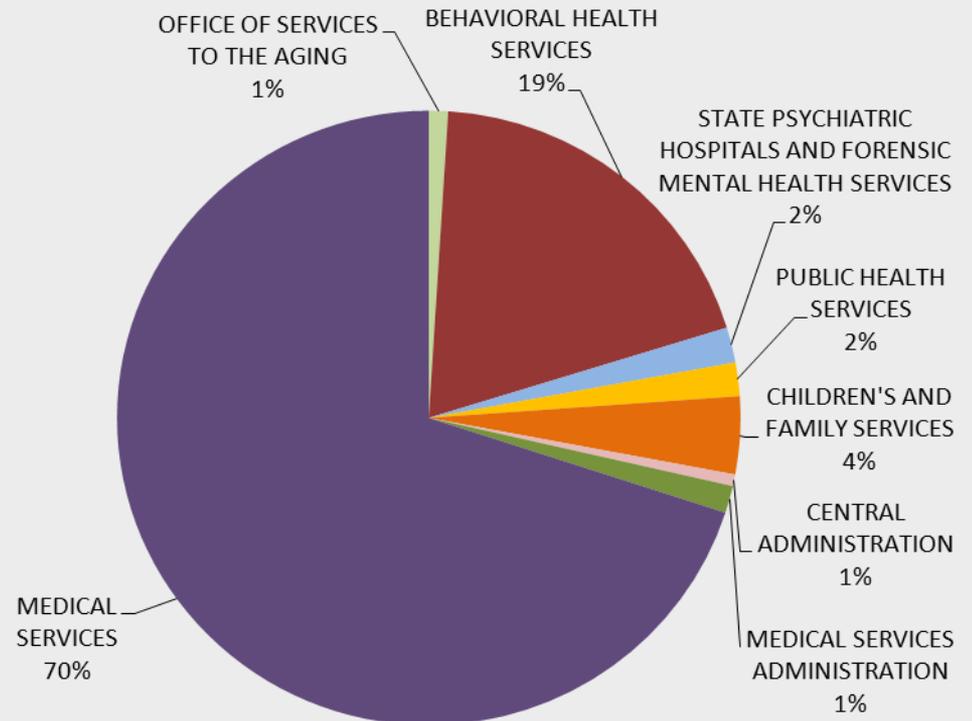
Reinventing our government operations

- 1. Achieve service excellence in all customer service points across DCH.**
- 2. Prepare DCH infrastructure for massive change.**
 - a. Prepare for growth of 500,000 new Medicaid members.**
 - b. Achieve no material audit findings. Five FTE's \$.25 M / \$.50 M.**
- 3. Aggressively pursue grant funding to support implementation of strategic priorities.**

Total FY 2013 Budget Recommendation



	TOTAL	GF/GP
Medical Services	\$10.5B	\$1.3B
Medical Services Administration	\$.2B	\$.02B
Behavioral Health Services	\$2.9B	\$1.2B
Children's and Family Services	\$.6B	\$.1B
State Psychiatric Hospitals & Forensic Mental Health Services	\$.3B	\$.06B
Public Health Services	\$.3B	\$.05B
Central Administration	\$.2B	\$.05B
Office of Services to the Aging	\$.09B	0.03B
TOTAL	\$15.0B	\$2.8B





Summary

Reviewed how we are going to implement our vision for Michiganders to be healthy productive individuals living in communities that support health and wellness, with ready access to an affordable, person-centered, and community based system of care.

Our priorities for the coming year center on:

- **Improving the health of our population.**
- **Reinventing our health care system.**
- **Reducing costs per person served.**
- **Reinventing our government operations.**

THANK YOU!



THE END