

HEALTHY MICHIGAN PLAN REPORTING AND VERIFICATION REQUIREMENTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 362 (H-1) as reported and amended
Sponsor: Sen. Curtis Hertel, Jr.
House Committee: Government Operations
Senate Committee: Health Policy and Human Services
Complete to 9-5-19

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: Senate Bill 362 would modify reporting and verification criteria for those who must prove their compliance with the workforce engagement requirements of the Healthy Michigan Plan (HMP).

FISCAL IMPACT: Senate Bill 362 would have an indeterminate, but likely minimal, fiscal impact on the Department of Health and Human Services (DHHS). See **Fiscal Information**, below, for a detailed discussion.

THE APPARENT PROBLEM:

The implementation of Medicaid work requirements in Arkansas resulted in the loss of benefits for about 18,000 people, many of whom, according to news reports, were employed or otherwise qualified for exemptions to the mandate. Discussions of the Arkansas rollout cited problems with educating enrollees about the mandatory reporting requirements and with access to the online portal that enrollees were required to report through.¹ With the January 1, 2020, effective date for the workforce engagement requirements of the HMP approaching, legislation has been offered to provide more reporting flexibility for HMP enrollees, to ensure that verification systems are not overwhelmed at certain times of the month and to avoid disqualifying enrollees who are meeting the workforce engagement requirements but might be having trouble reporting their compliance.

THE CONTENT OF THE BILL:

Senate Bill 362 would amend section 107b of the Social Welfare Act to modify reporting and verification criteria for those who must prove their compliance with the workforce engagement requirements of the Healthy Michigan Plan (HMP).

Section 107b, which was added to the act by 2018 PA 208,² generally requires able-bodied adults enrolled in the HMP to engage in an average of 80 hours per month of qualifying work activities and to verify their compliance with DHHS. The act defines qualifying activities to include employment, education, job training, and community service, among other activities, and it exempts from the general work requirement such individuals as students, caretakers, and those 63 or older, among others. The section also requires DHHS to enforce the HMP workforce engagement requirements through a compliance review process to identify individuals who, through self-reporting in MiBridges, have misrepresented their compliance.

¹ See, for instance: <https://khn.org/news/study-arkansas-medicaid-work-requirements-hit-those-already-employed/> and <https://www.bridgemi.com/michigan-government/arkansas-warning-michigan-medicaid-work-rules>

² 2018 PA 208 (Senate Bill 897): <http://legislature.mi.gov/doc.aspx?2018-SB-0897>

The bill would revise the time frame within which an applicable recipient must verify through MiBridges that he or she is meeting the workforce engagement requirements. Currently, he or she must make this verification by the tenth day of each month for the previous month's qualifying activities. The bill would require verification by the last day of the month for the previous month's activities. The bill would also provide that a recipient who missed this reporting date could verify compliance up to 60 days after the missed date and that, if he or she did so within those 60 days, the month would not be a noncompliance month.

Additionally, the bill would provide an exemption from the reporting requirement if DHHS were able to verify the recipient's compliance through other available data.

MCL 400.107b

HOUSE COMMITTEE AND FLOOR ACTION:

The House Committee on Government Operations reported an H-1 substitute for the bill. As passed by the Senate, SBs 362 and 363 proposed related changes to the same section of the Social Welfare Act. The House substitute includes the changes proposed by both bills.³ Additionally, the House adopted an amendment on second reading that makes a technical, not substantive, change to the bill.

BACKGROUND:

According to the National Conference of State Legislatures (NCSL), as of August 2019, 16 states had submitted waivers to the Centers for Medicare & Medicaid Services (CMS) concerning employment or community engagement provisions, of which nine had been approved. From their website: "Indiana is the only state currently applying work requirements. Arizona, Michigan, Ohio, Utah, and Wisconsin waiver proposals were approved but have not yet been implemented. Work requirement policies in Arkansas, Kentucky, and New Hampshire were set aside by the courts and that decision is under appeal."⁴

FISCAL INFORMATION:

Senate Bill 362 would have an indeterminate, but likely minimal, fiscal impact on the Department of Health and Human Services (DHHS).

Extending the reporting window for work compliance for HMP recipients from the first 10 days of the month to the last day of the month would likely result in decreased administrative costs for the department, as work compliance certification workload burdens would be spread over the course of the month rather than frontloaded in the first 10 days of the beginning of the month—thereby reducing personnel costs. Alternatively, the estimated HMP case reduction expected to take place once work requirements are implemented would likely decrease as fewer HMP recipients would likely be determined ineligible due to not submitting workforce engagement certifications on time, resulting in less caseload savings realized.

³ For a description of the bills as passed by the Senate, see:

<http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-0362-BC53D418.pdf>

⁴ See <http://www.ncsl.org/research/health/medicaid-1115-waivers-by-state.aspx>

Allowing DHHS to utilize other data a caseworker is able to review⁵ in order to determine HMP recipient workforce engagement certification would likely decrease administrative costs by reducing the number of monthly workforce compliance certificates caseworkers have to review and thereby reducing personnel costs. Alternatively, the estimated HMP caseload reduction expected to take place once workforce engagement requirements are implemented would likely decrease as fewer HMP recipients would likely be determined ineligible due to not submitting workforce engagement certification on time, resulting from compliance certification by other data the department has access to rather than certification via self-reporting, resulting in less caseload savings realized.

The current average of monthly HMP recipients is approximately 670,000. In June 2018, the House Fiscal Agency⁶ estimated a reduction of 27,000 to 54,000 HMP recipients once the workforce engagement requirements were fully implemented. The bill would likely reduce this estimate minimally.

ARGUMENTS:

For:

Proponents of the bill argued that allowing HMP recipients to report compliance throughout the month, rather than only in the first ten days of each month, will prevent reporting systems from being periodically overwhelmed. They also said that extending the period for self-reporting, and allowing DHHS to document compliance through other information it routinely collects, will help to ensure that recipients who are complying with the workforce engagement requirements do not lose their coverage solely due to reporting issues.

Against:

No arguments against the bill were presented in committee.

POSITIONS:

The following entities indicated support for the bill (9-3-19):

- Department of Health and Human Services
- Michigan Works! Association
- Michigan Primary Care Association
- Michigan Health and Hospital Association
- Michigan Association of Health Plans
- National Association of Social Workers – Michigan

Legislative Analyst: Rick Yuille
Fiscal Analyst: Kent Dell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

⁵ Such as withholdings data from the IRS or enrollment in other public assistance programs with workforce participation requirements.

⁶ See the House Fiscal Agency analysis of 2018 PA 208 (Senate Bill 897):

<http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0897-B8F73E96.pdf>