



STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

JAMES K. HAVEMAN  
DIRECTOR

June 12, 2014

Total Health Care  
3011 W. Grand Blvd.  
Suite 1600  
Detroit, MI 48202

Dear Total Health Care Health Plan Physician:

This letter explains the method used to compute the enhanced primary care rate increase and the payment distribution as apportioned between health plans.

Because of issues related to the need for federal approval and to maximize consistency, the computation of the enhanced reimbursement for primary care services was performed by the Michigan Department of Community Health Medical Services Administration. The computation was the first of its kind and did find challenging technical issues. Of particular relevance was the need to rerun prior period encounter claims and pay the differential for services submitted in the most recent period.

The Department's focus was on getting the correct total reimbursement to each physician rather than making sure that the payments distributed by health plans was an accurate reflection of each physician's financial activity in that individual health plan. Plain and simple, the checks physicians are receiving from health plans do not accurately represent the enhanced amount attributable to that individual health plan. In the future, the reimbursement from each health plan will more closely reflect your level of service utilization as we resolve technical issues. I want to make it clear that any health plan that attributes the amount of enhanced primary care reimbursement to their efforts is a misrepresentation.

I trust that this provides clarity on the method of reimbursing the enhanced primary care rate and the role of the individual health plans.

Sincerely,

A handwritten signature in cursive script that reads 'Stephen Fitton'.

Stephen Fitton, Director  
Medical Services Administration