Michigan Department of Health & Human Services

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Medicaid and Healthy Michigan Plan

Presentation to the House Health Policy Committee

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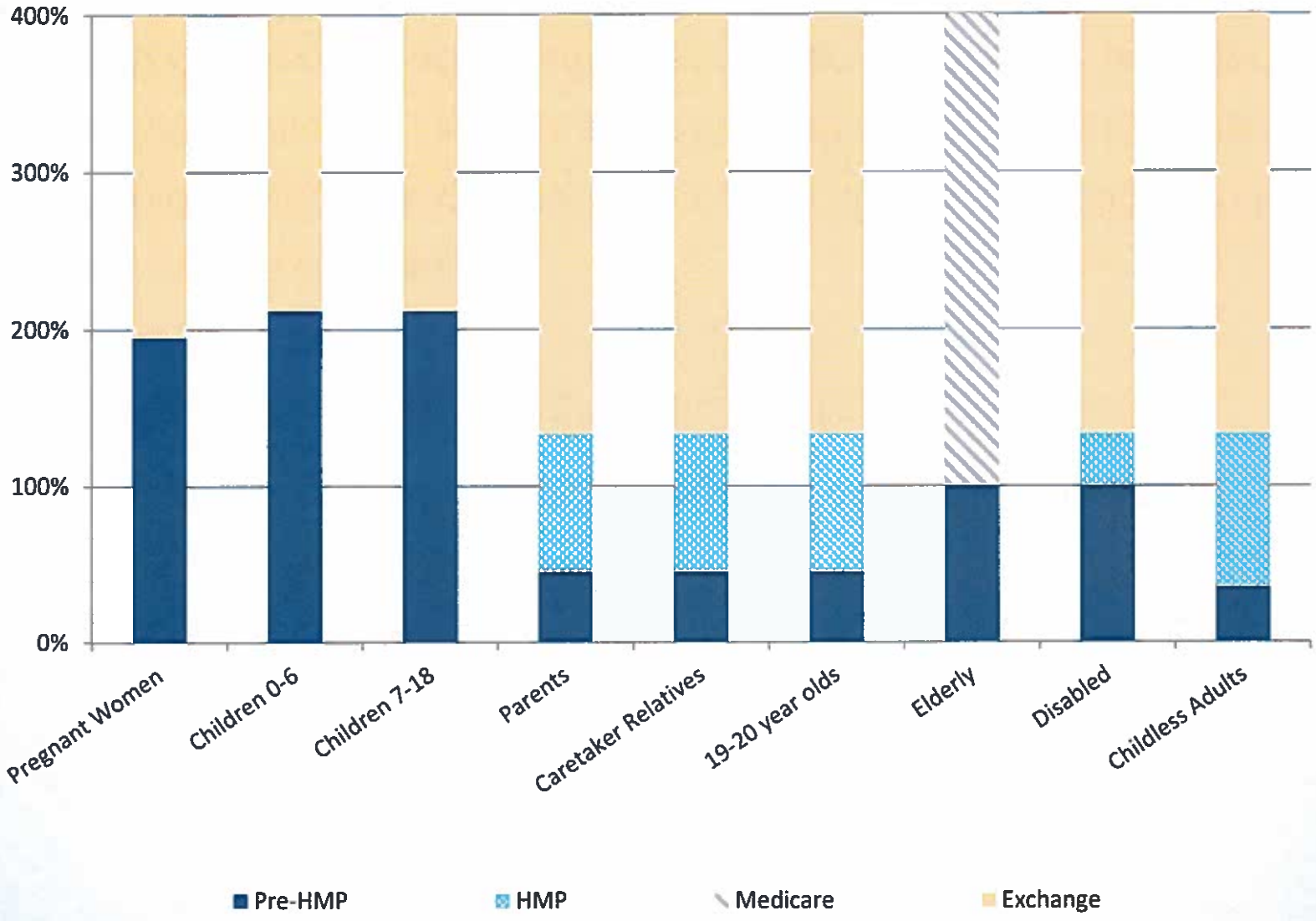
OVERVIEW

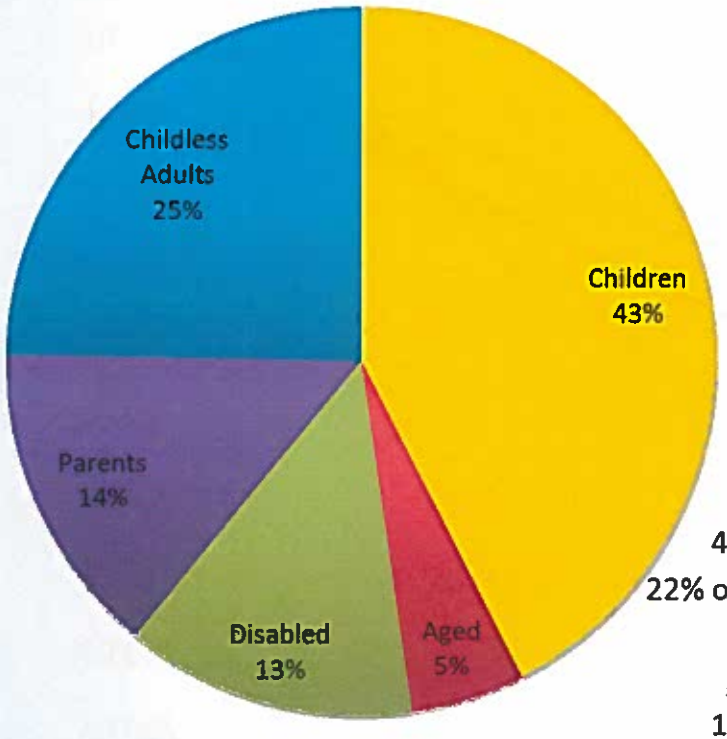
Medicaid Primer

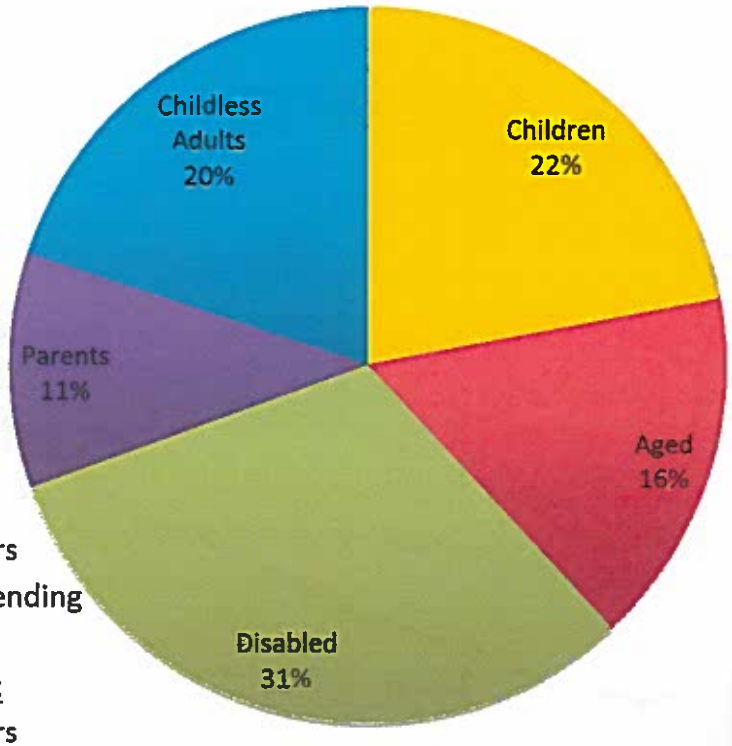
- Medicaid is the largest health insurance program in the U.S.
  - State and federal partnership
  - Mandatory services with state options for broader coverage
- Michigan Medicaid covers many different populations, including:
  - 1.2 million children
  - 600,000 who receive health care under the Healthy Michigan Plan
  - 148,000 Michigan seniors get their health care through Medicaid
  - 380,000 people with disabilities who receive the care and support they need to live independently
- FY17 Medicaid Budget in Michigan: $17,352,000

Eligible Populations



Medicaid Consumers and Costs



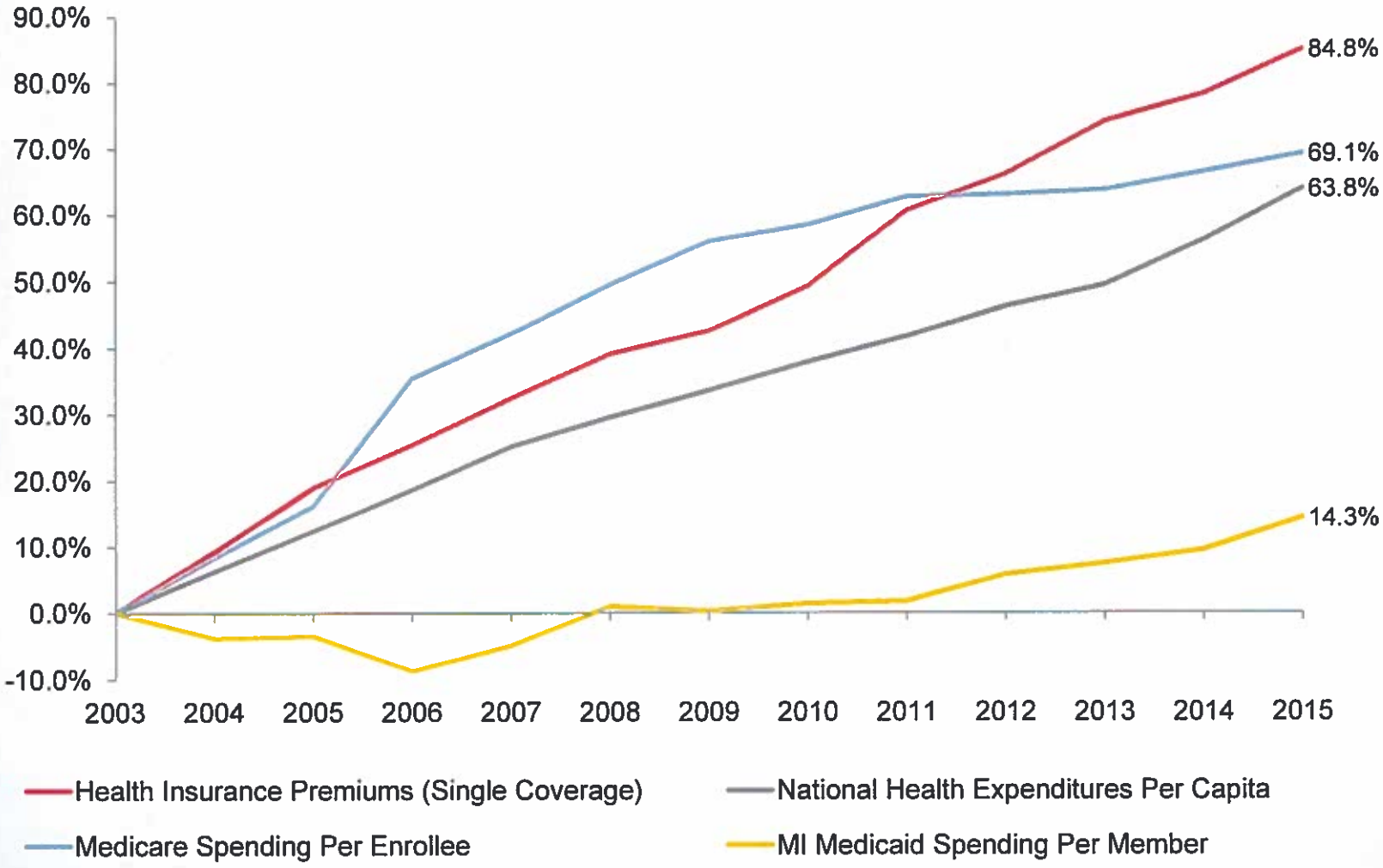


Children:
43% of the consumers
22% of total Medicaid spending

Aged and Disabled:
18% of the consumers
47% of total Medicaid spending

MDHHS

Historical Costs of Health Care



Examples of Medicaid's Impact on Michiganders

- 50% of Michigan's children received health coverage through Medicaid at some point in the last year
- 440,564 children had at least one dental visit
- 3,859 children were screened and approved for Autism Spectrum Disorder (ASD)-related services
- 53,314 babies were delivered to women on Medicaid
  - 46% of the births in the State
- Over 60% of women between the ages of 21 and 64 were screened for cervical cancer
- 112,145 blood lead screenings were conducted for children under age 6
- 2/3 of all Michigan Nursing Home Beds were supported by Medicaid

Managed Care in Michigan Medicaid

- 78% of Medicaid beneficiaries are enrolled in one of the eleven contracted Medicaid Health Plans (MHPs)
  - Full-risk contracts with a mix of profit and non-profit; national and local health plans
- MHP coverage responsibilities include:
  - Comprehensive physical health care (acute, primary, and specialty services)
  - Most Prescription drugs
  - Outpatient mental health care for the mild-moderate population
  - Transportation
- Emphasis on high quality, low cost, and care coordination

Managed Care in Michigan Medicaid

Region 1 –
Upper Peninsula Health Plan

Region 2 –
McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 3 –
McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 4 –
Blue Cross Complete of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Priority Health Choice, UnitedHealthcare Community Plan

Region 5 –
McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

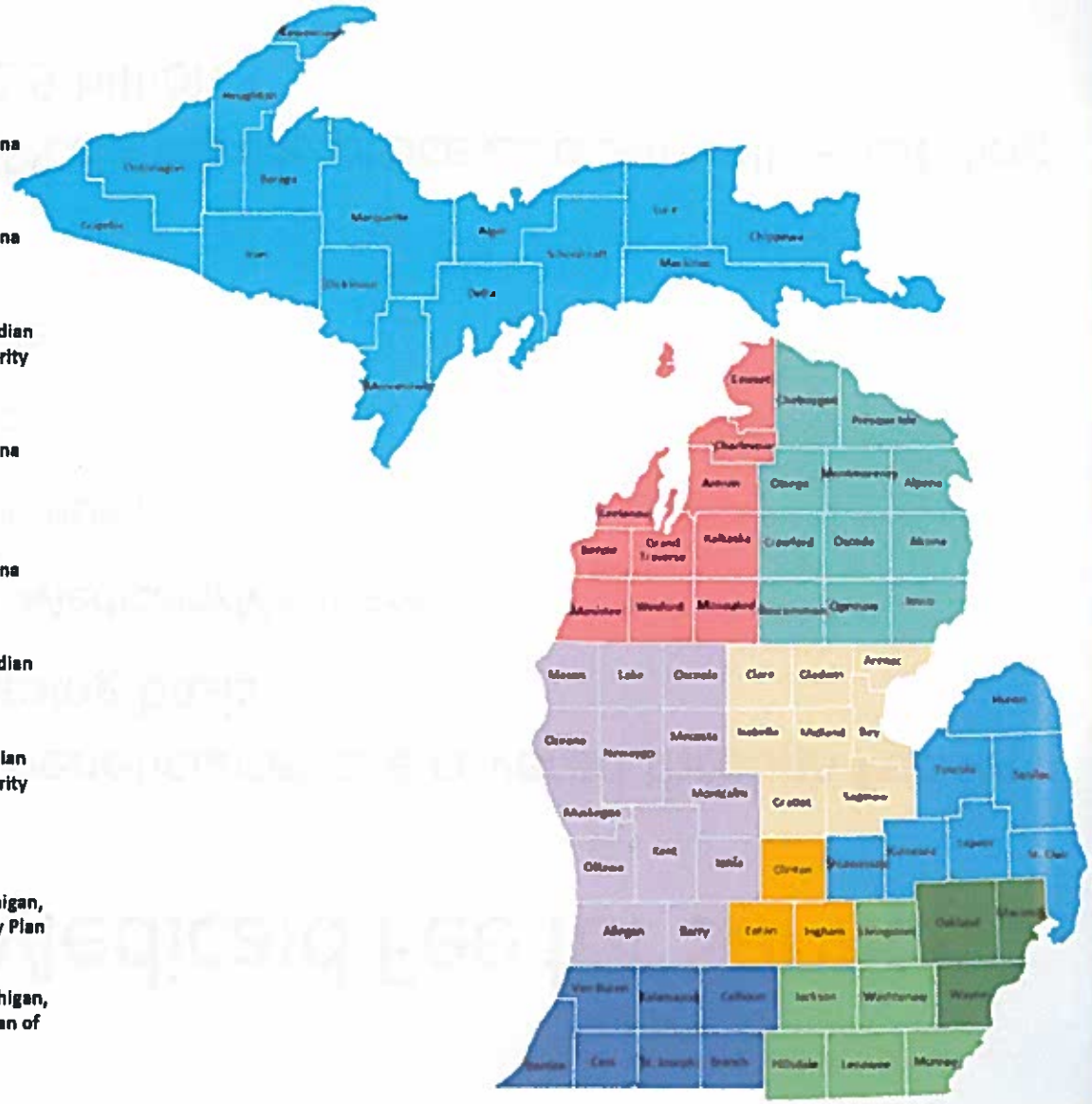
Region 6 –
Blue Cross Complete of Michigan, HAP Midwest Health Plan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 7 –
Blue Cross Complete of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan

Region 8 –
Aetna Better Health of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Priority Health Choice, UnitedHealthcare Community Plan

Region 9 –
Aetna Better Health of Michigan, Blue Cross Complete of Michigan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, UnitedHealthcare Community Plan

Region 10 –
Aetna Better Health of Michigan, Blue Cross Complete of Michigan, Harbor Health Plan, McLaren Health Plan, Meridian Health Plan of Michigan, Molina Healthcare of Michigan, Total Health Care, UnitedHealthcare Community Plan



Michigan Medicaid Fee for Service

- 22% of Medicaid beneficiaries are covered through Fee for Service on an ongoing basis
  - Dual Eligibles (Medicaid/Medicare)
  - Migrant populations
  - Native Americans
  - Long Term Care
  - Spend Down
- Over 19 million FFS claims are processed annually—totaling approximately $2.5 billion

Potential Structural Reforms to Medicaid

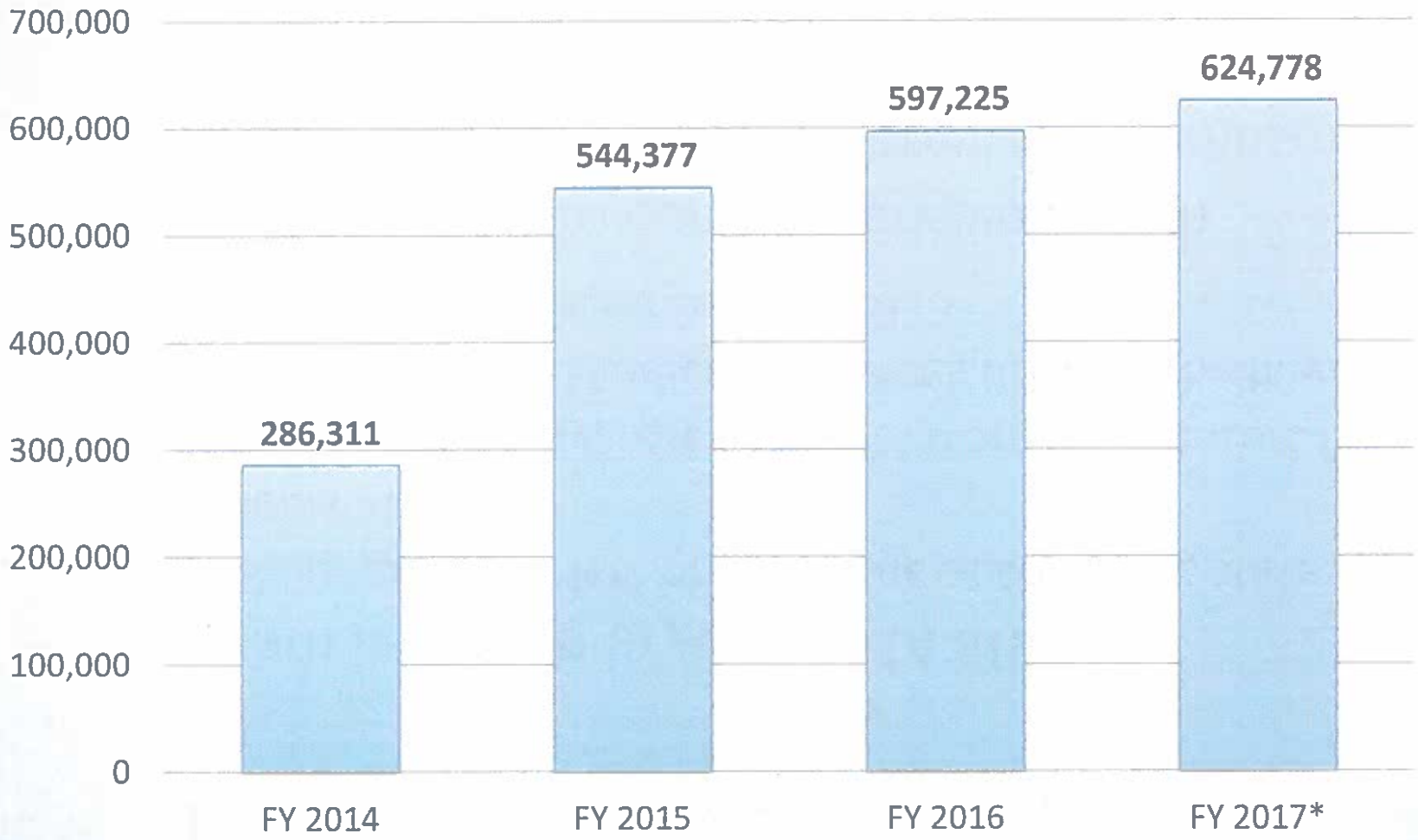
- Potential for structural reforms to the Medicaid program as part of Federal "repeal and replace" efforts.
  - Per-Capita Cap or Block Grant model
- Medicaid Expansion programs may be impacted as well, but the extent varies across proposed replacement plans.
- Other state initiatives authorized through the Affordable Care Act:
  - MI Health Link
  - SIM/Patient Centered Medical Homes
  - MI Care Team (Section 2703 Health Home)
- MDHHS will continue to work with federal and state policymakers to highlight Michigan's successes and discuss opportunities for reform.

HEALTHY MICHIGAN PLAN

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 Enrollment



* *Through January*

Covered Services

Benefit coverage must be based on federal benchmark coverage and include the 10 essential health care services

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric Services including oral and vision care

Additionally, Healthy Michigan Plan covers services including dental, Maternal Infant Health Program, non-emergency medical transportation, hearing aids, and vision services

Examples of the Healthy Michigan Plan's Impact on Michiganders

Since the program began in April 2014:

- 590,337 enrollees received a primary care visit
- 465,449 preventive visits have been covered
- 321,816 enrollees received a dental visit
- 15,477 enrollees received an OB visit (Antepartum, Delivery, Postpartum)
- 251,797 mammograms have been covered
- 55,762 enrollees were screened for colon cancer
- Over 9,000 individuals had access to Substance Use Disorder treatment that would not otherwise been covered.
- 63% of newly eligible enrollees received a visit with their Primary Care Provider within 150 days of enrollment
- 83% of enrollees received at least one primary or preventive care visit

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 have a choice:
  - Option 1 – Attest to a healthy behavior and choose to continue Healthy Michigan Plan coverage or receive subsidized coverage through the Federal Marketplace
  - Option 2 – Receive subsidized coverage through the Federal Marketplace

Healthy Michigan Plan Personal Responsibility Incentives

- PA 107 of 2013 also included incentives for beneficiaries to promote 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
    - For all beneficiaries regardless of income
    - Fixed amounts based on utilization of health care services
    - No co-pays for services related to chronic conditions
  - Contributions
    - For beneficiaries above 100% of the FPL
    - Based on income and family size

Co-payment Structure (Effective April 1, 2017)

Covered Services	Co-Pay (Up to 100% FPL)	Co-Pay (Over 100% FPL)
Physician Office Visits	$2	$4
Outpatient Hospital Clinic Visit	$1	$4
Emergency Room Visit for Non-Emergency Services	$3	$8
Inpatient Hospital Stay (with the exception of emergent admissions	$50	$100
Pharmacy	$1 generic $3 brand	$4 generic $8 brand
Chiropractic Visits	$1	$3
Dental Visits	$3	$4
Hearing Visits	$3 per aid	$3 per aid
Podiatric Visits	$2	$4
Vision Visits	$2	$2

MI Health Account

- Mechanism to facilitate beneficiary education and responsibility of health care service utilization
- Beneficiaries receive a Quarterly MI Health Account Statement that includes:
  - 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 coupons
  - Health messages

MI Health Account Payments

- Payments can currently be made:
  - Online using a bank account
  - By mail via check or money order
- Through November 2016, nearly $6.5 million total has been collected from Healthy Michigan Plan beneficiaries

MI Health Account Payments

- MDHHS partners with the Michigan Department of Treasury for garnishment of beneficiaries who:
  - Fail to pay three consecutive months and owe at least $50; and/or
  - Have not paid at least 50% of their total contributions and co-pays billed to them in the past 12 months
- Nearly $208,000 of collectible debt was garnished during tax year 2015

Benefits of Healthy Michigan Plan Enrollees

Evaluation activities completed to date found:

- 60 percent of HMP enrollees reported their ability to get primary care was better than before being enrolled in the program and 70 percent reported that they were more likely to contact their doctor's office before going to the Emergency Department (ED)
  - As a result, far fewer enrollees reported that the ED was a regular source of care after enrolling in HMP (16% to 1.7%)
- 86 percent also reported their ability to pay medical bills has been better since enrolling in the program

Benefits of Healthy Michigan Plan Providers & Hospitals

- 52% of providers reported an increase in new patients and 51% reported established patients who had been uninsured gained insurance
  - A majority of practices also reported hiring additional clinicians and/or staff
- The cost of uncompensated care provided by Michigan hospitals has fallen dramatically since the implementation of the Healthy Michigan Plan
  - Comparing data from 2013 and 2015 for a consistent set of hospitals, uncompensated care costs decreased by almost 50 percent

Benefits of Healthy Michigan Plan State Economy

- A University of Michigan study, recently published in the New England Journal of Medicine, shows that the Healthy Michigan Plan has boosted the state's economy and budget broadly and significantly
  - The study found that HMP resulted in the creation of over 39,000 jobs in 2016, including nearly 22,000 jobs outside of the health care sector
  - The increased personal income associated with this new employment is estimated to be nearly $2.2 billion in 2016
  - Result: ~$145 million boost in tax revenue to the state

MDHHS Contact Info and Useful Information

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Phone: (517) 373-1629
Email: Ruestk@michigan.gov

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