

# Healthy Michigan Plan Report

(FY2018 Appropriation Act - Public Act 107 of 2017)

**December 31, 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 project, identify a shared savings proposal for Medicaid health plans who participate in the demonstration project, 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 project. 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  
NICK LYON, DIRECTOR

## **Section 1876 - Healthy Michigan Plan Demonstration Project**

Public Act 107 of 2017

As required by Section 1876 of the enacted Fiscal Year 2017-18 State Annual Appropriation Act, the Michigan Department of Health and Human Services (MDHHS) solicited participation from contracted Medicaid Health Plans for a demonstration project that would utilize a web-based technology that links providers, beneficiaries, and Health Plans to address deficiency in medical literacy to demonstrate that personal responsibility is enhanced by technology.

In response to the solicitation, no contracted Medicaid Health Plans with the volume of Medicaid business needed to test this model volunteered to take part in the demonstration. As primary reasons for not participating the 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 individuals under the demonstration. Therefore, the MDHHS is unable to implement the demonstration project.