

How is Michigan's new Healthy Michigan Plan working? New five-year study will find out

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**How is the Healthy Michigan Plan working?
U-M IHPI researchers will find out!**

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An evaluation required by the state & federal governments under Michigan's Medicaid expansion

The new contract provides for a number of Univ. of Michigan experts to evaluate various aspects of the Healthy Michigan Plan. Credit: U-M IHPI

Since its launch in April, 481,863 Michiganders have signed up for a new Medicaid health insurance option offered by the state, called the Healthy Michigan Plan. Now, University of Michigan researchers will study how well the new plan works, and advise the state government on how well it's living up to what lawmakers intended.

The U-M Institute for Healthcare Policy and Innovation will evaluate the plan through a five-year contract with the Michigan Department of

Community Health.

The study will cover many aspects of the program, which seeks to improve access to high-quality [health](#) care and encourage healthy behaviors among low-income Michiganders, while reducing uncompensated care and the number of uninsured residents of the state.

U-M experts will look at whether the Healthy Michigan Plan indeed is meeting these goals, and study how enrollees are interacting with it.

In all, 17 U-M faculty members from six of the university's schools, colleges and other institutes will lead projects within the evaluation. They will work with U-M staff and students, and MDCH staff to gather data and produce a range of reports.

Study required under Michigan's Medicaid expansion

The Healthy Michigan Plan is fully funded for the first three years by federal dollars under the Affordable Care Act's Medicaid expansion program. The state will begin paying 5 percent of costs in 2017, and 10 percent starting in 2021.

The IHPI-led evaluation fulfills a key expectation laid out by the state legislature when a majority of its members approved the plan in 2013: that Michigan would thoroughly study its innovative approach and work to improve it where needed. Under a special waiver from the federal Centers for Medicare and Medicaid Services, Michigan was allowed to customize its Medicaid expansion plan to include market-driven principles. This federal waiver also required the state to commission an independent evaluation of the Healthy Michigan Plan.

IHPI director John Ayanian, M.D., MPP, will lead the project. "The way Michigan chose to expand Medicaid has many distinctive features that

deserve careful study, as they may hold important lessons for Michigan and other states," he says. "We look forward to applying the knowledge and talent of our faculty to evaluate the plan and giving our lawmakers the information they will need to shape future decisions."

With more Michiganders signed up for the plan in its first 100 days than were expected to sign up during the initial year, the plan's launch revealed a strong demand for new insurance options for low-income people. Ayanian and colleagues recently published an article in the New England Journal of Medicine about the first 100 days of enrollment; a summary of their findings is available at umhealth.me/healthymi.

The Healthy Michigan Plan is open to any resident of the state between the ages of 18 and 64 with a household income less than 133 percent of the [federal poverty level](#) (about \$16,000 per year for a single adult) who is not eligible for another insurance plan.

One of the unique features of the plan is that, six months after enrolling, each member begins to pay co-pays for care through a savings account called a MI Health Account. Members with incomes above the federal poverty level will pay co-pays and contributions up to 5 percent of their income into this account, to cover part of the cost of their care. Members can reduce their costs by completing an annual health risk assessment with their primary care provider, and by adopting healthy behaviors.

These features, and the impact of the Healthy Michigan Plan on uncompensated care provided by Michigan hospitals, will be key items for U-M researchers to study and report to the state.

U-M IHPI expertise serving the state

Over the next five years, U-M researchers affiliated with IHPI will

examine extensive data about the enrollment patterns, health spending, health-related behaviors, and health outcomes of Healthy Michigan Plan participants.

The researchers are faculty members in eight departments of the U-M Medical School, School of Public Health, Ford School of Public Policy, Ross School of Business, School of Social Work and Institute for Social Research. They bring to the project many years of experience in studying health care and health insurance.

Some of the projects within the evaluation will focus on analyzing state data on health care utilization, such as office visits, emergency department care, and hospitalizations. For this work, IHPI faculty and their teams will analyze encrypted data files that protect the privacy and confidentiality of plan members while allowing important research to take place. Other projects will reach out to Healthy Michigan Plan participants and physicians to learn about their experiences.

IHPI is very well positioned to carry out the evaluation. Founded in 2011, it brings together more than 420 [health care](#) researchers and health policy experts who hold faculty appointments across U-M, leveraging their long-standing work and enabling new cooperation among them. IHPI includes faculty from 12 schools and colleges and five local partner organizations, and provides them with services and programs to enhance their own work and encourage collaboration with others.

Beyond the state contract to perform the evaluation, U-M researchers are also seeking funding for additional projects they want to carry out related to the Healthy Michigan Plan. For instance, Susan Dorr Goold, M.D., MHSA, M.A., recently received a two-year, \$391,000 grant from the federal Agency for Healthcare Research and Quality to engage Michigan communities in deliberations about Medicaid priorities. Working with community partners, and using a special game-like tool

she developed called CHAT for Choosing Health Plans All Together, Goold's team will engage Michiganders in discussions about what kinds of care Medicaid should prioritize.

"Michigan, like all states, faces budget constraints, and Medicaid is a substantial portion of the state's budget," says Goold. "We want to know from people in Michigan, especially those most affected by Medicaid policy decisions, given limited resources, what do they think Medicaid should prioritize?"

Provided by University of Michigan Health System

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