

# Interpreting early Medicaid expansion results

## State Spotlight: Michigan – **Year one of expansion**

Don't miss our other State Spotlights online at [khi.org/policy/article/statespotlights](http://khi.org/policy/article/statespotlights)



### Michigan at a Glance

Population: 9,922,576

Effective Date of Expansion: April 1, 2014

Uninsured Rate: 2013: 11.0% → 2014: 8.5%

Political Leadership: Republican Governor Rick Snyder (2010–present)

Source: U.S. Census Bureau, July 2015; 2013–2014 American Community Survey.

Michigan's alternative expansion program, *Healthy Michigan Plan* (HMP), was implemented in April 2014 under Republican Governor Rick Snyder. The state's plan places most enrollees into existing Medicaid managed care programs and includes cost-sharing requirements (premiums and copayments) that may not exceed 5 percent of an enrollee's total income. It also includes incentives for healthy behaviors—such as completing a health risk assessment—which can reduce enrollees' cost-sharing requirements.

The terms of the Section 1115 demonstration allowed Michigan to submit adjustments to the annual per-member-per-month (PMPM) budget neutrality cap if the state's experience of the take-up rate or other factors indicated that the original limit may have underestimated costs. On September 30, 2014, Michigan submitted a request to the Centers for Medicare and Medicaid Services (CMS) for an increase to its cap from \$515.85 to \$667.36 PMPM, which was approved by CMS on January 13, 2015. Interestingly, Michigan's final PMPM expenditures for 2014 ended up at \$460.12 PMPM, below its original cap.

Michigan also submitted a Section 1115 waiver amendment to CMS on September 1, 2015, seeking approval to amend the delivery system and cost-sharing options for adults with incomes above 100 percent of the federal poverty level. On December 17, 2015, CMS approved Michigan's request to offer enrollees with incomes above 100 percent of FPL (who are not medically frail) the option of enrolling in coverage through the HMP or a *Qualified Health Plan* (the "Marketplace Option") through the marketplace. Individuals who enroll in the HMP must meet certain healthy behavior requirements or be subject to transition to the Marketplace Option. Individuals enrolled in the HMP and the Marketplace Option will both have cost-sharing requirements and will also pay monthly premiums of up to 2 percent of their income. These changes will go into effect on April 1, 2018.

For more analysis of the results of Medicaid expansion, view the full issue brief, *An Early Look at Medicaid Expansion Results*, online at [khi.org/policy/article/16-07](http://khi.org/policy/article/16-07).

Type of Expansion: Alternative				Effective Date of Expansion: April 1, 2014			
2014 ENROLLMENT	Newly Eligible Population only	Estimated	323,000	2014 TOTAL COST (Federal & State)	Newly Eligible Population only	Budget Cap	\$515.85 PMPM
		Actual	508,000			Actual	\$460.12 PMPM
	All Medicaid (including CHIP)	Actual	2,253,958		All Medicaid and CHIP (including administration costs)**	Actual	\$14.3 billion
	Percent increase in Medicaid enrollment from pre-ACA levels*	Actual	17.88%				

Note: \*Percent change in Medicaid and CHIP enrollment between July and September 2013 and December 2014. The average enrollment increase was 37.0 percent for Medicaid expansion states and 12.0 percent for non-expansion states. Expansion population costs in Michigan are reported per-member-per-month. \*\*Refers to Michigan fiscal year 2014 (October 2013–September 2014).

Source: Kaiser Family Foundation, June 2016; Centers for Medicare and Medicaid Services; Michigan Department of Health and Human Services; Medicaid and CHIP Payment and Access Commission (MACPAC), December 2015.