



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

RICK SNYDER
GOVERNORNICK LYON
DIRECTOR

July 9, 2018

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Healthy Michigan Plan §1115 Demonstration Waiver Amendment

This letter, in compliance with Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act, serves as notice of intent to all Tribal Chairs and Health Directors that the Michigan Department of Health and Human Services (MDHHS) will be seeking an amendment to the Healthy Michigan Plan (HMP) §1115 Demonstration Extension Application to comply with provisions outlined in Michigan Public Act (PA) 208 of 2018.

Approval of this request would allow the State of Michigan to continue to provide comprehensive health care coverage while incorporating new innovative approaches and structural incentives to increase beneficiary engagement in healthy behaviors and to promote personal responsibility in maintaining health care coverage. The amendment allows Michigan to secure the long-term sustainability of Medicaid expansion, and introduce reforms intended to tailor the program to the able-bodied adult population.

HMP Changes After 48 Months

MDHHS seeks approval to amend the HMP extension application related to the completion of program defined healthy behaviors and cost-sharing responsibilities in accordance with PA 208 of 2018. This includes provisions to address exemptions related to cost-sharing, medically frail individuals, and beneficiary hardship. This portion of the proposed amendment is specifically applicable to individuals between 100% and 133% of the Federal Poverty Level (FPL) who have had 48 months of cumulative eligibility coverage through HMP. Additionally, MDHHS seeks to institute workforce engagement requirements while rescinding the MI Marketplace Option benefit.

To maintain eligibility for HMP, individuals with incomes between 100% and 133% of the FPL who have had 48 months of cumulative eligibility coverage must:

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- Complete or commit to an annual healthy behavior with effort given to making the healthy behaviors in subsequent years incrementally more challenging; and
- Pay a premium of 5% of their income (no copays required), not to exceed limits defined in 42 CFR 447.56(f).

After 48 months of eligibility coverage, beneficiaries will not be eligible for any cost-sharing reductions. Beneficiaries who have not met the program's healthy behavior or cost-sharing requirements will receive notice that their HMP eligibility will be suspended. Individuals subject to suspension will be eligible for re-enrollment upon coming into compliance with the healthy behavior and cost-sharing requirements. Re-enrollment will be effective the first day of the next available month.

MDHHS does not expect this portion of the waiver amendment to have a significant impact on Native American beneficiaries, as they will be able to continue to receive services through the Healthy Michigan Plan and will be able to voluntarily enroll in the managed care delivery system. Additionally, since Native American enrollees will continue to have coverage without cost sharing or premium obligations in accordance with 42 CFR 447.56, they will not be subject to the eligibility suspension provisions outlined above. Beneficiaries described in 42 CFR 440.315 will be exempt from the 48 months cumulative enrollment suspension of coverage and from the 5% premium provision. The anticipated effective date of the HMP eligibility changes is July 1, 2019.

Workforce Engagement Requirements

As identified in PA 208 of 2018, the purpose of adding workforce engagement requirements to the Medical Assistance Program is to assist, encourage, and prepare able-bodied adults for a life of self-sufficiency and independence from government interference. Native American beneficiaries are required to comply with the workforce engagement requirements. Workforce engagement requirements applies to beneficiaries between the ages of 19 and 62 and include the following:

- Participate in an average of 80 hours per month of qualifying activities or a combination of any qualifying activities; and
- Self-attest to compliance with, or exemption from, workforce engagement requirements to MDHHS on a monthly basis

The following list identifies qualifying activities:

- Employment, self-employment, or having income consistent with being employed or self-employed (makes at least minimum wage for an average of 80 hours per month);
- Education directly related to employment (i.e., high school equivalency test preparation, postsecondary education);
- Job training directly related to employment;
- Vocation training directly related to employment;
- Unpaid workforce engagement directly related to employment (i.e., internship);

- Tribal employment programs;
- Participation in a substance use disorder treatment (court ordered, prescribed by a licensed medical professional, or a Medicaid-funded Substance Use Disorder (SUD) treatment);
- Community service completed with a non-profit organization (can only be used as a qualifying activity for up to 3 months in a 12-month period); and
- Job search directly related to job training.

A beneficiary is allowed three months of noncompliance within a 12-month reporting period. After three months of noncompliance, recipients who remain noncompliant will not receive coverage for at least one month and will be required to come into compliance before coverage is reinstated. If a beneficiary is found to have misrepresented his or her compliance with the workforce engagement requirements as identified in PA 208 of 2018, he or she shall not be allowed to participate in HMP for a one-year period.

The following individuals are exempt from workforce engagement requirements:

- A caretaker of a family member under 6 years of age (only one parent at a time can claim this exemption);
- Beneficiaries currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government;
- Full-time student who is not a dependent or whose parent or guardian qualifies for Medicaid
- Pregnant women;
- A caretaker of a dependent with a disability who needs full-time care based on a licensed medical professional's order (this exemption is allowed one time per household);
- A caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker;
- Beneficiaries who have proven they meet a good cause temporary exemption (as defined in PA 208 of 2018);
- Beneficiaries designated as medically frail;
- Beneficiaries with a medical condition resulting in a work limitation according to a licensed medical professional order;
- Beneficiaries who have been incarcerated within the last 6 months;
- Beneficiaries currently receiving unemployment benefits from the State of Michigan; and
- Beneficiaries under 21 years of age who had previously been in foster care placement in this state.

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Additionally, beneficiaries in compliance with, or exempt from, the work requirements of the Supplemental Nutrition Assistance Program or Temporary Assistance for Needy Families program are deemed compliant with or exempt from the workforce engagement requirements. Additional reporting will not be required.

The statutorily required effective date of the workforce engagement requirements is January 1, 2020.

Rescinding MI Marketplace Option

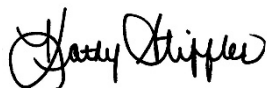
MDHHS seeks to amend the waiver and expenditure authorities related to the states Healthy Michigan Plan and rescind the MI Marketplace Option.

MDHHS expects to make the demonstration extension application amendment available for public comment on July 9, 2018. In addition, MDHHS will have a conference call August 6, 2018 from 1:00 to 2:00 pm for tribal consultation to discuss this §1115 demonstration extension application amendment. This consultation meeting will allow tribes the opportunity to address any concerns and voice any suggestions, revisions, or objections to be relayed to the author of the proposal. The call-in number is 888-808-6929, Access Code: 1129906.

If you would like additional information or wish to schedule a group or individual consultation meeting, please contact Lorna Elliott-Egan, MDHHS Liaison to the Michigan Tribes. Lorna can be reached at 517-284-4034, or via email at Elliott-EganL@michigan.gov. **Please provide all input by August 23, 2018.**

MDHHS appreciates the continued opportunity to work collaboratively with you to care for the residents of our state.

Sincerely,



Kathy Stiffler, Acting Director
Medical Services Administration

cc: Keri Toback, Region V, CMS
Leslie Campbell, Region V, CMS
Kyle Straley, Region V, CMS
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.
Keith Longie, Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDHHS

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Ms. Ruth Bussey, Health Director, Grand Traverse Band Ottawa/Chippewa
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Mr. Warren C. Swartz, Jr., President, Keweenaw Bay Indian Community
Ms. Kathy Mayo, Interim Health Administrator, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility
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Mr. John Warren, Tribal Chairman, Pokagon Band of Potawatomi Indians
Mr. Matt Clay, Health Director, Pokagon Potawatomi Health Services
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Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians
Mr. Leonid Chugunov, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

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