National Significance of Michigan Medicaid Expansion

- Model for compromise as 3rd Republican-controlled state to expand

- Market-oriented reforms via Section 1115 waiver: cost-sharing, financial incentives for healthy behaviors, MI Health Accounts

- Benefits to Michigan:
  - Increased federal $ to cover low-income residents & pay providers (~$3.6 billion in 2016)
  - ~650,000+ adults currently enrolled
Healthy Michigan Plan Enrollment

Thousands

Cumulative Number of Enrollees

2014 2015 2016 2017

Apr May Jun Jul Aug Sep Oct Nov Dec
Jan Feb Mar Apr May Jun Jul Aug Sep
Oct Nov Dec
Jan Feb Mar Apr May Jun Jul Aug Sep
Oct Nov Dec
Jan Feb Mar Apr May Jun Jul Aug Sep

MIHPI
Current Section 1115 Features of Healthy Michigan Plan

- Monthly contributions (as in AR, AZ, IA, IN, MT)
  - Beneficiaries at 100-138% FPL contribute 2% of income
    - $241 for single enrollee at 100% FPL
    - Paid into “MI Health Account”
- Healthy behavior incentive (as in AZ, IA, IN)
  - Complete Health Risk Assessment (HRA) w/ PCP
    & agree to adopt or maintain a healthy behavior
  - Reduces cost-sharing obligations
Impact of Medicaid Expansion on Michigan Hospitals

- Uninsured stays: 4 percentage points
- Medicaid stays: 6 percentage points
- No change in total stays

Davis, Gebremariam & Ayanian
JAMA, June 2016
Changes in Uncompensated Care

• For average hospital, annual uncompensated care expenses $7.2 million to $3.8 million

• Employment associated with federal Medicaid expansion spending peaked at ~39,000 jobs in 2016

• Economic activity projected to yield approximately $145-$153 million annually in new state tax revenue

Findings from PCP Survey

- 78% report to accept new Medicaid/HMP patients
- Most practices hired new clinicians (53%) or staff (58%)
- 79% completed at least one Health Risk Assessment
  - Most found it useful for identifying and discussing risks and persuading patients to address risks
- 88% accepted major or some responsibility to decrease non-urgent ER use
Healthy Michigan Voices Survey: Preliminary Findings

Perspectives on HMP Coverage

• 83% agreed that without HMP they would not be able to go to the doctor
• 89% agreed that having HMP helped them live a better life

Role of HMP Coverage for Employment & Ability to Work

• For 49% of respondents who are employed or self-employed, 69% said getting HMP coverage helped them to do a better job at work
• For 28% who changed jobs in past year, 37% agreed having health insurance through HMP helped them get a better job
• For 28% out of work, 55% agreed HMP coverage made them better able to look for work
Healthy Michigan Voices Survey: Preliminary Findings

Insurance Coverage and Primary Care Utilization Prior to HMP

- 58% were uninsured for ≥12 months prior to HMP coverage
- 21% had not had primary care visit in >5 years

Emergency Department Use

- 64% are more likely to contact doctor’s office before going to ED (vs. pre-HMP coverage)

For those who reported receiving MI Health Account statement

- 88% carefully review each statement to see what they owe
- 88% say statements make them more aware of health care costs
Healthy Michigan Voices Survey: Preliminary Findings

Positive Perspectives on Cost-Sharing

- 88% agreed amount they pay overall for HMP seems fair
- 89% agreed amount they pay for HMP coverage is affordable
- 72% agreed they prefer to take some responsibility to pay for their health care

Limited Knowledge & Understanding of Cost-Sharing Requirements

- 26% knew contributions are charged monthly regardless of service use
- 23% knew there is a limit to the amount they pay in copays or contributions
- 28% knew they could reduce monthly contributions for completing the HRA
- 14% knew they could not be dropped from HMP for not paying their bill
Cost-sharing Analysis Plan

• Assess distribution of obligations and determinants of payment status (no, partial or full payment)
  – Relate payment status to responses about attitudes to cost-sharing for Healthy Michigan Voices survey respondents
• Assess trends in total cost of care as a function of time in program
• Assess use of high value (incentivized) services relative to non-incentivized services over time
IHPI as Policy Resource

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