

Medicaid Expansion Through the Healthy Michigan Plan

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Health Policy Issues for Michigan Legislators

January 29, 2019

3 take-home points about



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- 1) Access to care has improved for low-income adults**
 - 2) Enrollees report improved physical & mental health and better ability to work**
 - 3) Financial outcomes have improved substantially for enrollees & Michigan hospitals with costs offset in state budget**



Healthy Michigan Plan signing, September 2013



The NEW ENGLAND JOURNAL of MEDICINE



Section 1115 waiver
to expand Medicaid

Emphasis on primary care

Market-oriented reforms

- Cost-sharing
- Financial incentives
- MI Health accounts

Better access to care for
>650,000 low-income adults

↑ federal \$ to pay providers

Perspective
NOVEMBER 7, 2013

Michigan's Approach to Medicaid Expansion and Reform

John Z. Ayanian, M.D., M.P.P.

A cornerstone of the Affordable Care Act (ACA) is the expansion of Medicaid coverage in 2014 to adults with incomes up to 133% of the federal poverty level (approximately \$15,500 for a single adult in 2014).

aid, as have 7 of 12 states in which control of state government is split between Democrats and Republicans. Conversely, of the 24 states in which Republicans control the governor's office and both cham-

Key Features of the Healthy Michigan Plan

Co-payments and monthly contributions

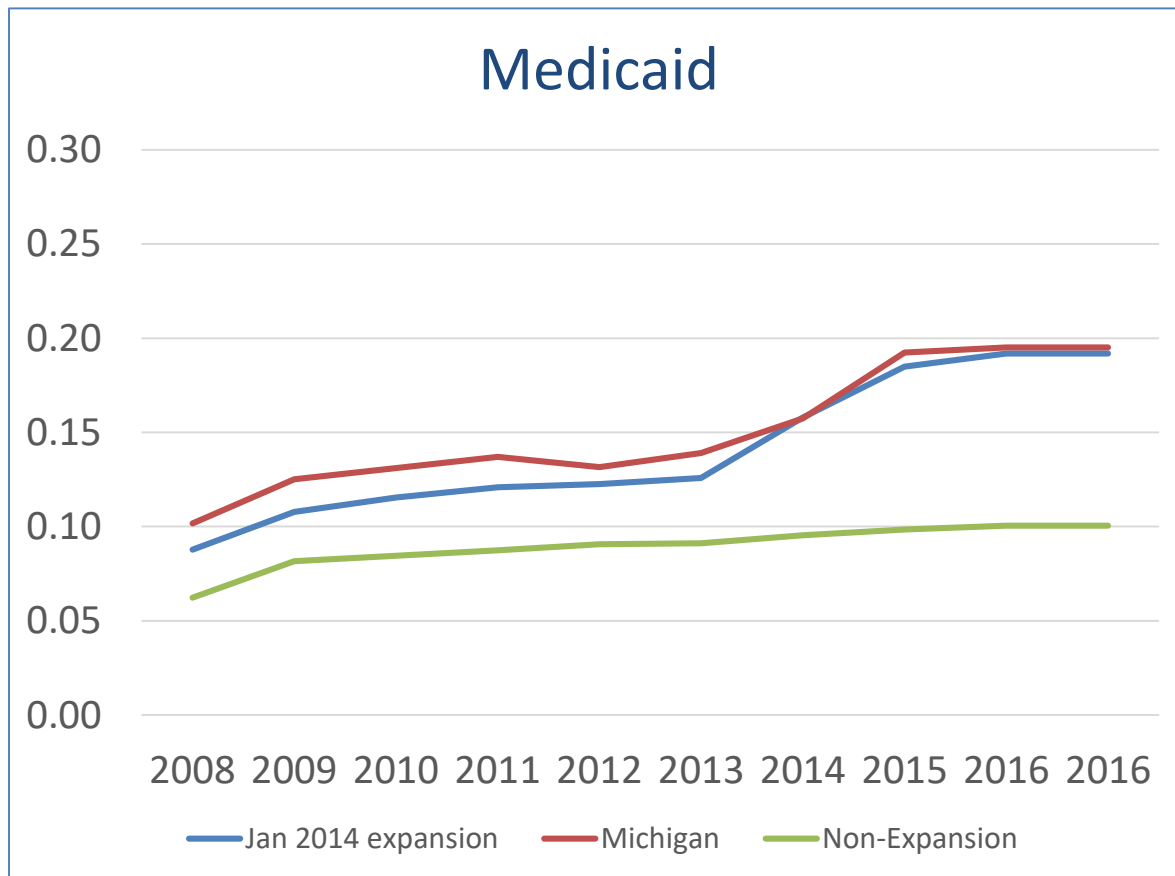
- Co-payments for outpatient services & drugs of \$1-\$8 for all enrollees
- Contributions of 2% of income for enrollees at 100-138% FPL
- Paid into “MI Health Account”

Healthy behavior incentive

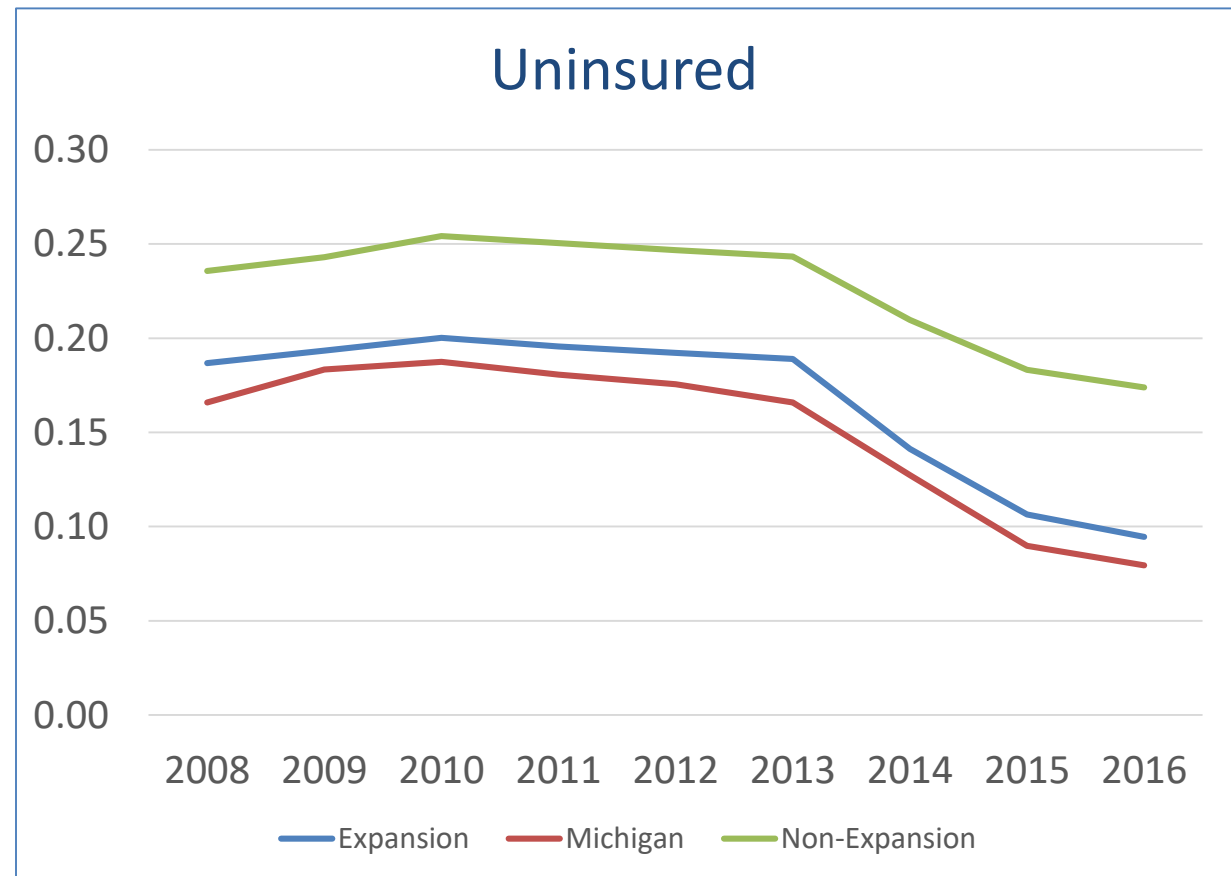
- Health Risk Assessment (HRA) w/ PCP & agree to healthy behavior
- Reduces cost-sharing

Changes in health insurance coverage for adults ages 19-64: Michigan, other expansion states & non-expansion states

Medicaid ↑ significantly more in Michigan & expansion states than non-expansion states



Uninsured ↓ more in Michigan & expansion states than in non-expansion states



Improved Access to Care After HMP Enrollment



40%

saw a primary care provider in the 12 months **before enrollment**



2 in 6

reported forgone care



85%

saw a primary care provider in the 12 months **after enrollment**



1 in 6

reported forgone care

Most said they have equal or better access to primary care (94%) and prescription medications (85%) since enrolling in HMP

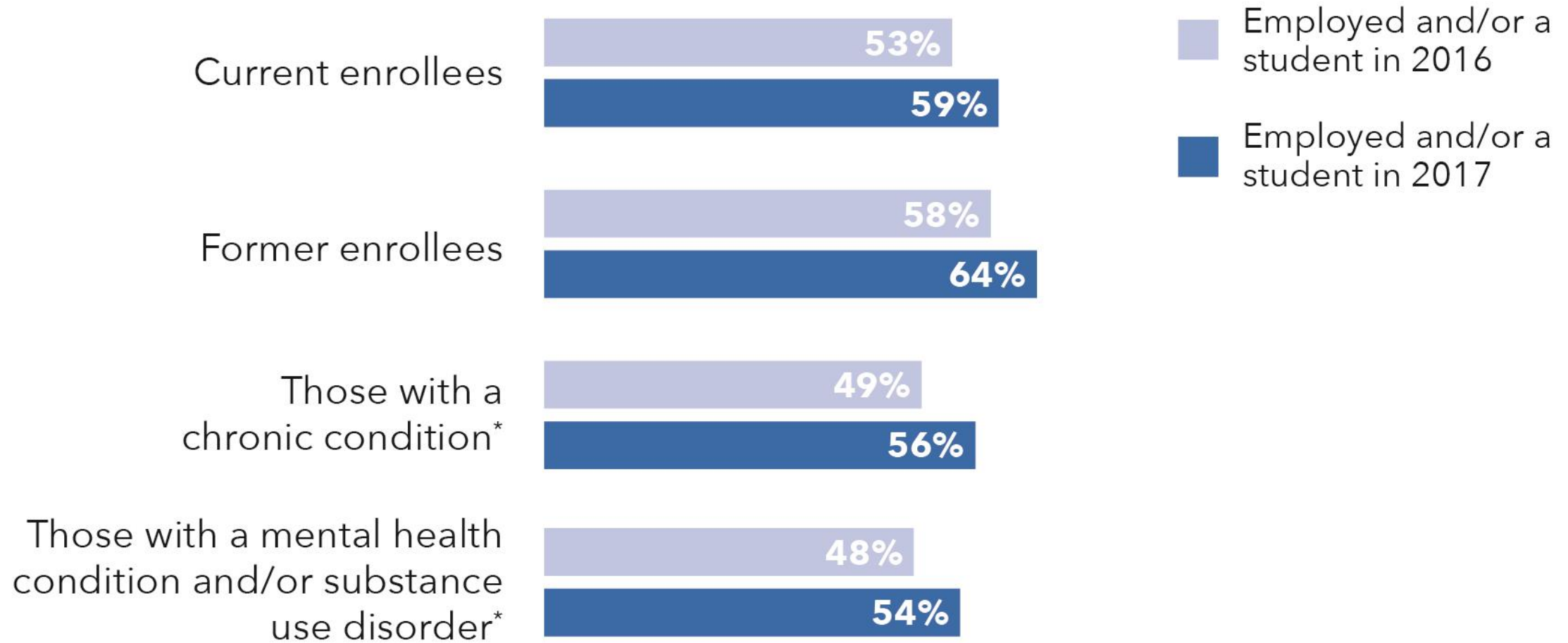
How did **Michigan's Medicaid expansion** affect the health of low-income people and their ability to work?



*Tipirneni, Goold & Ayanian
JAMA Intern Med 2017*

*Tipirneni et al.
J Gen Intern Med 2019*

A greater percentage of current and former enrollees were employed and/or a student in 2017 compared to 2016.



Note: *Includes current and former enrollees

Personal stories of improved physical health & ability to work



“If you don’t know you got it, and you don’t know what’s causing your ailment, then you’re not able to get the medications that you need or the care that you need, then that prevents you from being employable...I start school on the 22nd for a semi truck driver. So I plan on driving trucks, and I need to know what’s going on with me if I’m being careful myself on the road as well as others.”

(Man, age 35-50, Detroit Metro)

Personal stories of improved mental health & ability to work

I have personally gotten better since being able to seek help for my mental issues, and that falls out over the rest of my life. I'm happier. I'm more able to work. I can function."

(Woman, age 19-34, Northern MI)



Personal stories of improved dental health & ability to work



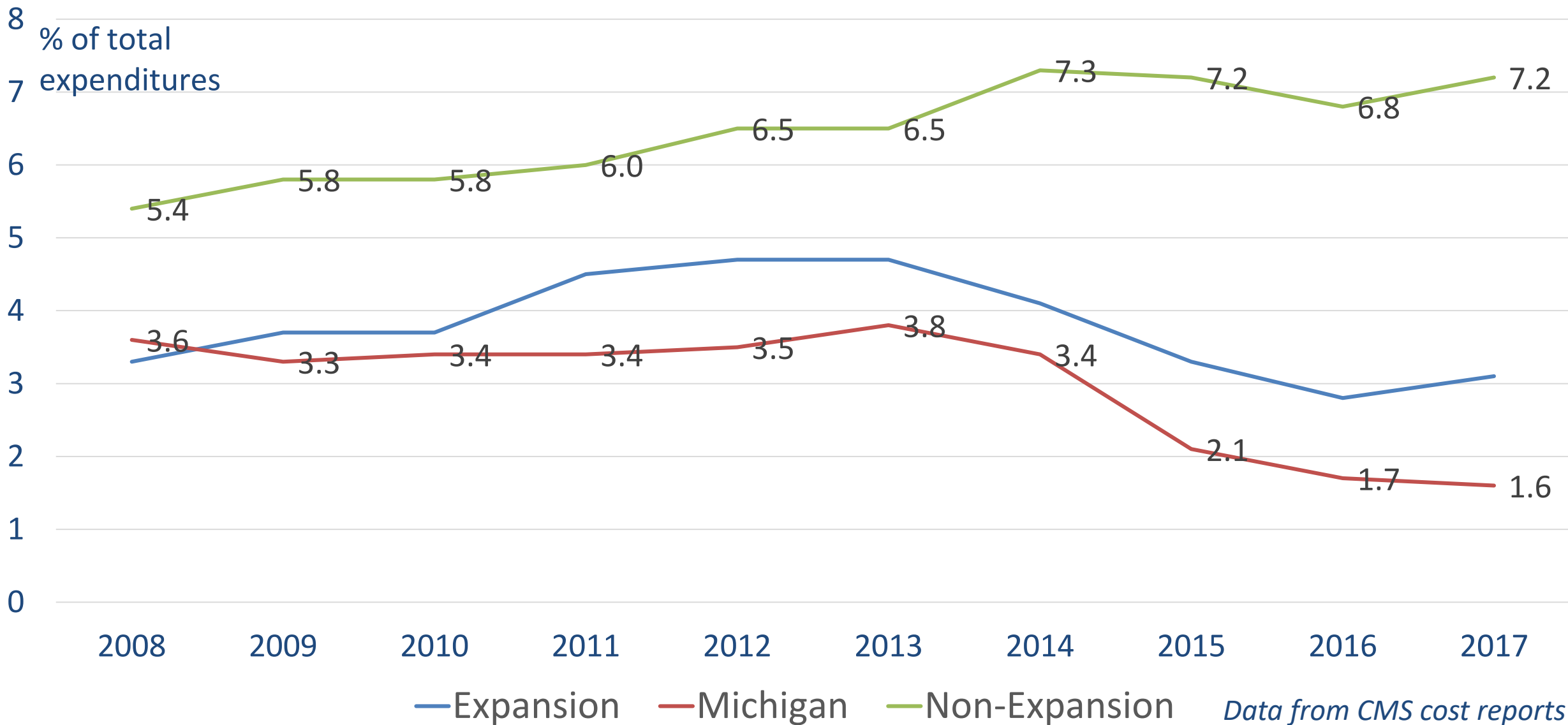
“My teeth were pretty bad...and they fixed it up fine, and now...I feel better when I am looking for a job...I feel better because my appearance has changed a lot. That has helped me a lot, physically and mentally.”

(Man, age 51-64, Detroit Metro)

Financial outcomes improved for Healthy Michigan Plan Enrollees

- Unpaid credit cards & loans : ↓ \$233
- Unpaid medical bills : ↓ \$515
- Bills sent to collection, home evictions & bankruptcies: all ↓

Hospital uncompensated care in Michigan vs. other states by Medicaid expansion status



Data from CMS cost reports



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Perspective

Economic Effects of Medicaid Expansion in Michigan

John Z. Ayanian, M.D., M.P.P., Gabriel M. Ehrlich, Ph.D., Donald R. Grimes, M.A., and Helen Levy, Ph.D.

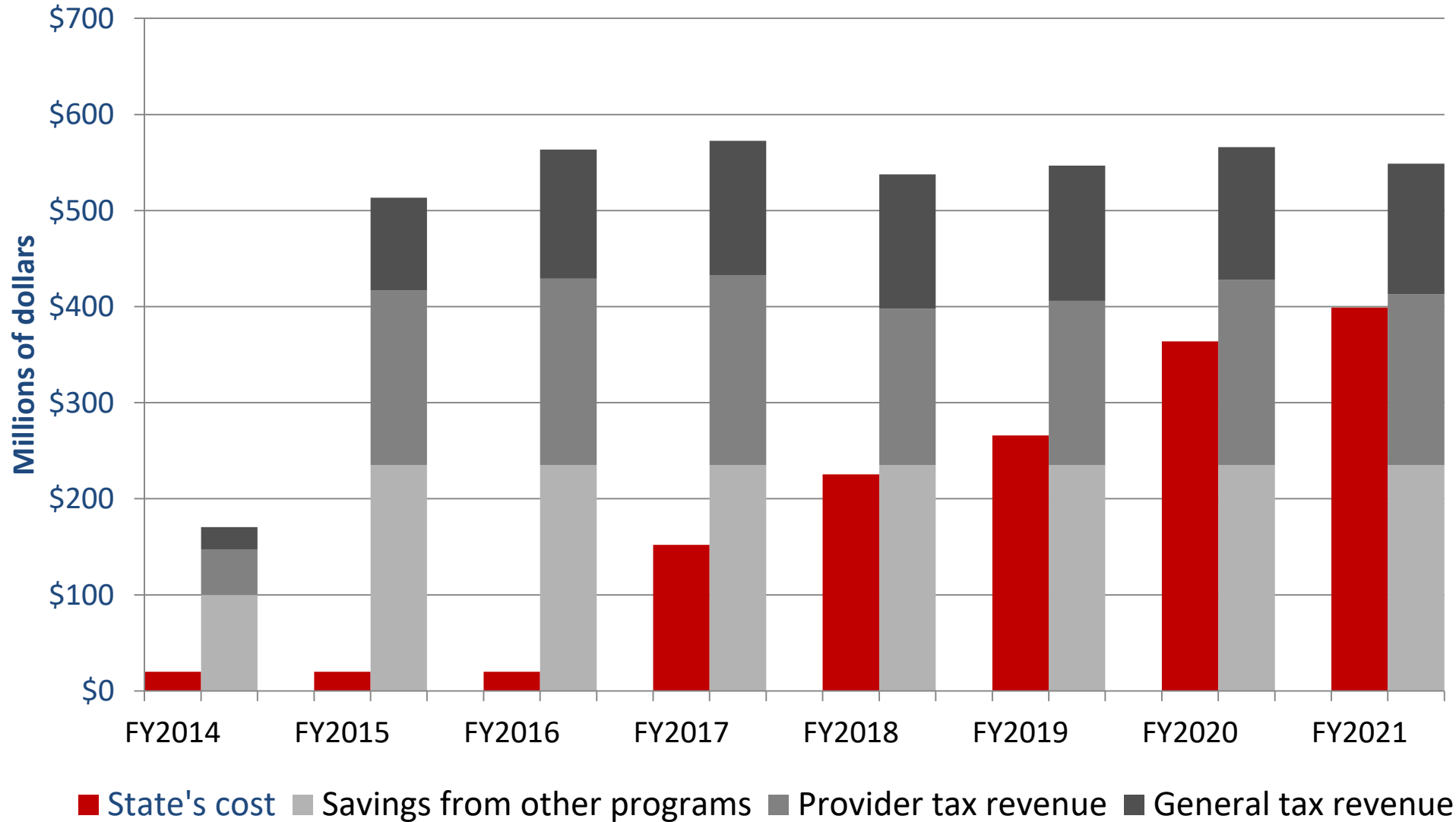
Under the Affordable Care Act, 31 U.S. states have opted to expand Medicaid coverage to nonelderly adults with annual incomes up to 138% of the federal poverty level (approximately

vices covered by the expanded Medicaid program, such as state mental health and correctional health programs for adults who were previously ineligible for Medicaid. Annual state spending for such

Michigan Medicaid expansion increased jobs, income & tax revenue

- **↑ Employment** peaked at **~39,000 jobs in 2016**
& projected to support ~30,000 jobs through 2021
- **↑ Personal income** with new employment in Michigan
~\$2.2-2.4 billion annually
- **↑ Economic activity** yields **~\$145-\$153 million**
annually in new **state tax revenue**

State costs and savings/revenue associated with Medicaid expansion in Michigan, FY2014 - FY2021



*Levy et al.
under review*

Healthy Michigan Plan Waiver Renewal, 2019-2023

Conditions of eligibility beginning January 1, 2020:

- Ages 19-62 to complete & report 80 hours per month of community engagement, *unless disabled, medically frail, caretaker for disabled dependent or child <age 6, pregnant, full-time student, collecting unemployment, or recently incarcerated*
- Disenrolled after 3-months of non-compliance, can re-enroll after 1 month if compliant

If income >100% FPL & enrolled >48 months:

- Pay ↑ monthly premium of 5% of income, and
- Complete health risk assessment or healthy behavior (e.g. flu shot or mammogram)

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