

## HEALTHY MICHIGAN SECTION 1115 DEMONSTRATION FACT SHEET

<b>Name of Section 1115 Demonstration:</b>	Healthy Michigan
<b>Waiver Number:</b>	11-W-00245/5
<b>Date Proposal Received:</b>	September 27, 2009
<b>Date Proposal Approved:</b>	December 22, 2009
<b>Date Implemented:</b>	January 1, 2010
<b>Date Expires:</b>	December 31, 2018

### SUMMARY

The Healthy Michigan demonstration will enable Michigan to test innovative approaches to beneficiary cost sharing and financial responsibility for care for the new adult eligibility group, described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (the Act). The new adult population with incomes above 100 percent of the Federal poverty level (FPL) will be required to make contributions equal to two percent of their family income toward the cost of their health care. In addition, all newly eligible adults from 0 to 133 percent of the FPL, regardless of their income, will pay required Medicaid copayments through a credit facility operated in coordination with the Medicaid Health plan. An MI Health Account will be established for each enrolled individual to track beneficiaries' contributions and how they were expended. Beneficiaries will receive quarterly statements that summarize the MI Health Account funds balance and flows of funds into and out of the account, and the use of funds for health care service copayments. Beneficiaries will have opportunities to reduce their regular or average utilization based contribution by demonstrating achievement of recommended Healthy Behaviors.

Prior to its amendment to authorize Healthy Michigan, the demonstration provided federal financial participation for the Adult Benefit Waiver (ABW) program, ABW provides a limited ambulatory benefit package to previously uninsured, low-income non-pregnant childless adults ages 19 through 64 years with incomes at or below 35 percent of the FPL who are not eligible for Medicaid. The ABW program was first approved in January 2004 as a title XXI funded Health Insurance Flexibility and Accountability (HIFA) section 1115 demonstration. In December 2009, ABW was reauthorized as a new Medicaid section 1115 demonstration, under provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). Section 112 of CHIPRA prohibited the use of title XXI funds for childless adults' coverage after December 31, 2009, but allowed states to continue existing programs as new Medicaid demonstrations under special budget formula. Michigan will continue to provide ABW program coverage through April 1, 2014, at which time program beneficiaries will transition to the expanded Medicaid program and Healthy Michigan.

### AMENDMENTS

**Amendment #1:** An amendment was approved to authorize the Healthy Michigan program, and to phase-out ABW as of April 2014. The name of the demonstration was changed from

“Michigan Medicaid Non-pregnant Childless Adults Waiver (Adult Benefits Waiver)” to “Healthy Michigan.” The amendment was approved through December 31, 2018, to allow sufficient time to test the unique features of Healthy Michigan.

Date Amendment #1 Submitted: November 8, 2013  
Date Amendment #1 Approved: December 30, 2013

## **ELIGIBILITY**

Medicaid beneficiaries eligible for the new adults groups under section 1902(a)(10)(A)(i)(VIII) of the Act must participate in Healthy Michigan, unless specifically exempted.

Eligibility for ABW is offered to uninsured, non-pregnant childless adults ages 19 through 64 years with incomes at or below 35 percent of the FPL who are not otherwise eligible for Medicaid.

## **ENROLLMENT**

Standard Medicaid eligibility and enrollment processes will be used to enroll adults who qualify for the new adults group, who will participate in Healthy Michigan. Michigan estimates that between 300,000 and 500,000 individuals will enroll.

Applicants for enrollment in the ABW program use the same application and enrollment procedures required of other individuals applying for other Medicaid programs. Congress established a methodology for the budget neutrality limit for the childless adult demonstrations such as ABW. Based on this methodology, Michigan is able to sustain coverage for approximately 62,000 childless adults. The State may impose an enrollment cap, as necessary, in order to operate within the budget neutrality limit.

## **BENEFIT PACKAGE**

Healthy Michigan beneficiaries will receive the benefits in the approved Alternative Benefit Plan (ABP) state plan amendment.

ABW beneficiaries receive a limited benefit package that consists of outpatient hospital, physician, diagnostic, pharmacy, and mental health and substance abuse services. Enrollees may be required to receive prior authorization from their assigned county health plans or the State before accessing certain ambulatory services.

## **DELIVERY SYSTEM**

Healthy Michigan beneficiaries will receive coverage through the same Medicaid managed care plans that serve other Medicaid populations in the state.

ABW beneficiaries receive their coverage through a managed healthcare delivery system utilizing a network of county health plans and the Public Mental Health and Substance Abuse

provider network. In counties where a county health plan does not exist, the delivery system is Medicaid fee for service.

## **COST SHARING AND PREMIUMS**

Healthy Michigan beneficiaries will face the nominal copayment requirements as specified in the Medicaid state plan. Beneficiaries will be responsible for copayment liability based upon the prior 6 months of copayment, but will be billed for such copayments only at the end of each quarter. Beneficiaries may achieve reduction in their copayment liability if certain healthy behaviors are maintained or attained. Beneficiaries with income above 100 percent of the FPL will in addition be responsible for a monthly premium that shall not exceed 2 percent of income. Premium amounts paid by beneficiaries will be used to defray the cost of items or services they receive that otherwise would be covered under their Medicaid benefit. Premium contributions that are unused at time of the beneficiary's disenrollment from Healthy Michigan may be returned to the beneficiary. MI Health Accounts will be established to track and record beneficiary payments and liabilities. The state must receive CMS approval for protocols that describe the operational details of the premiums, cost sharing provisions, MI Health Accounts, and healthy behavior incentives prior to their implementation.

ABW beneficiaries are required to pay copayments in order to access certain services. The copayment amounts are nominal.

Last updated: January 3, 2014