

MEDICAID REVISIONS

House Bill 4496 (H-4) as reported from committee
Sponsor: Rep. Graham Filler
Committee: Health Policy
Complete to 6-12-23

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

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

(Enacted as Public Act 99 of 2023)

SUMMARY:

House Bill 4496 would amend the Social Welfare Act to change some provisions from being requirements to being permissive and to repeal obsolete provisions and provisions pertaining to work requirements for certain enrollees in the Healthy Michigan Plan.

Among other things, the act requires the Department of Health and Human Services (DHHS) to create incentives for Medicaid recipients to practice positive health behaviors. The bill would instead require DHHS to work in collaboration with contracted health plans to create incentives for individual Medicaid recipients who practice specified positive health behaviors.

The act also requires DHHS to create pay-for-performance incentives for Medicaid health maintenance organizations (HMOs) and requires the HMO contracts to include incentives for meeting health outcome targets for chronic disease states, increasing the number of Medicaid recipients who practice positive health behaviors, and meeting DHHS-established patient compliance targets.

The bill would instead allow, rather than require, the HMO contracts to meet the stated targets. Similarly, the bill would provide that priority may, rather than must, be given to strategies that prevent and manage the 10 most prevalent and costly ailments affecting recipients.

Additionally, the bill would delete a current requirement that DHHS include in any federal waiver request to secure federal matching funds to cover the medically uninsured non-Medicaid population language to allow the DHHS to, at a minimum, establish the programs described above. Also deleted would be a now-obsolete provision that refers to several two-year pilot projects and demonstration models pertaining to integrating behavioral and physical health delivery systems in the fiscal year 2017-18 appropriations budget.

Repealers

The bill would repeal the following sections of the act:

Section 105c, which required the DHHS director to submit recommendations to legislative leaders and the State Budget Office regarding Medicaid eligibility by January 1, 2015.

Section 105f, which required the directors of DHHS and the Department of Insurance and Financial Services (DIFS) to establish a Michigan Health Care Cost and Quality Advisory Committee and issue a report with recommendations by December 31, 2014.

MCL 400.105b and 400.109f (amended) and MCL 400.105c and 400.105f (repealed)

FISCAL IMPACT:

House Bill 4496 would have an indeterminate, but likely minimal, fiscal impact on the Department of Health and Human Services. Revisions in the bill would still require DHHS to include pay-for-performance health incentives in contracts with managed care for traditional Medicaid and the Healthy Michigan Plan, but the bill would make the listing of specific health outcomes permissive. Any changes in Healthy Michigan Plan services costs would be shared 90% federal and 10% state, and any changes in Healthy Michigan Plan administrative costs would be shared, in most instances, 50% federal and 50% state.

POSITIONS:

Representatives of the following entities testified in support of the bill (5-18-23):

- Michigan State Medical Society, Legislation and Regulatory Policy Committee
- Michigan Association of Health Plans

The following entities indicated support for the bill:

- Department of Health and Human Services (5-25-23)
- Michigan League for Public Policy (5-25-23)
- Michigan Primary Care Association (5-25-23)
- Michigan Poverty Law Program (5-25-23)
- Center of Civil Justice (5-18-23)
- Meridian (5-18-23)
- Food Bank Council of Michigan (5-18-23)
- Michigan Health & Hospital Association (5-18-23)
- Michigan Council for Maternal and Child Health (5-18-23)
- Molina Healthcare (5-18-23)
- AARP (5-18-23)
- Health Alliance Plan (5-18-23)
- McLaren Health Plan (5-18-23)
- Blue Cross Blue Shield Michigan (5-18-23)
- Trinity Health Michigan (5-18-23)
- Priority Health (5-18-23)
- Upper Peninsula Health Plan (5-18-23)

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