



October 2nd, 2015

The Honorable Sylvia Mathews Burwell, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

RE: State of Michigan's second proposal to amend the waiver enabling the Healthy Michigan Plan (Medicaid Expansion)

Dear Secretary Burwell:

The School-Community Health Alliance of Michigan (SCHA-MI) thanks you for the opportunity to comment on the Michigan Department of Health and Human Services' (MDHHS) second waiver amendment proposal for our state's Medicaid Expansion, the Healthy Michigan Plan.

As the state association for school-based and school-linked health centers in Michigan, SCHA-MI represents more than 30,000 children who use school-based health services. SCHA-MI also provides marketplace navigation assistance to a number of consumers each year. As a whole, we are deeply entrenched in the health care industry. Additionally, many of the adults on the Healthy Michigan Plan could end up being the future parents of children that access school-based health. It's important that they are able to raise their children to the best of their abilities, without having to worry about access to health care. We still believe that this program is the only means to connect hundreds of thousands of the low income, childless adults to comprehensive healthcare coverage.

Under Governor Snyder's leadership, Michigan used the unprecedented opportunity to expand coverage to this population through our well-established state Medicaid program. Without this wise and fiscally prudent decision, most of these adults would remain uninsured, and likely to forego care or seek it in some of the most costly and least efficient settings available, such as hospital emergency departments. This phenomenon is linked to higher healthcare costs for virtually all consumers in this country, as well as poor health outcomes.

To date, state and federal authorities have worked carefully with consumer advocates to craft a consumer-friendly program. The need for the Healthy Michigan Plan has been amply demonstrated by swift growth in enrollment to cover more than 600,000 Michigan residents—a significant share of the state's total formerly uninsured adult population. The program must continue.

As Governor Snyder's office has reported, the plan is having a profound impact on enrollees. Since its launch, the Healthy Michigan Plan has already resulted in more than 344,000 primary care visits, 116,000 preventive care visits, 35,000 mammograms, and 17,000 colonoscopies. This is evidence of preventative healthcare utilization that allows consumers to stay healthier for longer periods of time, as well as to detect and treat many conditions earlier and more inexpensively.

As the MDHHS director, Nick Lyon, stated, "A year into the Healthy Michigan Plan program, the numbers show that Michigan residents are serious about taking the preventative measures necessary to improve health outcomes and reduce the risks of more serious, costly health complications."



We recognize that the statutory language enabling Michigan's Medicaid Expansion does present challenging parameters for negotiation and approval of the second waiver amendment. However, your agency has demonstrated its extreme capacity and creativity in reaching consumer-friendly agreements with states that use waivers to expand their Medicaid programs. We ask you to use that capacity again to ensure continuation of the Healthy Michigan Plan through negotiations that lead to approval by the statutory deadline of December 31, 2015. We also expect the state to negotiate in good faith to see that well-established federal Medicaid beneficiary protections are held in place.

As your department and MDHHS work together to find a viable approach that allows the Healthy Michigan Plan to continue, we would like to point out some of our concerns on the potentially negative impacts consumers could suffer under the current terms:

- **Computing the 48 month “trigger”:** The second waiver requires consumers who are earning between 100-133 percent of the Federal Poverty Level (FPL) and who have been enrolled in the plan for a cumulative period of 48 months to either seek private coverage through the Marketplace (presumably after receiving advance premium tax credits, which would also need to be authorized via a waiver of some kind), or remain in the plan with a maximum cost-sharing of seven percent, an increase over the current ceiling of 3.5 percent.
 - We are unsure how the 48-month cumulative limit will be computed and tracked. We also ask that you recognize that incomes frequently fluctuate significantly over time in this population. Calculating and tracking the combination of program enrollment and income over time must be done in a way that does not effectively penalize beneficiaries for this common phenomenon. Any process designed to tabulate the cumulative 48 months of enrollment within the target income range must be suited to the particular nature of variable incomes in this population by weighing all factors in favor of the most generous computation for beneficiaries.
 - An agreement must include comprehensive notice requirements suited to the unique needs of the enrolled populations in order to ensure that they are amply warned before they reach the trigger of 48 months. Challenges in devising this essential consumer protection component include frequently changing physical addresses, restricted access to telephone and internet, etc.
- **Providing a simple hardship exemption for the target population:** Despite being in the target income range, the beneficiaries in question remain subject to extreme financial risk in most areas of their lives. We need some way for consumers to avoid the most devastating effects of financial disaster and still receive access to health services.
- **Providing wrap-around services and supports through Marketplace coverage:** The Healthy Michigan Plan benefits package is robust and provides a level of coverage that will be difficult for consumers to find in private policies offered through the Marketplace due to their low incomes. It is essential that the benefits structure afforded by any Marketplace policies be comparable to Healthy Michigan Plan coverage. To accomplish this goal, MDHHS has indicated that it intends to develop wrap-around services. We recognize the difficulty of this proposition, and are especially concerned with how enrollees who might face this option will be educated about the key differences in coverage between their existing plan



and a marketplace plan.

- **Creating simple and regular opportunities to re-enter the Healthy Michigan Plan:** Consumers who elect private coverage obtained through the Marketplace may find that it does not meet their needs. It is critical that consumers who find Marketplace coverage inadequate be able to return to Healthy Michigan Plan coverage on an ongoing basis with minimal wait times. Additionally, the procedures for doing so must place minimal burdens on the consumer in terms of procedures and documentation, for example.
- **Collecting information:** It is vital that the MDHHS collect data on the experiences of consumers in the target population to inform future policy decisions. The cost-sharing requirements in the second waiver are significant for low-income individuals, and their potential future interactions with the private insurance markets and its products are largely unknown. It is essential to understand, should the waiver be approved, how these policies affect not only individual consumers, but also enrollment patterns and numbers. This will help to inform the MDHHS and the legislature's future work on the program. We believe that MDHHS should also agree to track the full costs to the state to administer the provisions of this waiver amendment, if approved.

In conclusion, we restate that the proposal for the second waiver amendment must be carefully negotiated to protect consumers, and approved by December 31, 2015, in order to continue the great success of the Healthy Michigan Plan. The program is essential to creating a more affordable, higher quality, and more accessible healthcare system that is particularly suited to the needs of lower income, childless adults in Michigan.

Sincerely,

A handwritten signature in black ink, appearing to read "John Bindas", with a long horizontal flourish extending to the right.

John Bindas
Executive Director
School-Community Health Alliance of Michigan