

Healthy Michigan Plan Demonstration Project

(FY2017 Appropriation Act - Public Act 268 of 2016)

April 1, 2017

Sec. 1876. (1) From the funds appropriated in part 1 for Healthy Michigan plan, the department shall allocate up to \$830,000.00 to facilitate the development and implementation of a demonstration project in cooperation with 1 or more contracting Medicaid health plans. These provisions shall be part of the protocol for implementation of incentives under the Healthy Michigan plan and must do all of the following:

(a) Target Healthy Michigan plan health plan enrollees who are above 100% of the federal poverty level, in at least 2 prosperity regions.

(b) Implement a web-based technology that links providers, beneficiaries, and health plans, in real-time, for the purpose of addressing deficiency in medical literacy and demonstrating that personal responsibility is enhanced by technology.

(c) Identify specific behavioral changes that will result as indicated by changes in measurable health outcomes and health care utilization.

(2) The demonstration project shall be implemented by April 1 of the current fiscal year. Prior to implementation, the department shall present a summary description to the senate and house appropriations subcommittees on the department budget and the senate and house committees on health policy that must include the estimated cost of the demonstration, identify a shared savings proposal for Medicaid health plans who participate in the demonstration, and identify intended measurable results.

(3) It is the intent of the legislature that the demonstration project shall test the cost containment capabilities of a program that uses financial incentives to improve health and health care by promoting health literacy and doctor-patient mutual accountability. Outcomes and performance measures for this initiative shall include, but are not limited to, the following:

(a) The total annual per capita or per-member-per-year health care expenditures. This metric shall be derived by dividing the total annual health care expenditures of a population by the average annual number of people in that population. Claims data shall be used to compute health care expenditures.

(b) The per-member-per-year health care expenditures of a reasonably matched population not covered by the demonstration program. To account for minor differences in the 2 populations, each group's annual trend during the pilot shall be measured against their respective baseline trends in the year before implementing the program.

(c) In order to attribute the finding to the program, other process metrics that have been found to correlate with health literacy must be analyzed. These metrics may include hospitalization rates, frequency of emergency room use, and the percentage of health education sessions prescribed by medical providers and successfully completed by patients relative to the total number of possible session opportunities offered through the program.

(4) It is the intent of the legislature that, beginning with the budget for the fiscal year ending September 30, 2018, the department shall submit quarterly reports to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office detailing the information required in subsection(3).



Michigan Department of
Health & Human Services

RICK SNYDER, GOVERNOR
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As required by Section 1876 of the enacted FY 2017 State Annual Appropriation Act, MDHHS solicited participation from contracted Medicaid Health Plans in a demonstration project that would utilize a web-based technology that links providers, beneficiaries, and Health Plans for the purpose of addressing deficiency in medical literacy and demonstrating that personal responsibility is enhanced by technology.

In response to the solicitation for participation, no contracted Medicaid Health Plans volunteered to take part in the demonstration. As primary reasons for not taking part in the proposed demonstration, Medicaid Health Plans cited concerns over already stretched allocation of staff time and resources, and implementation issues, such as the number of participants and the specific incentive made available to each individual under the demonstration.

Therefore, finding no willing participants for the proposed demonstration the Department is unable to implement the demonstration project.