



Taking Michigan's
Pulse under the
Affordable Care Act

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Leaders' Issue Forum

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Citizens Research Council

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Health Reform in the U.S.

A Brief History

Many Attempts to Reform U.S. Healthcare

Would-be Reformers

- Theodore "Teddy" Roosevelt
- Franklin Delano Roosevelt
- Lyndon Johnson
- Richard Nixon
- Jimmy Carter
- Bill Clinton

Goals?

- Achieve Universal Access
- Constrain Spending
- Improve Health (?)

The Patient Protection and Affordable Care Act of 2010

A Summary

Components of the ACA

Three Primary Reform Mechanisms in the Affordable Care Act

- Market Reforms
- Establishment of New Marketplaces
- Medicaid Expansion

Components of the ACA (continued...)

Major Market Reforms in the ACA

Balancing Act:

- Guaranteed Issue
- Individual Mandate

Continued Employer Reliance:

- Shared Responsibility Provisions (Employer Mandate)

- *Dependent Coverage to age 26*
- *10 Essential Health Benefits*
- *No Lifetime/Annual Limits*
- *No Cost-Share for Prevention*
- *Premium Rating Rules*
- *Summary of Benefits Coverage*
- *Medical Loss Ratio Restrictions*

Components of the ACA (continued...)

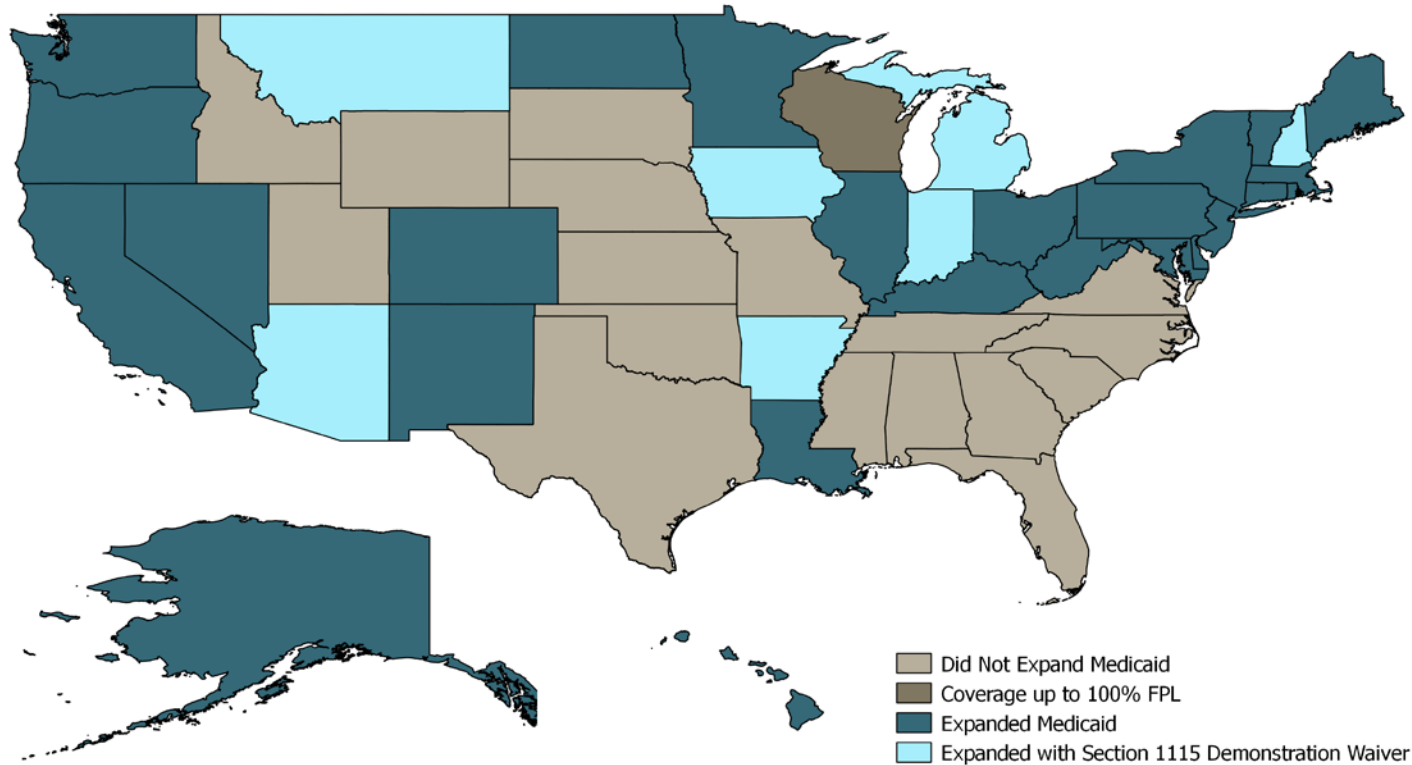
New Marketplaces

- Individual Marketplace
- Small Business (SHOP) Marketplace

Medicaid Expansion

- State variability in Medicaid Program
- Expansion Became Optional (*National Federation of Independent Business v. Sibleus*)

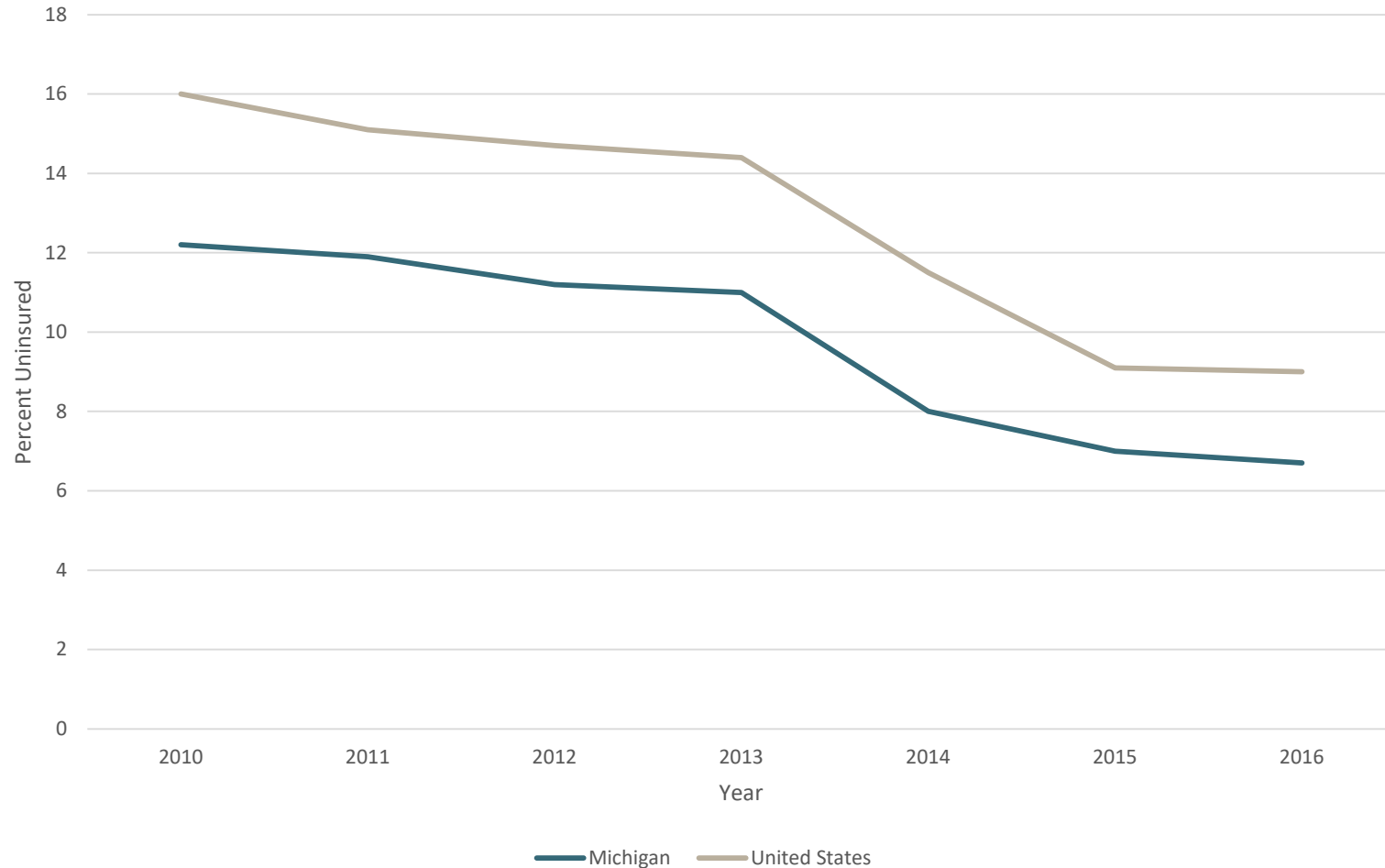
Current Status of Medicaid Expansion



- 32 States (plus the District of Columbia) have expanded Medicaid
- 7 states (including MI) used Section 1115 Demonstration Waivers
- 18 States have not (yet) expanded Medicaid. Virginia, Utah, and Idaho are states to watch.
- Maine became first to expand via referendum.
- Analysis shows that states that expanded Medicaid have fared better on a multitude of criteria, from healthcare access and insurance status, to economic growth and health sector stability.

Change in Percent of Uninsured Persons

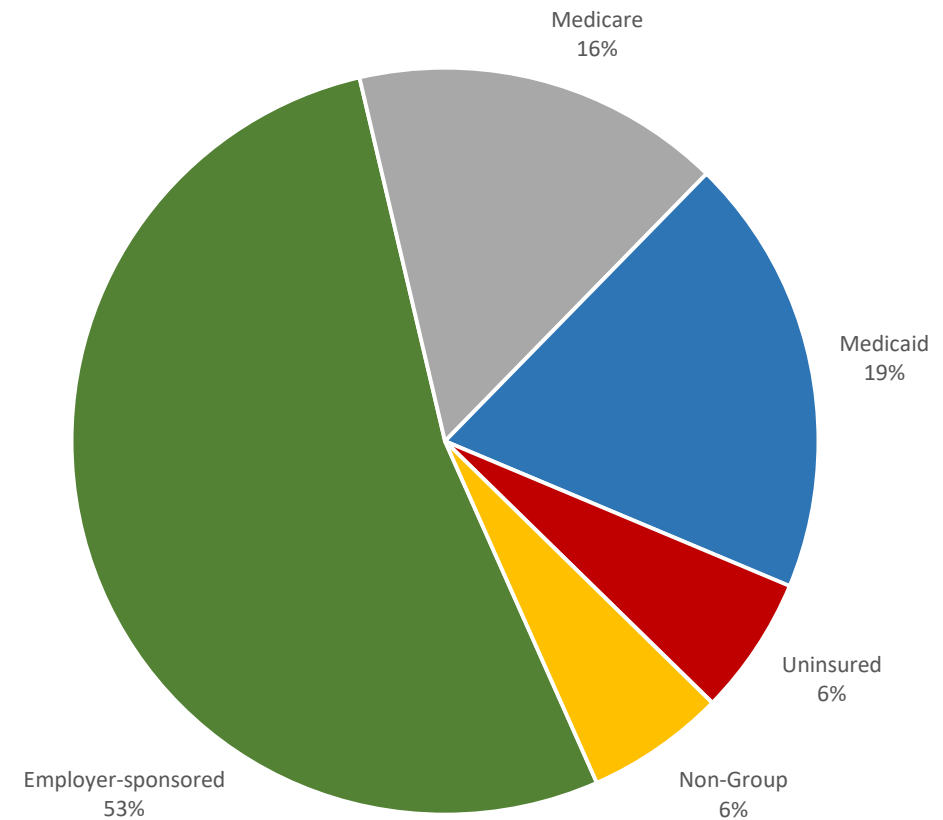
U.S. and Michigan, 2010-2016



- ## Implementation Timeline
- 2010: ACA Becomes Law
Many Market Reforms occur within 180 days
 - 2011: Dependent coverage to 26; no annual/lifetime limits
 - 2014: Health Insurance Exchanges Open; Medicaid Expanded (in some states); Insurance must cover pre-existing conditions and individuals must purchase health insurance.
 - 2015: Employer Shared Responsibility Begins

Sources of insurance in Michigan

- The majority of Michiganders get insurance from their employment.
- Many Medicare beneficiaries receive additional support from Medicaid; nearly one in four Michiganders receive some level of Medicaid benefit.
- The number of people without insurance in Michigan is roughly equal to the number purchasing individual insurance plans.



Medicaid Expansion: Prescription for a Healthier Michigan

Latest Findings from the Citizens Research Council of Michigan

Medicaid Expansion: Prescription for a Healthier Michigan

Three Key Findings

- The Healthy Michigan Plan has led to **health insurance coverage** for more than 650,000 of Michigan's citizens and has **kept insurance premiums lower** for others, improving the physical, mental and financial well-being of Michigan's citizens. The program also improved the state's economy by reducing uncompensated care among Michigan's hospitals, and by supporting health sector job creation/retention, a healthier workforce, and increased federal spending in the state.
- The Medicaid program **allows for substantial innovation, experimentation and variation** at the state level, allowing states to be true "laboratories of democracy." While new mechanisms like cost-sharing and Health Risk Assessments still need refinement, Michigan has begun to use the program to incentivize healthier lifestyles and responsible health care consumption. Michigan has also become a leader in using Medicaid to address the **social determinants of health**, and approach that can both improve health outcomes and reduce healthcare spending.
- The many gains of the Healthy Michigan Plan may be lost because of **an imprecise and poorly designed cost versus savings policy mechanism** tied to the program that ignores a wide range of program benefits. At present, the Healthy Michigan Plan will be terminated if the state incurs a single penny of net costs from the program.

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