

PUBLIC NOTICE
Michigan Department of Health and Human Services
Healthy Michigan Plan §1115 Demonstration Extension Application Amendment

The Michigan Department of Health and Human Services (MDHHS) is hereby providing notice that it will be holding a public hearing and comment period seeking public input on the submission of its demonstration extension application amendment to the Centers for Medicare & Medicaid Services (CMS) in compliance with Michigan Public Act 208 of 2018. MDHHS is seeking to amend its Medicaid Expansion §1115 Demonstration extension application, known as the Healthy Michigan Plan (HMP) which expires December 31, 2018. Approval of this request would allow the MDHHS 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. Consistent with the HMP Special Terms and Conditions, the following is a description of MDHHS's proposed amendment.

HMP Demonstration Description and Objectives - MDHHS began and administered HMP under the §1115 Demonstration Waiver authority on April 1, 2014. Through HMP, MDHHS has extended health care coverage to over 1,000,000 low-income Michigan residents who were previously either uninsured or underinsured. HMP is built upon systemic innovations that improve quality and stabilize health care costs. Other key program elements include: usage of health information technology; structural incentives for healthy behaviors and personal responsibility; encouraging use of high value services; and promoting the overall health and well-being of Michigan residents. MDHHS anticipates a decrease in enrollment may occur as a result of this amendment. The total predicted number is unknown.

HMP Demonstration Program Overview - Michigan residents ages 19-64 with incomes at or below 133% of the federal poverty level (FPL), and who do not qualify for or are not enrolled in Medicare or another Medicaid program, are eligible for comprehensive HMP healthcare coverage. Beneficiaries can complete healthy behaviors, which rewards them for conscientious use of health care services. Applicable beneficiary cost-sharing provisions, including co-payments and contributions are outlined in the HMP waiver protocols.

Rescind Marketplace Option Authority – Pursuant to PA 208 of 2018, MDHHS will not be implementing the Marketplace Option benefit.

HMP Changes After 48 Months of Eligibility - As part of this extension application amendment for HMP, MDHHS seeks approval to continue the existing waiver provisions for individuals with an income at or below 100% of the FPL. HMP beneficiaries at or below 100% of the FPL will continue to have eligibility coverage and cost-sharing responsibilities consistent with the process outlined in the HMP waiver protocols.

In addition, the state seeks to amend the HMP waiver eligibility and cost-sharing requirements for individuals with incomes between 100% and 133% of the FPL. 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: (1) Complete or commit to an annual healthy behavior

with effort given to making the healthy behaviors in subsequent years incrementally more challenging; and (2) Pay a premium of 5% of their income, not to exceed limits defined in 42 CFR 447.56(f). Beneficiaries who have not met the healthy behavior or cost-sharing requirements will have their eligibility suspended until they come into compliance. The anticipated effective date of the HMP eligibility changes is July 1, 2019.

Medically frail 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. Individuals will have the opportunity to self-report his or her medically frail status. Hardship exemptions for paying the increase cost-sharing or from suspension of coverage will be considered by MDHHS.

Individuals who are exempt from premiums and cost-sharing pursuant to 42 CFR 447.56 will be exempt from the 48 months cumulative enrollment requirement (e.g. pregnant women, under age 21, Native Americans).

HMP Workforce Engagement Requirements - The purpose of adding workforce engagement requirements to HMP is to assist, encourage, and prepare able-bodied adults for a life of self-sufficiency and independence from government interference. Beneficiaries between the ages of 19 and 62 will be required to participate in an average of 80 hours per month of qualifying activities and self-attest to compliance with, or exemption from, workforce engagement requirements to MDHHS on a monthly basis. A beneficiary is allowed three months of noncompliance within a 12-month reporting period, after which a noncompliant recipient's coverage will be suspended until they comply. If a beneficiary misrepresents their compliance with the workforce engagement requirements as identified in PA 208 of 2018, they shall not be allowed to participate in HMP for a one-year period.

Qualifying Activities include (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 (i.e., 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 (i.e., internship); (6) tribal employment programs; (7) participation in a substance use disorder treatment (court ordered, prescribed by a licensed medical professional, or a Medicaid-funded Substance Use Disorder (SUD) treatment; (8) community service completed with a non-profit 501(c)(3) or 501(c)(4) 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.

Exemptions from workforce engagement requirements include (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/ 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; (7) beneficiaries who meet a good cause temporary exemption (as defined in PA 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 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.

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 requirement. The anticipated effective date of the workforce engagement requirements is January 1, 2020.

HMP Demonstration Evaluation - In addition to the HMP Demonstration's program objectives and hypotheses identified in the original waiver Special Terms and Conditions, MDHHS plans to evaluate the following hypotheses for the demonstration extension application amendment: (1) The extent to which the increased availability of health insurance reduces the costs of uncompensated care borne by hospitals; (2) the extent to which availability of affordable health insurance results in a reduction in the number of uninsured/underinsured individuals who reside in Michigan; (3) whether the availability of affordable health insurance, which provides coverage for preventive and health and wellness activities, will increase healthy behaviors and improve health outcomes; (4) the extent to which beneficiaries believe that HMP has a positive impact on personal health outcomes and financial well-being; (5) whether requiring beneficiaries to make contributions toward the cost of their health care has an impact on the continuity of their coverage, and whether collecting an average co-pay from beneficiaries in lieu of copayments at the point of service, and increasing communication to beneficiaries about their required contributions (through quarterly statements) affects beneficiaries' propensity to use services; (6) whether providing an MIHA into which beneficiaries' contributions are deposited, that provides quarterly statements that include explanation of benefits (EOB) information and details utilization and contributions, and allows for reductions in future contribution requirements, deters beneficiaries from receiving needed health services or encourages beneficiaries to be more cost-conscious; (7) whether a possible suspension of HMP eligibility coverage encourages beneficiaries to complete a healthy behavior and comply with cost-sharing requirements; and (8) the extent to which workforce engagement requirements impact beneficiaries who transition from Medicaid obtain employer sponsored or other health insurance coverage, and how such transitions affect health and well-being.

HMP Demonstration Waiver and Expenditure Authorities - MDHHS seeks the continuation of the following waivers of state plan requirements contained in §1902 of the Social Security Act, subject to the Special Terms & Conditions for the HMP §1115 Demonstration: (a) Premiums, § 1902(a)(14), insofar as it incorporates § 1916 and 1916A, (b) State-wideness § 1902(a)(1), (c) Freedom of Choice § 1902(a)(23)(A), (d) Proper and Efficient Administration § 1902(a)(4), (e) Comparability § 1902(a)(17), (f) Provision of Medical Assistance §1902(a)(8) and § 1902(a)(10), (g) Eligibility §1902(a)(10) or § 1902(a)(52), and (h) Reasonable Promptness §1902(a)(3) and § 1902(a)(8). MDHHS seeks the continuation of the CMS-

approved expenditure authorities for expenditures for Healthy Behaviors Program incentives that offset beneficiary cost sharing liability.

Public Hearing, Review of Documents, and Comment Submission - A public hearing will be held on July 31, 2018, from 2:00 p.m. to 3:00 p.m. at the Michigan Library and Historical Center located at 702 W Kalamazoo St, Lansing, MI 48933. A second public hearing will be held August 1, 2018, from 2:00 p.m. to 3:00 p.m. at the Cadillac Place located at 3068 West Grand Boulevard Detroit, MI 48202. The public hearing in Lansing will have webinar capability and both public hearings will have telephone capability (sign interpretation available for those present). The public hearings will provide an overview and discussion of the demonstration extension application amendment. Public hearing call-in numbers and webinar links are available on the Healthy Michigan Plan webpage: www.michigan.gov/healthymichiganplan.

Copies of information related to the proposed demonstration extension application amendment, as well as written comments regarding the proposed demonstration waiver renewal amendment may be reviewed by the public at Capitol Commons Center, 400 South Pine Street, Lansing, Michigan. Additionally, copies of information related to the demonstration extension application amendment are available on the Healthy Michigan Plan webpage: www.michigan.gov/healthymichiganplan. The webpage will be updated as appropriate.

Any comments on this notice and the application may be submitted in writing to: Michigan Department of Health and Human Services, Program Policy Division, Bureau of Medicaid Policy and Health System Innovation, Attention: Medicaid Policy, P.O. Box 30479, Lansing, MI 48909-7979, or via email at healthymichiganplan@michigan.gov. All comments should include a "Demonstration Extension Application Amendment" reference somewhere in the written submission, or in the subject line, if email is used. Comments will be accepted until **August 12, 2018**.