Healthy Michigan Plan

Presentation to the House Appropriations—Health and Human Services Subcommittee

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Medical Services Administration
Healthy Michigan Plan Basics

- Program launched in April 2014 after:
  - Passage of PA 107 of 2013, the authorizing state legislation
  - Initial federal waiver approval from the Centers for Medicare and Medicaid Services (CMS), which was received on December 30, 2013

- Extended access to comprehensive health coverage to around 650,000 previously uninsured or underinsured Michigan citizens
Healthy Michigan Plan Goals

- Improve access to healthcare for uninsured or underinsured low-income Michigan residents
- Improve the quality of healthcare services delivered;
- Reduce uncompensated care
- Encourage individuals to seek preventive care and encourage the adoption of healthy behaviors
- Help uninsured or underinsured individuals manage their health care issues
- Encourage quality, continuity, and appropriate medical care
- Study the effects of a demonstration model that infuses market-driven principles into a public healthcare insurance program
Healthy Michigan Plan
Eligibility Changes

- Pregnant Women
- Children 0-6
- Children 7-18
- Parents
- Caretaker Relatives
- 19-20 year olds
- Elderly
- Disabled
- Childless Adults

% of Federal Poverty Level

- Pre-Healthy Michigan Plan
- Healthy Michigan Plan
- Medicare
- Exchange

Annual Income - Individual

- $46,680
- $35,010
- $23,340
- $11,670
Unique Features of Healthy Michigan Plan

- PA 107 of 2013 also included incentives for beneficiaries to encourage personal responsibility
- Beneficiary Cost Sharing Requirements
  - MI Health Account for initial collections
  - Garnishment for failure to pay
- Healthy Behavior Promotion
  - Health Risk Assessment
  - Incentives for beneficiaries agreeing to address or maintain healthy behaviors
Cost-Sharing Requirements

- Two types of cost-sharing required in Healthy Michigan Plan:
  - Co-pays
    o For all beneficiaries regardless of income
    o Fixed amounts based on utilization of health care services
    o No co-pays for services related to chronic conditions
  - Contributions
    o For beneficiaries above 100% of the FPL
    o Based on income and family size
- Individuals who consistently fail to pay billed co-pays or contributions are referred to the Michigan Department of Treasury for collection
## Cost-Sharing Requirements – Co-pays

<table>
<thead>
<tr>
<th>Covered Services</th>
<th>Co-Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician Office Visits (including Free-Standing Urgent Care Centers)</td>
<td>$2</td>
</tr>
<tr>
<td>Outpatient Hospital Clinic Visit</td>
<td>$1</td>
</tr>
<tr>
<td>Emergency Room Visit for Non-Emergency Services</td>
<td>$3</td>
</tr>
<tr>
<td>• Co-payment ONLY applies to non-emergency services</td>
<td></td>
</tr>
<tr>
<td>• There is no co-payment for true emergency services</td>
<td></td>
</tr>
<tr>
<td>Inpatient Hospital Stay (with the exception of emergent admissions)</td>
<td>$50</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>$1 preferred</td>
</tr>
<tr>
<td>$3 non-preferred</td>
<td>$8 non-preferred</td>
</tr>
<tr>
<td>Chiropractic Visits</td>
<td>$1</td>
</tr>
<tr>
<td>Dental Visits</td>
<td>$3</td>
</tr>
<tr>
<td>Hearing Aids</td>
<td>$3 per aid</td>
</tr>
<tr>
<td>Podiatric Visits</td>
<td>$2</td>
</tr>
<tr>
<td>Vision Visits</td>
<td>$2</td>
</tr>
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MI Health Account

• Mechanism to facilitate beneficiary education and responsibility of health care service utilization

• Beneficiaries begin receiving a Quarterly MI Health Account Statement 6 months after enrollment in a Medicaid Health Plan

• Statements include:
  - Itemization of health services received
  - Cost of services for the beneficiary and the Health Plan
  - Co-pays and/or contributions owed by the beneficiary
  - Any past due amount owed
  - Reductions in cost sharing
  - Payment instructions
  - Health messages
MI Health Account Payments

- Payments can be made:
  - Online using a bank account
  - By mail via check or money order

- Through September 2017, nearly $13 million total has been collected from approximately 400,000 Healthy Michigan Plan beneficiaries.
Health Risk Assessment

- Beneficiaries who complete a Health Risk Assessment and agree to address or maintain a healthy behavior may be eligible to receive financial incentives:
  - A 50% reduction in their required monthly co-pay amounts (after a set percentage of income has already been paid in co-pays), AND
  - A 50% reduction in required contributions or a comparably valued gift card from their health plan if they are not required to pay contributions.
Health Risk Assessment

Results as of September 2017:

• A total of 210,258 Health Risk Assessments were completed with primary care providers.

• 99.1% of the beneficiaries who have completed this process chose to either address or maintain healthy behaviors.

• 60% of beneficiaries chose more than one healthy behavior to address.
Impact of Healthy Michigan Plan

On beneficiaries:
- 80% of enrollees are now receiving an annual primary or preventive care visit
- The number of enrollees utilizing the Emergency Department as their regular source of care dropped from 16% to 1.7% after enrolling in HMP

On providers:
- Over 50% providers reported an increase in new patients and the majority of practices reporting hiring additional clinicians and/or staff
- The cost of uncompensated care provided by Michigan hospitals has decreased by nearly 50 percent

On the state’s economy:
- Generates more than 30,000 new jobs every year, yielding ~$2.3 billion more in personal spending power each year for Michigan residents
- Generates ~$150 million in income and sales tax revenue annually for the state
Healthy Michigan Plan-Second Waiver

• Pursuant to PA 107 of 2013, MDHHS was required to obtain a second waiver in order to maintain coverage for all beneficiaries enrolled in the Healthy Michigan Plan
• In accordance with this statutory requirement, MDHHS submitted a second waiver request to CMS on September 1, 2015
• This waiver was approved on December 17, 2015
Healthy Michigan Plan-Second Waiver

• Effective April 1, 2018, all individuals above 100% FPL, except those who are medically frail or newly enrolled, will choose between two delivery system options:

  1. Healthy Michigan Plan, available with the completion of a healthy behavior, OR

  2. MI Marketplace Option, whereby beneficiaries receive coverage through a product on the individual market

• Newly enrolled individuals will have a 12-month grace period in which they can choose to attest to a healthy behavior and remain in Healthy Michigan Plan
Healthy Michigan Plan- Second Waiver
Healthy Behaviors Protocol

- Healthy Behaviors can be documented in any of the following ways:
  1. Completion of Health Risk Assessment with agreement to address or maintain healthy behaviors
  2. Participation in an approved wellness programs offered through a Medicaid Health Plan
  3. Claims for specific wellness services
     - Annual preventive visit
     - Preventive dental services
     - Appropriate cancer screening
     - Tobacco cessation
     - Advisory Committee on Immunization Practices (ACIP) recommended vaccination(s)
     - Other preventive screening
## Healthy Michigan Plan-Second Waiver

### Next Steps

<table>
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<tr>
<th>Month</th>
<th>Activities</th>
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| September-Ongoing | • Monthly Operations Meetings with Marketplace issuers  
                  • System design and implementation |
| September      | • Operational protocols submitted to CMS for approval                                                                                 |
| October        | • Educational webinar hosted by MDHHS  
                  • Medicaid Health Plans approved to begin targeted outreach for individuals who have not completed the Healthy Behaviors protocol |
| November       | • Formal MDHHS notice sent to all Healthy Michigan Plan enrollees (except medically frail)                                               |
| February       | • Transition letter sent from MDHHS to those who will be sent to MI Marketplace Option                                                    |
| April          | • Transition process begins                                                                                                          |
MDHHS Contact Info and Useful Information

Legislative Liaison: Karla Ruest
Phone: (517) 373-1629
Email: Ruestk@michigan.gov

Healthy Michigan Plan Website:
www.michigan.gov/healthymichiganplan

Website includes:
• Operational Protocols
• MI Health Account Executive Report
• Health Risk Assessment Report