

# As Medicaid 'unwinding' continues and more states expand eligibility, report provides key insights

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At a pivotal time for Medicaid health coverage for Americans with low incomes, a report on the impacts of Michigan's Medicaid expansion shows very positive effects, as well as opportunities for continued improvements.

The [report](#) was produced by the University of Michigan Institute for Health Care Policy and Innovation as part of its [evaluation of the Healthy Michigan Plan](#), Michigan's Medicaid expansion program. The program currently has about 1 million enrollees and was signed into law 10 years ago this September.

On the whole, the report shows that the [Healthy Michigan Plan](#) has been effective at:

- reducing uninsurance,
- supporting financial well-being,
- promoting primary care and responsible use of health care services among people with low incomes, and
- sustaining the safety net and supporting coordinated strategies to address social determinants of health.

The report also draws on data and interviews to show that two unique aspects of Michigan's expansion—financial incentives for participants to focus on healthy behaviors, and income-based cost-sharing to foster personal responsibility around health care decisions—were only partially effective at achieving their aims.

IHPI's evaluation is required by the federal Centers for Medicare and Medicaid Services as part of Michigan's Medicaid expansion waiver. This was the interim report released midway through the waiver period.

## **Data that could inform Michigan and other states**

The findings have implications far beyond Michigan, the IHPI team notes. Right now, all states are in the process of "unwinding" the special Medicaid continuous-enrollment provision that was put in place during the height of the Public Health Emergency during the COVID-19 pandemic.

Since April, [more than 5.3 million people have lost Medicaid coverage](#) nationally in the 45 states and District of Columbia that have reported data as of August 24. Redeterminations, as they are called, of individual eligibility will continue into 2024.

Michigan has launched an [online dashboard](#) to track redetermination data including the number of individuals whose Medicaid is not being renewed. MDHHS recently provided [an update on the process and efforts to reach participants](#) who need to provide information to determine their eligibility.

Measuring the impacts of the unwinding on individuals, [health systems](#) and safety net agencies will be important, especially in light of the positive impacts of expansion coverage, the authors of the IHPI report say.

At the same time, several states that did not adopt Medicaid expansion in the first six years of the program through 2019 have done so in the last few years; [a full list of current state policies is available here](#). About 1.9 million adults who have potentially qualifying low incomes live in the 10 states that have not expanded Medicaid under the federal program.

"Since 2014, the Healthy Michigan Plan has increased access to care and was associated with improved health and other outcomes reported by beneficiaries, many of whom were previously uninsured or unconnected to social support services that can impact health," said John Z. Ayanian, M.D., M.P.P., director of IHPI and leader of the HMP evaluation project.

He continued, "During the COVID-19 pandemic, the Healthy Michigan Plan maintained access to coverage and care for those already enrolled and offered coverage for new beneficiaries affected by unemployment and loss of health insurance. We hope our findings will inform other

states as they go through the process of redetermination, consider partial or full expansion of Medicaid, or consider implementing specific features into their Medicaid programs such as cost-sharing provisions or healthy behavior incentives."

A [recently enacted Michigan law](#) modifies some of the income-based cost-sharing requirements of the Healthy Michigan Plan, which the IHPI report finds have not fully achieved their aim and which the team had recommended simplifying in its report. The new law made other updates to the program too.

## **Key facts about the Healthy Michigan Plan and the IHPI evaluation:**

- The program is open to Michigan residents ages 19 to 64 who earn an income at or below 138% of the federal poverty level—as of 2022, \$18,754 for an individual or \$36,908 for a family of four.
- The program began covering Michiganders in 2014 and now covers about one in 10 people living in the state. In all, about one in four Michiganders have some form of Medicaid or Children's Health Insurance Program coverage.
- The program was enacted under a federal waiver that allowed Michigan to implement provisions aimed at increasing healthy behaviors and personal responsibility regarding use of health care, and basing cost-sharing on a person's income.
- During the time examined by the report, people whose incomes were between 100% and 138% of the federal poverty level were [required to pay](#) monthly fees of \$24 to \$32 for HMP coverage

and higher co-pays for some services than people with incomes under the poverty level. Some services are available without a co-pay based on their role in preventing, detecting or managing major health conditions. HMP enrollees are incentivized by lower co-pays and/or fees to complete a Health Risk Assessment or HRA and discuss it with a provider, and to engage in healthy behaviors such as stopping tobacco use or getting a flu shot.

- The IHPI team has been evaluating the program's impact since it began.
- For the current interim evaluation [report](#), the team conducted a survey of more than 4,000 participants in HMP, including more than 1,400 who had completed previous surveys in earlier years.
- The team interviewed dozens of participants who had been subject to cost sharing (co-pays and/or monthly fees), as well as [primary care providers](#) and stakeholders from state government agencies and safety-net organizations.
- The team also examined changes over time in administrative data from hundreds of thousands of HMP participants, and data from national surveys and hospital financial reports.

## **Key findings of the report:**

### **Uninsurance:**

- Uninsurance rates in Michigan in 2020 were lower than in other states that expanded Medicaid, and much lower than in states that hadn't expanded Medicaid at that time.
- All areas of the state experienced reductions in the uninsurance

rate among non-elderly adults that cut the rate in half or more between 2013 and 2020, with the rate going down to 6% in some areas.

## **Employment and finances:**

- Despite the income limits of the program, 44% of surveyed HMP enrollees were employed at a job, and another 16% were self-employed at the time of the survey. Of those with a job, 56% worked full time.
- Half of employed participants, and 78% of non-employed ones, said they have barriers that interfere with their ability to work, how much they can work, or the type of work they can do.
- Participants say HMP coverage helped them reduce their out-of-pocket health care costs, get access to medical treatment that in some cases allowed them to begin or continue working, and freed up financial resources for other needs such as food, transportation and housing.

## **Primary care:**

- Nearly all (91%) of surveyed HMP participants reported having a primary care provider (physician, nurse practitioner or physician assistant).
- In all, 81% of those with a primary care provider reported having a visit in the last year, and 77% reported no barriers to getting primary care.
- Primary care providers reported offering more same-day and

after-hours appointments to encourage responsible use of health care services.

## **Emergency department use:**

- ED visit rates, and rates of high-frequency ED use (five visits or more a year) were lowest for beneficiaries who had regular preventive visits, compared to those with irregular or no preventive visits.
- ED visits dropped over time among enrollees with four major chronic conditions (COPD, asthma, cardiovascular disease and diabetes) who were enrolled for multiple years.

## **Hospital impacts:**

- Michigan hospitals saw a 50% drop in the amount of care for which they did not receive payment (also called uncompensated care) after HMP began.
- The percentage of hospitalized patients without insurance dropped by 69%.

## **Cost sharing and health risk assessment/healthy behavior provisions:**

- In all, 75% of surveyed HMP enrollees knew that some types of health visits and services have no co-pay.
- Only 29% knew that completing an HRA or a healthy behavior could reduce the amount they pay overall.



- Interviews with providers also revealed lack of familiarity with these incentives, and a desire to have HRA information added to electronic health records.
- People who had been enrolled in HMP for longer times were more likely to have had [primary care](#) and dental visits, to have had cancer screenings, and to have completed an HRA.
- Interviews suggest that self-motivation and support from their health care providers, not financial incentives, drove HRA completion and healthy behaviors.

## **Safety net services and providers:**

- Primary care and [safety-net](#) health care providers reported deploying more care managers and community health workers to conduct regular outreach to high-need individuals.
- Safety-net providers reported more financial stability and an increased ability to expand services, collaborate with other agencies and sustain efforts to address social determinants of health.
- HMP undergirds other programs such as Michigan's Section 1115 behavioral health demonstration for substance use disorder, Health Homes programs for people who have both chronic medical and behavioral/mental [health](#) conditions, the Medicaid Health Equity Project to address racial disparities through evidence-based interventions, and programs to allow inmates to apply for HMP before they leave prison.

**More information:** John Z. Ayanian, Healthy Michigan Plan Evaluation: Section 1115 Demonstration Interim Evaluation Report, *My*



University (2022). [DOI: 10.7302/6666](https://doi.org/10.7302/6666)

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