

# Healthy Michigan Plan 1115 Demonstration Waiver Renewal Amendment Public Hearing

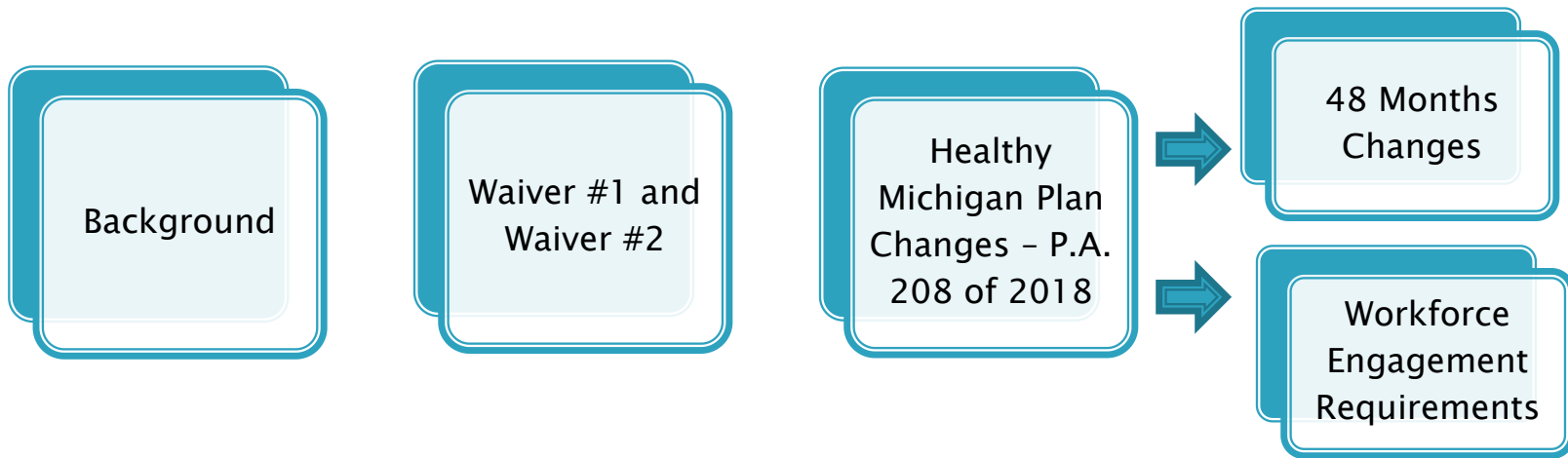
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Director

Program Policy Division, Medical Services Administration  
Michigan Department of Health and Human Services

July 31, 2018 and August 1, 2018

# Healthy Michigan Plan Presentation Overview



# Public Comment Documents

- ▶ Healthy Michigan Plan (HMP) waiver documents are posted on the MDHHS website:
  - <http://www.michigan.gov/healthymichiganplan>



# Federal and State Laws

- ▶ Affordable Care Act (ACA) authorization
  - New eligibility category
- ▶ Funding must be appropriated by State
  - Public Act (P.A.) 107 of 2013 was signed into law by Governor Snyder on September 16, 2013.
  - State law requires certain cost-sharing and health promotion activities.
- ▶ Requirement of federal waivers (Section 1115)
  - First Waiver approved December 30, 2013
  - Second Waiver approved December 17, 2015
  - The Healthy Michigan Plan Waiver ends December 30, 2018
    - Submitted demonstration extension request in December 2017.
    - **Will submit demonstration extension amendment by October 1, 2018 in compliance with P.A. 208 of 2018.**

# The Current Healthy Michigan Plan Before P.A. 208 of 2018

- ▶ The Healthy Michigan Plan celebrated its four-year anniversary April 1, 2018
- ▶ Over 1,000,000 Michigan residents have been covered by the Healthy Michigan Plan
- ▶ Current Enrollment – roughly 665,000



# IMPACT OF HEALTHY MICHIGAN

- Personal
  - Increased job performance
  - Better able to seek and find employment
  - Engaging in health behaviors
- Healthcare
  - Beneficiaries no longer forgo care
  - Improved access to care
  - Decreased use of emergency services
  - Improvements in mental and physical health
  - Dental coverage available but underutilized
- Finances
  - Fewer problems with medical bills



Source: University of Michigan

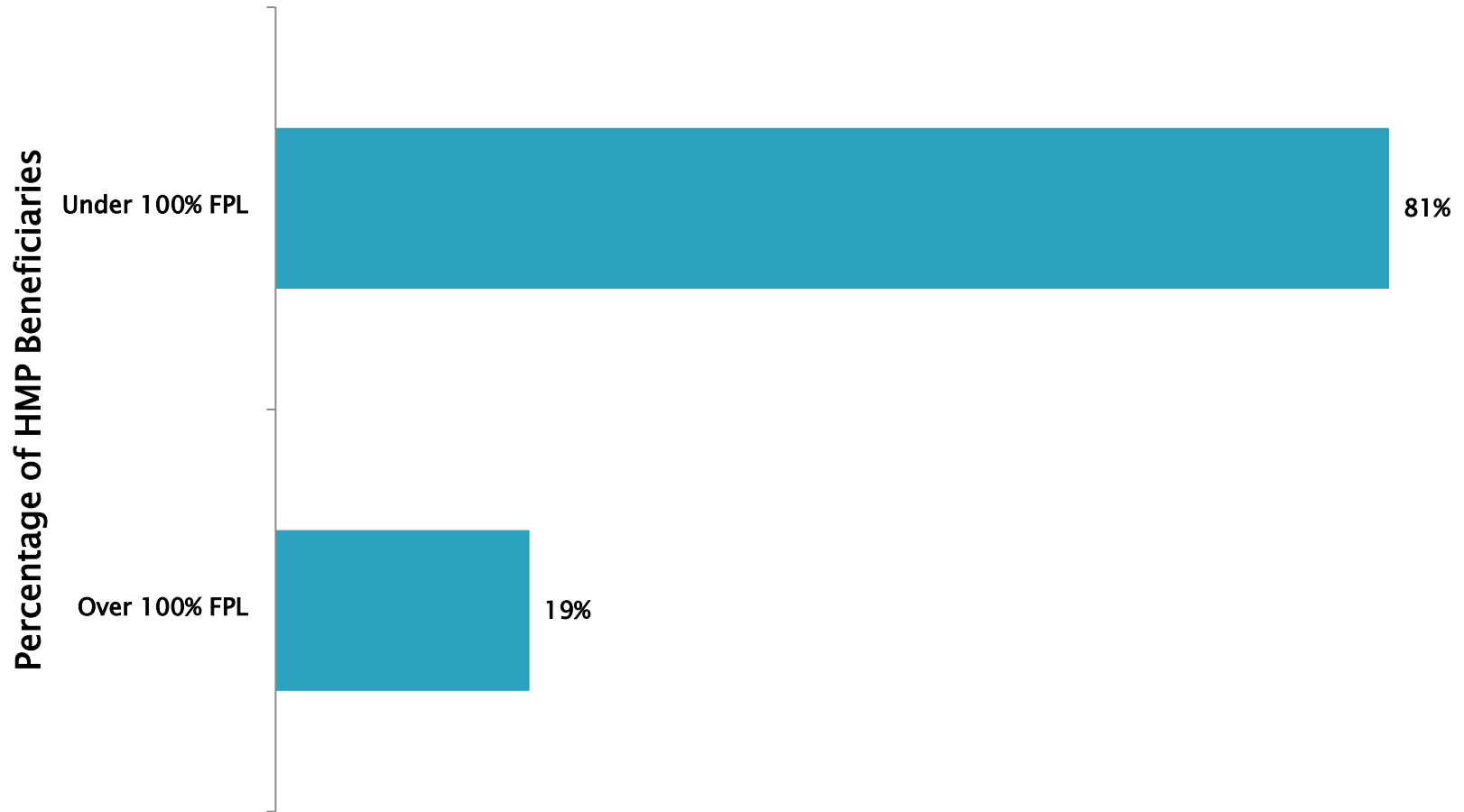
# Current Eligibility Requirements

## Michigan residents who:

- Are ages 19–64
- Are not receiving or eligible for Medicare benefits
- Are not eligible for other Medicaid programs
- Are not pregnant at the time of application
- Have income at or below 133% of the Federal Poverty Level (FPL)
  - Note – 5% disregard = 138%
- Must meet other federal requirements

# Current Plan

## Enrollment by Federal Poverty Level





# Current MI Health Account (Before P.A. 208 Changes)

- ▶ Mechanism to facilitate beneficiary education and responsibility of health care service utilization
- ▶ Begins six months after individual enrolls in a Medicaid Health Plan
- ▶ MI Health Account Quarterly Statement
  - Itemization of health services received
  - Cost of services for the beneficiary and the Medicaid Health Plan
  - Co-pays and/or contributions owed by the beneficiary
  - Reductions in cost-sharing
  - Payment coupons

# Current Cost-Sharing Requirements (Before P.A. 208 Changes)



- ▶ Two types of cost-sharing to be paid on a monthly basis
  - Average monthly co-pays
    - Based on past beneficiary service utilization
  - Contributions
    - Limited to beneficiaries above 100% of the FPL
    - Total annual amounts may be up to 2% of income
- ▶ Efforts to align cost-sharing requirements with high-value services
- ▶ Many factors determine cost-sharing responsibilities

# Healthy Behaviors

## Current Healthy Michigan Plan

Three ways to document healthy behaviors:

### 1. Health Risk Assessment

- Agree to address or maintain a healthy behavior
- Adding attestation on previous goals achieved

### 2. Completion of approved wellness programs

### 3. \*Claims for specific wellness services

- Annual preventive visit
- Preventive dental services
- Appropriate cancer screening
- Tobacco cessation
- ACIP recommended vaccination(s)
- Other preventive screening

### 4. Completion of Healthy Behaviors –

- A 50% reduction in their required monthly co-pay amounts (after 2% of income has already been paid in co-pays), AND
- A 50% reduction in required contributions

\*Proposed as part of second waiver



# Public Act 208 of 2018 Changes

## HMP Demonstration Extension Amendment

Rescind  
Marketplace  
Option

Post 48  
months  
cumulative  
eligibility  
changes

Workforce  
engagement  
requirements

# Healthy Michigan Plan

## Second Waiver – Rescind Marketplace Option

- The second waiver implementation date – **April 1, 2018.**
  - Targeted beneficiaries with income above 100% of the FPL, who did not complete a healthy behavior.
- Pursuant to P.A. 208 of 2018, MDHHS will not be implementing the Marketplace Option benefit.



# Healthy Michigan Plan Changes

- ▶ MDHHS seeks approval to continue the existing waiver provisions for individuals with incomes at or below 100% of the FPL.
  - No changes to beneficiaries at or below 100% of the FPL
- ▶ HMP changes post 48 months cumulative eligibility:
- ▶ To maintain eligibility for HMP, individuals with incomes between 100% and 133% of the FPL must–
  - Be compliant with Healthy Behaviors, and
  - Pay a premium of 5% of their income, not to exceed limits defined in 42 CFR 447.56(f).
    - Co-pays no longer apply
    - Discontinues refunds or reductions

# Healthy Michigan Plan – 48 Months

## Population

- HMP beneficiaries over 100% of FPL that are not otherwise exempt
- Recipient for cumulative 48 months
- In a health plan

## Changes

- Must be compliant with Healthy Behaviors
- Must be compliant with cost sharing
- No opportunities for reducing costs
- Loss of coverage for noncompliance

## Date

- Proposed implementation date: July 1, 2019

# Demonstration Extension Application Amendment

- ▶ Eligibility coverage will be suspended until beneficiary complies.
- ▶ Exemptions from 48 month cumulative enrollment requirement:
  - Individuals exempt from premiums or cost-sharing pursuant to 42 CFR 447.56.
  - Individuals described in 42 CFR 440.315 (medically frail)
  - Hardship exemptions



# Healthy Michigan Plan Workforce Engagement

## Population

- All HMP beneficiaries ages 19–62 that are not otherwise exempt
- Begins upon eligibility

## Changes

- Participate in an average of 80 hours per month of qualifying activities
- Loss of coverage for noncompliance

## Date

- Proposed implementation date: January 1, 2020

# Workforce Engagement

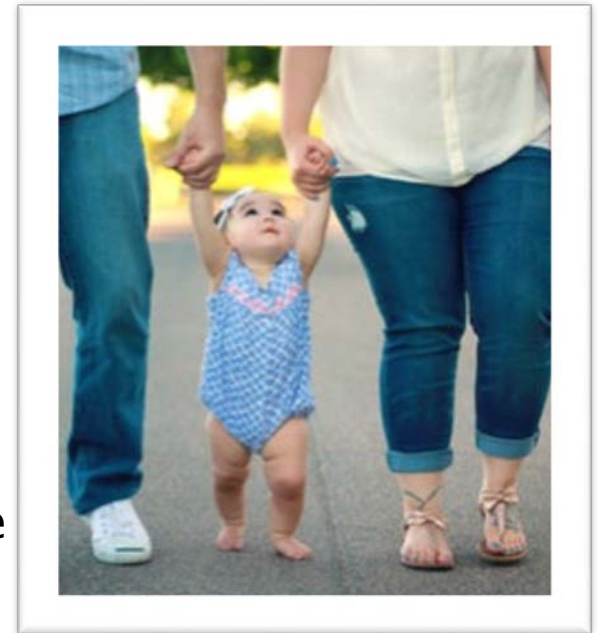
- ▶ Individuals to participate in an average of 80 hours per month of qualifying activities or a combination of any qualifying activities and to self-report participation hours to MDHHS.
- ▶ A beneficiary is allowed three months of noncompliance within a 12-month reporting period.
- ▶ After three months of noncompliance, beneficiary eligibility will be suspended. Coverage is reinstated when a beneficiary comes into compliance.
- ▶ If a beneficiary is found to have misrepresented his or her compliance with the workforce engagement requirements as identified in P.A. 208 of 2018, he or she shall not be allowed to participate in the HMP for a one-year period.

# Workforce Engagement Activities

1. 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);
2. Education directly related to employment (e.g., high school equivalency test preparation, postsecondary education);
3. Job training directly related to employment;
4. Vocation training directly related to employment;
5. Unpaid workforce engagement directly related to employment (e.g., internship);
6. Tribal employment programs;
7. Participation in a substance use disorder (SUD) treatment (court ordered, prescribed by a licensed medical professional), or a Medicaid-funded SUD treatment;
8. Community service completed with a 501(c)(3) or 501(c)(4) non-profit organization (can only be used as a qualifying activity for up to 3 months in a 12-month period); and
9. Job search directly related to job training.

# Workforce Engagement Exemptions

1. A caretaker of a family member under 6 years of age (only one parent at a time can claim this exemption);
2. Beneficiaries currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government;
3. Full-time student who is not a dependent or whose parent or guardian qualifies for Medicaid
4. Pregnant women;
5. 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);
6. A caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker;



# Workforce Engagement Exemptions – cont'd

7. Beneficiaries who have proven they meet a good cause temporary exemption (as defined in P.A. 208 of 2018);
8. Beneficiaries designated as medically frail;
9. Beneficiaries with a medical condition resulting in a work limitation according to a licensed medical professional's order;
10. Beneficiaries who have been incarcerated within the last 6 months;
11. Beneficiaries currently receiving unemployment benefits from the State of Michigan; and
12. Beneficiaries under 21 years of age who had previously been in foster care placement in this state.

# Workforce Engagement Exemptions

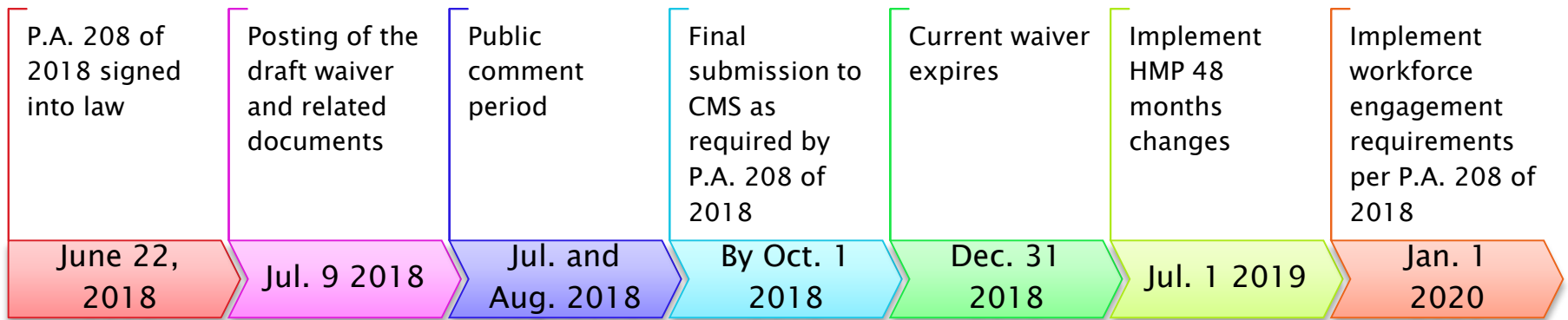
- Beneficiaries in compliance with, or exempt from, the work requirements of the Supplemental Nutrition Assistance Program or Temporary Assistance for Needy Families program are deemed compliant with or exempt from the HMP workforce engagement requirements, with no additional reporting requirements.



# Medically Frail

- ▶ Self-Identification
  - Medicaid Application
- ▶ Retrospective Claims
  - Over 500 diagnosis codes
  - Considered medically frail in relation to needed services – e.g., Nursing home, hospice
- ▶ Health Care Provider Referral
  - Medical exemption form

# Healthy Michigan Plan Changes Timeline



CMS = Centers for Medicare & Medicaid Services



# Public Comment

- ▶ Formal public comment ends August 12, 2018.
- ▶ Will keep public comment process open.
  - Continue to accept comments throughout the process
    - [healthymichiganplan@michigan.gov](mailto:healthymichiganplan@michigan.gov)
- ▶ Will post updated information to HMP webpage.



# Waiver Impact for Healthy Michigan

- ▶ As required by P.A. 208 of 2018, the medical coverage for all Healthy Michigan Plan beneficiaries will be terminated if:
  - The waiver application is not approved by CMS within 12 months,
  - CMS denies the waiver and a new waiver is not approved within 12 months, or
  - The waiver is determined to be noncompliant with P.A. 208 of 2018.
- ▶ The department is required to provide at least 4 months' notice to beneficiaries that their coverage is ending.

# Questions?

