

# 100 days in Michigan: U-M team releases new analysis of state's Medicaid expansion

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Right out of the starting gate, Michigan's expansion of health coverage for the poor and near-poor holds lessons for other states that are still on the fence about expanding their own Medicaid programs under the Affordable Care Act, a new analysis shows.

In an article in the *New England Journal of Medicine*, a team of University of Michigan Medical School researchers publish the first analysis of the initial results from the Healthy Michigan Plan, which launched this past April.

In its first 100 days, the authors write, the plan enrolled 327,912 people with incomes below or just above the [poverty level](#) – beating projections for its entire first year. Almost 80 percent of them hadn't been enrolled in other state [health](#) programs for the poor. And 36 percent of those enrolled in the first two months had used their insurance to visit a doctor or clinic by the end of the fourth month.

The implementation and rollout of the Healthy Michigan Plan, which expanded Medicaid at a time when both the governor and the majority of the state legislature are Republican, holds lessons for other "red" states, say the researchers.

Led by John Ayanian, M.D., M.P.P., director of the U-M Institute for Healthcare Policy and Innovation, the team poses other questions that only time will answer.

For instance, will the state save enough money from the effects of the new coverage to offset its required future spending to support the Healthy Michigan Plan when federal funding is scaled back in 2017? Will the 16 percent of early enrollees who had incomes just above the federal poverty level participate in healthy behaviors that can reduce their premiums? And will the state's health providers be able to handle the additional demand for services from new enrollees who were previously uninsured?

He and his co-authors propose a national effort to link states, universities and research groups to perform such evaluations, and inform policymakers' future decisions about [health care reform](#).

"For other states that more recently decided to expand Medicaid or are still considering this option, our initial analysis demonstrates that with appropriate planning expansion can go smoothly, and that 'red' states can launch an expansion with state-specified modifications, if that's what is required to build political support," says Ayanian, who led the team of three U-M researchers to analyze Healthy Michigan Plan data. "The rapid enrollment demonstrates both the ability of the state to launch the program effectively, and the pent-up demand for insurance among low income adults in Michigan."

"A lot of low-income adults stand to benefit, so we need to look fully at expansion's impact in every state where it's occurring, and the impact in states that choose not to expand," he says.

The researchers describe many of the factors that may have helped Michigan's expansion progress so quickly and enroll people in every one of the state's 83 far-flung counties, both rural and urban. Though their paper only covers the first 100 days, enrollment has continued at a steady clip, with 415,504 Michiganders enrolled as of October 13.

Although the expansion received state and federal approvals in late 2013, the enrollment period did not begin until April 2014, several months after residents of other Medicaid-expanding states had already begun to enroll in health plans via state and federal websites including HealthCare.gov.

The massive media coverage of initial problems with the national enrollment site, and the mandate for most Americans to get insurance or pay a tax penalty, may have worked in Michigan's favor, the authors say. By the time enrollment in the Healthy Michigan Plan began, public awareness was high, which may have contributed to the rapid pace of enrollment in the first 100 days.

The time between enactment and enrollment for Michigan's program also gave state workers, insurers and community groups time to prepare a solid web-based process for individuals to enroll, and to plan and carry out a broad communication campaign that harnessed existing groups focused on serving the health needs of low-income Michiganders.

Some of the distinctive components of the Healthy Michigan Plan, and permitted under a waiver granted by the Centers for Medicare and Medicaid Services, hadn't launched by the end of the first 100 days, and so can't yet be analyzed. But, Ayanian says, these customizations – which in Michigan's case include MI Health Accounts (similar to health savings accounts) and premium-reducing incentives for completing a health risk survey and taking steps to reduce health risks such as quitting smoking – are what made the plan politically feasible in a 'red' state. Other states that may wish to adopt these features will be watching Michigan closely, he predicts.

According to the new paper, the population enrolling in the new plans resembles in some ways the population that has traditionally enrolled in Medicaid. For instance, 60 percent of the enrollees are under the age of

45, and just under half live in the populous southeastern region of the state.

But where traditional Medicaid enrollees are nearly 65 percent female, 52 percent of the new program's enrollees are women. The new plans' broad eligibility criteria include all residents of Michigan between ages 19 and 64 with household incomes less than 133 percent of the poverty rate and not eligible for other programs.

"Gridlock in Washington, D.C. doesn't eliminate the need for states and communities to continue improving [health insurance coverage](#) and [health care delivery](#)," says Ayanian. "Michigan is an example of the effects of collaboration to improve health policy at a state level."

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