

insights



WINTER 2011



MORE INSIDE

Page 2

Bill Burke's View from the Capitol

Pages 3-4

Health Plan Updates

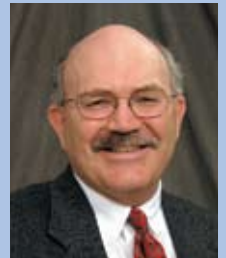
Pages 5-9

2010 Pinnacle Awards

Pages 10-13

Health Plan Updates

Decisions, Priorities and Values: First Test for Governor and Legislature



*By Rick Murdock, Executive Director,
Michigan Association of Health Plans*

The first 100 days of 2011 will test our new governor, Rick Snyder, and his administrative team and our new legislators to determine if they have the resolve to finally fix Michigan's financial infrastructure and move Michigan forward. By the end of this period, we will know the budget position that the governor will lead with, the key legislative responses, and related initiatives necessary to sustain the proposed fiscal policy of the administration. Further, we will have identified the key policy issues that will resonate with the new administration and Legislature, including those facets of federal health reform that are the current focus both here in Lansing and nationally.

The services provided by members of the Michigan Association of Health Plans are directly at risk by the decisions that will be made in the early months of 2011. We believe we have the ability to demonstrate high value for the health care programs we operate, with a high degree of accountability and outcome measurements that are inherent in the managed care environment. But it is not clear the new administration and Legislature will share that view—or that even if they do, their own political agendas may trump the important services we deliver to Michigan.

Weaving our way through these critical issues to assure that the views and programs supported by MAHP are considered during this decision-making scenario will be the challenge for our industry. So how do we start?

Challenge

MAHP will have two challenges as we start this new legislative session. The first is to provide new lawmakers with awareness and information regarding the value of the Medicaid program overall as part of the solution in providing more affordable health care options for Michigan citizens. The second will be to identify the key facets

Continued on page 14



The Need for Inclusion

By Bill Burke, Knight Consulting

The aftershock of the recent political tsunami in Michigan is now being felt. Sixty-one new members of the Michigan House and Senate were sworn into office in early January. The good news for the Republican party is that they now control the Governor's office, the House, Senate, Attorney General's Office and Secretary of State Office. The bad news is that the gum is stuck squarely on their noses to fix the structural deficit in Michigan's budget.

to be the message of the day, and I truly hope newly elected lawmakers understand that slogans and rhetoric will not carry the day any more.

A word of caution would now be appropriate: The heavy majority that Republicans now enjoy in the House and Senate does not grant them the authority to jam legislation and policy down the throats of Democrats in either chamber. I would hope that the majority party can learn from the recent election that the

work" are two very dominant messages to elected officials. If lawmakers can't fix it, or if they choose to continue to kick the can down the road, they will be met by the same anger we have just witnessed in November.

My suggestion to new lawmakers is that they strongly consider becoming an active part in the Bipartisan Caucus in the Michigan House. The simple answer is that nobody who is coming into town in January has the silver bullet or all the answers. Learn from those who have been there before you. Develop good ideas and listen to ideas from across the aisle. It will not only help to bring consensus to issues but will give the general public a sense of relief that progress and change are possible. If nothing else, provide them with the hope that things can change for the better, starting in the Legislature. It's a big hill and will take a lot of small steps to get to the top. You can help the new lawmakers start the journey the right way. Meet with your local legislators as soon as possible and offer your insights to the key issues surrounding Michigan legislative plans.

This wasn't a landslide for any political party. The fact is, if Republicans had controlled the House, they would have probably lost control because the election was all about anger. The general public is simply fed up with business as usual as it relates to elected officials. They lashed out in the only way they knew how. "Throw the bums out" seemed to be the message of the day, and I truly hope newly elected lawmakers understand that slogans and rhetoric will not carry the day any more.

In speaking with many newly elected members, I believe they understand that this wasn't a landslide for any political party. The fact is, if Republicans had controlled the House, they would have probably lost control because the election was all about anger. The general public is simply fed up with business as usual as it relates to elected officials. They lashed out in the only way they knew how. "Throw the bums out" seemed

voting public wants open debate on critical issues that will affect them and their pocket books.

The most important message for incoming legislators is that the general public doesn't trust Republicans any more than Democrats. Most of the public knows we're in financial trouble, but doesn't have a clue as to how bad the situation really is. The voters have spoken: "Fix this mess and get us back to



Bill Burke has been an associate of Knight Consulting since 1998. Prior to that, he was director of legislation and associate executive director of the Michigan Dental Association.

His duties included lobbying health care issues at the state and federal levels for the 14 years that he held those positions. He has been a registered lobbyist for 20 years, specializing in health care, insurance and appropriations issues.

Midwest Health Plan Sponsors Health Fair at Midwest Medical Center

More than 400 people attended the annual Health Fair on Saturday, Sept. 25, at Midwest Medical Center in Dearborn, Michigan. The Health Fair, sponsored by Midwest Health Plan, Oakwood Healthcare System, and ACCESS, included such health screenings as:

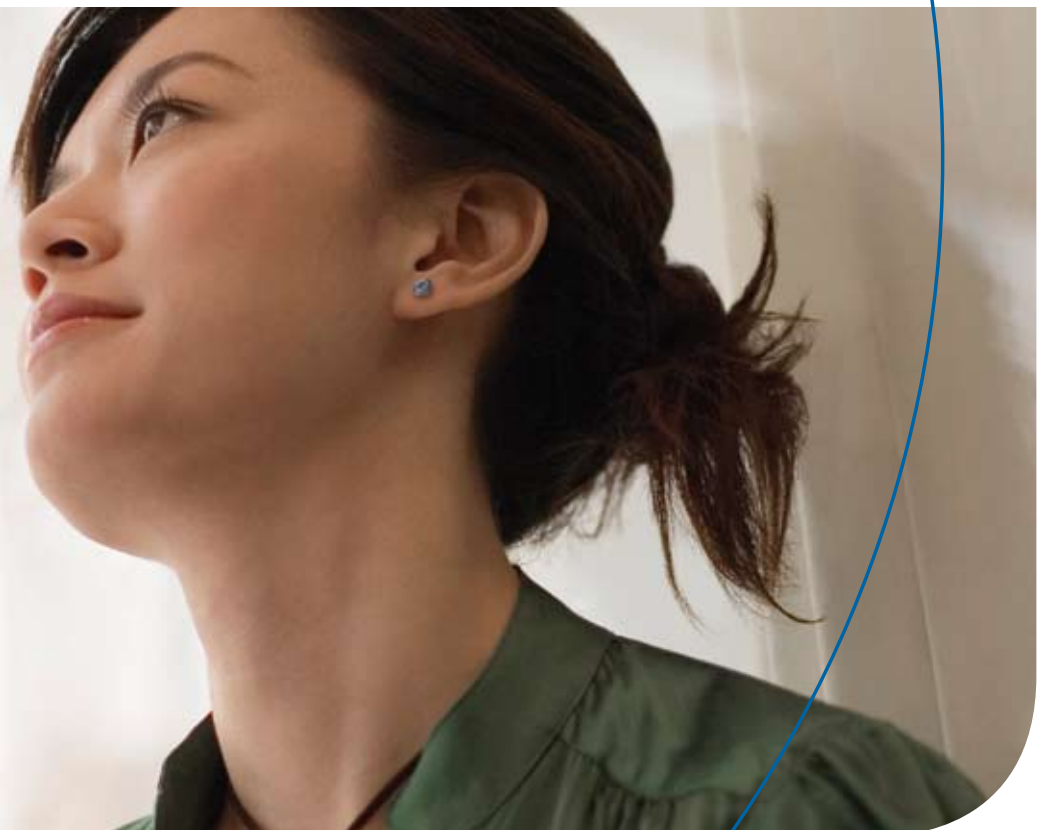
- Heart Health Screenings
 - Blood Pressure
 - Cholesterol
 - Glucose
- Foot Exams
- Low Back Pain Screening
- Hearing Screening
- Vision Screening
- Skin Cancer Screening



Midwest Health Plan staff LaNisha Stephenson, Andrea Fogarty, Kathleen Harkness and Brian Flemming at the Midwest Health Fair

Educational information was available on asthma, diabetes, cancer prevention, sports medicine/injury prevention, home care, healthy eating, child and teen obesity, body mass index, blood pressure, and pharmaceutical vendor information. "Pebbles" the clown entertained and offered face-painting for children. Community members were able to talk with EMS staff and see inside an ambulance.

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Walgreens

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Last Chance Immunization Health Initiative

DPS in conjunction with Molina Healthcare of Michigan

The Farwell Leadership Academy in partnership with Molina Healthcare of Michigan held the Last Chance immunization health initiative in October to ensure that students received the immunizations required to stay in Michigan public schools. In addition to the much needed immunization services, the Last Chance Health Initiative offered health and wellness education, including cholesterol screening, blood pressure screening, nutritional counseling, and diabetic foot care for attendees.

The Molina Healthcare mascot, Dr. Cleo, helped keep the kids entertained.

Some important people in attendance included Anthony Adams, Detroit Public School Board president; Antionette Pearson, Farwell Leadership Academy principal; Benny White, Youth Advocate, City of Detroit; DPS Assistant Superintendent Dr. Ivezaj; James Forshee, MD, Molina Healthcare of Michigan chief medical officer; Judge Miriam Martin-Clark; and Brenda Lever, director of enrollment growth & provider services, Molina Healthcare of Michigan.

Detroit Piston NBA star guard Ben Gordon and the mascot Hooper made an appearance at the event, delighting students and their families. They provided free tickets to the Sunday, Nov. 7, 2010 basketball game for the entire student body, along with Nike sacks and snacks.



Photo (left to right): Molina Healthcare mascot, Dr. Cleo; Brenda Lever, director of enrollment growth & provider services, Molina Healthcare of Michigan; Ben Gordon, guard, Detroit Pistons; Pat Embry, manager, enrollment growth & provider services; and Robert Bush, territory manager, Lower Thumb Region, Molina Healthcare of Michigan.

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2010 MAHP Pinnacle Awards Recognize Best Health Care Improvement Practices in Michigan

The Michigan Association of Health Plans has recognized 11 programs developed by seven health plans around the state as “Pinnacle Award” winners for their outstanding contributions to increasing efficiency and patient care, helping lower costs and increase service to Michigan residents.

The innovative practices, which will be shared among MAHP members, address issues including youth obesity, minority health care disparities, home drug use management, better call center practices and more, all aimed at increasing efficiency and quality in health plan services.

“The Pinnacle Awards are among the most important ways health plans can ensure best practices are recognized and adopted in our state. Michigan health plans are nationally recognized as leaders in quality and efficiency. Displaying these outstanding programs to all of our members ensures that Michigan residents get the best possible care at the lowest possible cost,” said Rick Murdock, executive director of the Michigan Association of Health Plans.

The awards were presented at a reception on Tuesday, Sept. 21, at the Lansing Center in Lansing. Health Alliance Plan received three awards; Midwest Health Plan and Priority Health each took home two awards. Also receiving top awards were Grand Valley Health Plan, CareSource, Health Plan of Michigan and HealthPlus of Michigan. Honorable mentions went to McLaren Health Plan and Great Lakes Health Plan. Health plans submit important new programs to a judging panel comprised of health care experts, lawmakers and news media.

Full details on each winner are available at www.ma hp.org. Below is a brief description of winning programs.

BUSINESS/OPERATIONAL PERFORMANCE—COMMERCIAL

Grand Valley Health Plan for “Balanced Score Card”

A group of GVHP employees have developed a “Balanced Score Card” to translate company vision statements into actionable and measurable outcomes. The score card lets staff easily see how ‘what they do’ affects other areas of the organization. The balanced score card has promoted focus on the big picture, balance across all spectrums, and most importantly driven an increase in quality of care and customer satisfaction and a decrease in health plan expenditures.

BUSINESS/OPERATIONAL PERFORMANCE—MEDICAID

CareSource for “Improving Member and Provider Satisfaction through Call Optimization!”

CareSource executives challenged a team of directors to tackle a company-wide call-optimization initiative. They examined all internal processes impacting company constituencies. These initiatives increased efficiencies and reduced incoming call volumes per 1,000 members by 20.2 percent in 2009, with further call reductions for the Michigan member population in 2010. Optimizing member and provider calls resulted in improved service and significantly improved operational efficiencies.

CLINICAL SERVICE IMPROVEMENT—COMMERCIAL

Priority Health for “Monitoring for Patients on Persistent Medications”

Drugs that require regular monitoring in outpatient settings account for most unintentional drug overdoses. Monitoring with a simple lab test allows clinicians to adjust patient’s dosage to prevent complications and avoidable events including liver or kidney damage, thyroid problems, heart attack and death. The Priority Health Improvement Team took on the challenge of improving the percentage of its members on persistent medications who received annual monitoring for the specific drugs. Through multiple improvement strategies, the team improved monitoring to 86 percent for an increase of 3,800 patients over the prior year.



Rep. Lesia Liss, Todd Osbeck and Bob Van Eck



Steve Duchemin, Daniel Wallace, Barbara Lusk, Pamela Lea Silva and Tom Bissonnette



Peter Schonfeld, Bala Pai, Diane Sypien, Dr. Kimberly Dawn Wisdom and Megan Brandy



Rep. Gabe LeLand, Tom Lauzon and Ray Pitera

CLINICAL SERVICE IMPROVEMENT—COMMERCIAL
Health Alliance Plan for “Effective Pain Management Initiative”

HAP implemented a program to identify safety concerns and improve continuity and coordination of care for members with pain management concerns. HAP’s program to coordinate care for members with pain management concerns started by identifying those concerns, and then integrated various disciplines (pharmacy, coordinated behavioral health, clinical care management) in a way that does not add to the physician’s fear of prescribing pain medications. The goal is to coordinate care based on member needs. An intervention tool enables the primary care physician to select the best option for the patient from among available interventions. Outcome data after two years indicates that 70 percent of identified pain management safety concerns were resolved and 80 percent of identified members demonstrated an improvement in coordination of care.

CLINICAL SERVICE IMPROVEMENT—MEDICAID
Midwest Health Plan for “Healthy Weight, Healthy Life”

In the past 30 years, the occurrence of overweight children has doubled. Today about one in five children in the U.S. is overweight. Midwest initiated a childhood obesity project in 2008 in order to increase awareness among providers and members of the importance of identifying, treating and preventing childhood obesity. Midwest promoted use of obesity clinical guidelines and sent laminated body mass index charts to providers to post near scales. Midwest sponsored sports physical events and supported a “Taking on Childhood Obesity Health Fair” in Dearborn. Midwest also offers members and employees discounted rates with Weight Watcher programs. Midwest Health Plan saw dramatic improvements in its BMI Healthcare Effectiveness Data and Information Set measures.



Doug Paterson, Beth Caughlin and Kathy Kendall



Doug Paterson and David Livingston



Tom Bissonnette, Diana Criss and Leon Lamoreaux



Rep. Gabe LeLand, Kathy Harkness, Diane Lecerf and Dr. Mark Saffer



Bruce Hill, Larry Wagenknecht, Carrie Germain and Mary Pat Petrillo

CARE MANAGEMENT FOR MEDICARE POPULATIONS—ADVANTAGE Priority Health for “Medicare Comprehensive Physical Exams”

This Priority Health initiative targeted Medicare members ages 65 and older to increase rates of comprehensive physical exams, body mass index, blood pressure, breast and colorectal cancer screenings. The goal was to save lives through early detection. Initiatives included: hiring a Health Improvement Nurse to make calls and educate members, mailing “I Missed You” letters and promoting physician incentives. A physician incentive of \$25/member was awarded if the physician completed a comprehensive physical exam and provided verification of current health conditions in the member’s medical record.

CHRONIC DISEASE MANAGEMENT—COMMERCIAL Health Alliance Plan for “Changing Behavior in Diabetes Self-Management”

Health Alliance Plan successfully improved member and physician compliance with recommended diabetes screenings through a comprehensive approach that included: nurse health coaching to foster member behavior change, Interactive Voice Response (IVR) outreach encouraging two-way communication, a physician office incentive program and targeted member mailings. The interventions not only improved Healthcare Effectiveness Data and Information Set rates for blood sugar and cholesterol testing and control, it increased medical attention for kidney-related conditions, and resulted in a 1 percent decrease in diabetes-related admissions and an 18 percent decrease in vascular surgeries from 2008 to 2009. The interventions also saved nearly \$2.2 million as a result of members becoming healthier and avoiding preventable hospitalizations and emergency room use.



Peter Schonfeld, Dr. Keith Tarter, Linda Dickenson, Cathy Webb, Carol Jorgensen, David Daly, Sharon Williams, Mary Beth Klitch and Pamela Tropiano



Julie Schonfeld, Peter Schonfeld, Rep. Mike Lahti, Rep. Steve Lindberg and Dennis Smith



Marianne Thomas-Brown, Dr. Greg Holzman, Dusty Fancher, Karen Lewis and David Livingston

**CARE MANAGEMENT FOR MEDICARE POPULATIONS–SPECIAL NEEDS
Midwest Health Plan for “Special Needs, Special Care”**

The goal of this project was to ensure a comprehensive health risk assessment was completed for each special needs population (SNP) member to support improved care management for the member. Midwest sent a nurse to SNP members’ homes to complete an assessment and develop a care plan, which was then shared with primary care physicians and entered into Midwest’s care management system. Midwest attributes improvements in Medicare Healthcare Effectiveness Data and Information Set measures realized from 2008 to 2010 to the improved coordination and care management supported by the LifePlan Assessments completed as part of the Special Needs, Special Care project.

**HEALTH CARE TECHNOLOGY–MEDICAID
Health Plan of Michigan for “Technology and Case Management Go Together”**

Health Plan of Michigan fully integrated case management screens in its internally developed managed care system with all available databases. This feature provides case managers with efficiencies allowing them to focus on key activities to educate and promote member self-management. The case management assessment screens auto-populate health risk assessments, making data available to departments such as Disease Management and Member Services for outreach endeavors. HPM’s ability to quickly identify patients in need of case management due to non-compliance or inability to establish a medical home increased, resulting in decreased readmissions.

**COMMUNITY OUTREACH/
PARTNERSHIPS–SINGLE PLAN
HealthPlus of Michigan for “HealthPlus Rainmaker Program”**

The Rainmaker Program was developed to promote collaborative relationships and provide grants on an annual basis to non-profit organizations that proposed projects designed to have a “clearly defined positive health-related impact on the community.”

The Rainmaker program provided an approach for HealthPlus to partner with community organizations to respond effectively to multiple concerns and priorities in the community. Cumulatively, thousands of people have benefited from the 133 Rainmaker grants (totaling \$694,202) awarded since the program’s inception in 1994.



Shawn Boeneman, Dr. Richard Frank, Bea Raymond, Bruce Hill, Mark Holoweiko and Larry Wagenknecht



Rep. Lesia Liss, Jennifer Zbytowski, John Calabria, Dawn Worton and Bhamini Patel

**COLLABORATIVE COMMUNITY HEALTH INITIATIVES
Health Alliance Plan for “African American Initiative
for Male Health Improvement, Phase II”**

Racial and ethnic minorities are less likely than whites to receive preventive services. This is especially true for non-White men even after controlling for insurance status and other economic access factors. To address disparities in preventive care among insured African American men ages 18 to 64, HAP and Henry Ford Health System conducted focus groups to determine common barriers to screening, then used the results to implement a culturally-tailored intervention. As a result of the intervention, more African American men who are HAP members are up-to-date on most screenings, aware of the importance of screening, and engaged in preventive health care and chronic disease management.



Larry Wagenknecht, Diane Lecerf, Dr. Mark Saffer and Kathy Harkness

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Norwood Jewell Appointed to HealthPlus Board of Directors

Norwood H. Jewell has been appointed to the HealthPlus of Michigan board of directors.

Jewell is the director of United Auto Workers Region 1C—an 11-county area of Michigan headquartered in Flint—having been elected to that position by delegates to the UAW's 35th Constitutional Convention on June 16.

Jewell had served as assistant director of UAW Region 1C since 2006, when he was appointed to the post by former UAW President Ron Gettelfinger at the request of Region 1C Director Duane Zuckschwerdt.

Zuckschwerdt, who recently retired as UAW Region 1C director, is also a member of the HealthPlus board.

Jewell is a loyal University of Michigan fan and enjoys spending time with his wife, Suzette, and their four children: Tabatha, Derik, Wes and Justin.



Norwood Jewell

Grand Valley Health Plan Update

Local Health Plan Ranks Best in Michigan and Among the Top 10 in the United States

For the third year in a row, Grand Valley Health Plan (GVHP) ranks the highest Health Plan in Michigan and among the top ten health plans in the United States by the National Committee for Quality Assurance. The 2010–11 national ranking places GVHP as number six out of 300 private health plans.

In responding to the announcement, Pam Silva, GVHP's Chief Operating Officer, said, "We are thrilled. Being

recognized is further affirmation of our commitment to providing quality health care to our patients." Dr. James Kerby, Vice President of Medical Affairs, added, "I am understandably quite proud of this accomplishment and what it says about our providers and employees, who are committed to purposefully and consistently delivering the highest quality care available in West Michigan. If everyone had a Medical Home like Grand Valley Health Plan, it could mean

a healthier population and the potential to save billions of dollars a year in health care costs."

Each year the National Committee for Quality Assurance evaluates the nation's health plans based on patient satisfaction, access to care, prevention and treatment. The rankings are now available online at www.ncqa.org.

Priority Health Plan Update

Small Businesses Have New Health Plan Options with Priority Health

Priority Health is offering simpler benefit packages and new lower-cost options for small businesses. The company has created 66 new offerings for small businesses with 2–50 eligible employees.

The new packages simplify Priority Health's existing small business product portfolio into a suite of smartly designed benefit offerings that are easy to understand. They offer a full range of price points and incorporate the initial requirements of health care reform while preparing for future requirements.

Small businesses can choose from several plan options including:

- HMO, POS, PPO plans
- an enhanced HSA option with a new coinsurance design
- a Health Reimbursement Account option
- new 70% coinsurance plan option
- a new health-outcomes based plan, titled **HealthbyChoice Achievements**SM

All of the new packages feature:

- tiered office visit copays for primary care, specialist and urgent care
- prescription coverage

Priority Health has been actively helping employers prepare for the changes outlined in health reform. Earlier this year it released understandinghealthreform.com, a site designed to provide employers with tools and information they need to make future benefit decisions. To learn more about the options Priority Health is providing to small businesses visit priorityhealth.com.

SAVE THE DATES!

26th Annual Michigan Association of Health Plans Summer Conference



July 16-19, 2011

**Boyne Mountain Resort,
Boyne Falls, MI**

Save the dates for the 2011 MAHP Summer Conference. We are returning to Boyne Mountain Resort and will feature:

- ▶ Cutting-edge speakers
- ▶ Larger exhibit and Silent Auction space
- ▶ More guest rooms available for our group
- ▶ Improved hotel check-in procedures
- ▶ New menus featuring local Michigan foods
- ▶ Registration and exhibit fees held at 2010 levels

Watch for details in the weeks ahead!

For information, contact:

Diane Drago, Conference Coordinator
DMSdiane@concentric.net
517-663-5147



2011

Physicians Health Plan of Mid-Michigan “Taking Control” of Diabetes

Physicians Health Plan of Mid-Michigan (PHPMM) held its annual Diabetes Member Seminar on November 18 at the Causeway Bay Hotel and Convention Center in Lansing. PHPMM invited members of the Living With Diabetes program to participate in this free event. Members and their guests had the opportunity to hear from guest speakers Roger Baird, an “A1C Champion,” and Certified Diabetes Educator Joan McHale, RN, MSN.

The A1C Champion program is a patient-led approach to diabetes education. An A1C Champion knows firsthand the challenges and obstacles in maintaining control of their diabetes. During the seminar their personal experiences and helpful insights were shared with attendees on the successful management of diabetes.



Physicians Health Plan’s Diane Blattert, RN, introduces A1C Champion speaker Robert Baird at PHP’s Diabetes Member Seminar.



Joan McHale, RN, MSN and Certified Diabetes Educator speaks to the audience on nutrition and diabetes.

Physicians Health Plan of Mid-Michigan’s Healthy Beginnings Event

The 3rd Annual Healthy Beginnings event sponsored by Physicians Health Plan of Mid-Michigan (PHPMM) was held at the Impression 5 Science Center in Lansing on November 13, 2010. Healthy Beginnings is a health and wellness event aimed at improving the health and safety outcomes for children between the ages of 4 and 12. This initiative offered the community and PHPMM members an opportunity to explore different facets of health, wellness and safety through hands-on activities and health risk assessments. The event offered an environment where fun and learning was experienced by children and their families to start a Healthy Beginning.



Michigan State students are kept busy performing health risk assessments on children during the Healthy Beginnings event.



Children visit Physicians Health Plan at Healthy Beginnings.

PHP Participates in Food Drive for Lansing Area Residents

Once again Physicians Health Plan of Mid-Michigan (PHPMM) participated in the Michigan Health and Hospital Association’s annual Harvest Gathering food drive. This is a donation drive to collect non-perishable food and sundries. The donations are distributed to Lansing-area residents who are struggling with hunger. The drive was held Oct. 1 through Nov. 8. PHPMM Associates filled 10 large boxes of food and delivered them to the local food bank.

Physicians Health Plan of Mid-Michigan supports Bingham Elementary Back to School Drive

During the month of August, Physicians Health Plan of Mid-Michigan (PHPMM) employees collected school supplies for their neighboring elementary school, Bingham Elementary. PHPMM collected eight boxes of school supplies that included several items such as crayons, pencils, pens, glue sticks, notebook paper, and children’s safety scissors. Bingham Elementary’s principal expressed her appreciation for the kindness and generosity of PHPMM.

HAP's Medicare Advantage Plans Receive Highest Star Ratings in Michigan from Federal Medicare Program

Health Alliance Plan (HAP) has received the highest star ratings in Michigan for all three Medicare Advantage products from the Centers for Medicare and Medicaid Services (CMS).

The five-star rating system is used by CMS to monitor plans to ensure that they meet Medicare's standards for quality of care and customer service. The ratings provide Medicare beneficiaries with a tool to compare Medicare Advantage plans.

The star ratings are based on criteria that show how well the plan performs in a number of categories, including member satisfaction, customer responsiveness and service, and actual quality of care such as how often members get recommended preventive services and chronic disease management.

The rating system adopted in the Health Care Reform legislation continues the use of a five-star rating system by CMS to assist beneficiaries in making the

"best choice" when selecting a plan during the annual election period. Beginning in 2012, payments to plans will also be affected by their star ratings. Star ratings range from 1 star to 5 stars, where a rating of 1 star means "poor" quality, 2 stars means "below average" quality, 3 stars means "average" quality, 4 stars means "above average" quality and 5 stars means "excellent" quality. The ratings appear on the Medicare Web site at www.medicare.gov/find-a-plan.

"Boots for Kids" Aims to Give the Gift of Warm Feet to Five Hundred Children in Flint, Lapeer, Port Huron and Saginaw

Homelessness is on the rise, and with winter on its way the statistics are chilling. With the number of homeless children climbing to more than 1,500 in Genesee and Saginaw counties alone, Health Alliance Plan is asking local communities to help these children stay warm and dry this winter.

Through the end of January, Health Alliance Plan (HAP) will collect new children's winter boots and distribute them to Carriage Town Ministries of Flint, City Rescue Mission of Saginaw, Love INC of Greater Lapeer and Pathway Shelter of Port Huron.

In 2009, with the help of more than 20 community partners, HAP is anticipated to collect 260 pairs of children's boots (\$5,000 estimated value). There is a greater demand for boots this year as homeless rates continue to rise. In Genesee County, for example, homelessness among families increased by 70 percent in 2009, according to Metro Community Development.

With a goal to collect at least 500 pairs of boots—including larger sizes for teens—HAP is partnering with local health insurance agents who have volunteered to collect boots at their offices throughout Genesee, Huron, Saginaw and St. Clair counties. Meijer and Wal-Mart stores have also stepped up to support the cause by donating merchandise and cash.

A list of drop-off locations and community partners is available at www.hap.org/bootsforkids. Or, stop by HAP's Flint office, located at 1397 S. Linden Road, Suite C, between 9:00 a.m. and 5:00 p.m., Monday through Friday.



Lori Rund

HAP Hires Vice President of Product Management and Market Intelligence

Health Alliance Plan (HAP) announces the appointment of Lori Rund as vice president, Product Management and Market Intelligence.

Rund joins HAP from Health Alliance Medical Plans in Urbana, Illinois where she was the interim vice president of Market Development. She brings more than 20 years of experience in health care marketing, evaluation of new products and services, analysis of market segments and alignment of products to meet market needs.

Continued from page 1

of federal health care reform that make sense for Michigan and to work with the Administration and legislature toward its implementation.

Identifying these challenges is easy; addressing them, not so easy. We applaud the intent of the Snyder Administration to develop multi-year budgets—if they are reasonably accurate and sustainable. It is much easier for our health plans to prepare for the future if we have a long view of expectations and re-

solutions that cannot be timely implemented due to the myriad of federal requirements, existing state policy, and collateral impact on health care.

So what areas are under consideration for cuts? We know that federal law prohibits reductions in eligibility, and cutting optional benefits like pharmacy will result in more expenses due to hospitalizations and chronic disease costs. This leaves a decision that the “obvious” reduction should take place in provider rates.

It is time that Michigan looks at aggressively moving more population into managed care as a way of saving dollars (managing care rather than cutting benefits). Further, those of us in the health care area know that we have over the years built “silos” around ... mental health, substance abuse, long-term care services, physical health. Can we create further administrative savings through consolidating the delivery of these services, rather than cutting them? We believe it is possible.

sources. We also are pleased by the commitment of legislative leaders to complete the budget process much earlier than the past years. Regardless of the content of the budget—simply having a budget completed and timely adopted provides the stability and predictability most groups need for their strategic planning. Assuming that is the expected process this year, then our work must equally be timely and informed.

Substantially, Medicaid is perhaps the most confusing and complex topic for legislators to address. The standard recipe for reductions is to assume that since Medicaid represents one-fourth of the state general fund budget, then the state’s infrastructure deficit should be fixed by cutting Medicaid proportionally—or between \$300 to \$500 million in general fund. Because of the size of its budget, it often lends itself to proposed

But does that make sense when we know that cutting \$300 million in general fund is really a \$1 billion dollar cut in provider fees (when you look at federal match support) and that such reductions on top of the well-known low re-imbursment for providers will likely have the impact of more providers leaving Medicaid or leaving Michigan? The litany that then follows is that care is delayed and then provided in the emergency department or not at all and premature death may occur. Couple this with increased uncompensated care that will push insurance premiums higher and the usual approach is not a recipe for reduction but a recipe for further financial and health care harm. Indeed, the average insured family in Michigan today already pays \$1,000 annually for uncompensated care. It is vital that lawmakers understand this basic fact.

Let’s do it differently this year

Can we do this differently this year? We believe we can. It is time that Michigan looks at aggressively moving more population into managed care as a way of saving dollars (managing care rather than cutting benefits). Further, those of us in the health care area know that we have over the years built “silos” around different aspects of publicly supported health care (mental health, substance abuse, long-term care services, physical health).

Can we create further administrative savings through consolidating the delivery of these services—rather than cutting the services—we believe it is possible. Further, this creates the opportunity for state oversight (contract management) that builds in the outcome measures and accountability that all citizens expect in return for their investment in state government. These two actions—extraordinarily difficult politically in normal times—should be seen as far preferable than cutting benefits to Michigan’s more vulnerable population. Let those decisions be part of the decision tree this year.

Michigan has a history of the provider community and state government working together to find solutions—including funding for general fund obligations. Since the early 1990s Michigan has found ways to meet the state general obligations in Medicaid through provider contributions, fees, and taxes—all of which generated the federal match requirements and kept the underlying base of Medicaid intact. We should expect this spirit of cooperation to continue.

Federal reform issues

The key issues for Michigan to consider in federal reform have been packaged as part of Michigan’s strategic plan. This and many other important documents in federal reform are located at www.mahp.org/federalreform.html.

Continued on page 15

Continued from page 14

We know the critical issue for the insurance industry is how Michigan approaches the development of the State Insurance Exchange. While this was a political football in the November election, it cannot be ignored at this time. States like Michigan must make their own policy decisions regarding either developing our own exchange or default-

ing to the federal government. MAHP's vote is for Michigan to chart our own course. But the final determination will be that of the incoming Administration and new Legislature. Related to this issue will be what can only be described as a basic need to rewrite much of the Michigan Insurance Code and Public Act 350.

Anticipation

These issues may not be what were anticipated by the incoming new Legislature—but were clearly seen by the Snyder Administration. Decisions made in these areas will affect the delivery of health care for years to come. It is in all of our best interest to make sure the decision making process is transparent to all, open, and informed.

News from Nuyen, Tomtishen and Aoun, P.C.

Nuyen, Tomtishen and Aoun, P.C. is pleased to announce that Joseph G. Nuyen, Jr., Brad M. Tomtishen and Joseph T. Aoun have been selected by their peers to be included in *The Best Lawyers in America 2011* and *Michigan Super Lawyers*. The firm has also received a first-tier ranking in Health Care Law from *U.S. News and World Report—Best Lawyers*.

Nuyen, Tomtishen and Aoun, P.C. is also pleased to announce that Christina M. Torossian has joined the firm as an associate. Ms. Torossian concentrates her practice in transactional work for the firm's clients. Her experience includes both health law and corporate-related transactions. Ms. Torossian's most recent experience comprises matters related to business formation and restructuring, mergers and acquisitions, employment and shareholder contracts, general business contracts and other commercial transactions.



Christina Torossian

novo nordisk is changing diabetes



Leadership... it's time to think differently about what a pharmaceutical company can be. Novo Nordisk has dedicated itself to defeating diabetes, which is an interesting goal given that diabetes is the primary focus of our business. Success would undoubtedly force us to change, but then again, change is what we have always embraced.

With leadership comes responsibility. We are committed to improving options for care now while partnering with others who share our mission and ultimate goals of defeating this disease.

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insights

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MAHP 2011 Upcoming Events

Tuesday, May 17, 2011
Legislative Reception*

Sunday, July 17 through
Tuesday, July 19, 2011
Summer Conference*

Tuesday, September 20, 2011
Pinnacle Awards*

*For more information on this event,
please call 517.371.3181 or visit our website:
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