



The Healthy Michigan Plan (HB 4714): Medicaid Reforms and Expansion

Presentation to Senate Government Operations

Chair: Sen. Majority Leader Richardville

July 30, 2013

BCBSM has a longstanding commitment to increasing access and improving the health status of Michigan families



Michigan jobs:
BCBSM supports
over 7,000 jobs

Michigan cities:
97% of Blue
workforce is
located in the
downtown areas
of Detroit,
Lansing and
Grand Rapids

*Michigan
economy:*
BCBSM has
spent over \$331
million in 2010
with Michigan-
based suppliers

Michigan health:
Provides health
insurance to
over 4 million
people
regardless of zip
code

BCBSM is a **nonprofit Michigan company**, an **independent** licensee of the Blue Cross and Blue Shield Association, that represents our members to ensure they have access to the health care they need, when they need it and at a price they can afford.

THE SENATE SUBSTITUTE FOR THE HEALTHY MICHIGAN PLAN PROVIDES AN OPPORTUNITY TO MAKE MICHIGAN HEALTHIER



- Provides incentives for healthy behaviors. Improving the health of Medicaid recipients will help to control medical costs.
- Co-pays for prescription drugs will be set to encourage use of high-value, low-cost prescriptions and alternatives to the ER for non-emergency services
- Provides new tools to combat fraud, waste and abuse
- DCH will create financial incentives for providers that meet specified quality and cost targets, and health plans that meet specified improvement goals.
- Ensures that ACA taxes paid by Michigan families and small businesses come back to Michigan. Failure to act could cost Michigan taxpayers an estimated \$1.6 billion in 2013-'14.
- Will reduce burden on small businesses and families paying more for their health insurance due to uncompensated care

BENEFITS TO REFORMING MEDICAID



- ❑ Help more Michigan citizens have access to cost-effective care.
- ❑ Make sure Michigan tax dollars are spent to help Michigan families.
- ❑ Protect Michigan families and small businesses currently paying more for health care because of uncompensated care.
- ❑ Improve the health of Michigan citizens.

PLANS THAT INCENTIVIZE HEALTHY BEHAVIORS ACHIEVE PROMISING RESULTS



Results from the “Healthy Indiana Plan”

- **80% complete** required preventive services
- **69% fewer** enrollees used the ER as the primary source of care
- Usage of prescription medication increased and inpatient, outpatient, ER and physician services declined—suggesting HIP members **improved chronic condition management** with prescription medication

Indiana Family and Social Services Administration, Healthy Indiana Plan 1115 Waiver Extension Application, available here:
<http://www.in.gov/fssa/hip/files/April122013HIPWaiverExtensionApp.pdf>

Results for BCBSM’s Healthy Blue Living Plans

- 61% with high blood sugar are now at an acceptable level
- 55% with high cholesterol are now at an acceptable level
- 71% with high blood pressure are now within a healthy range
- Individuals with high risk health factors are much more likely to incur high health care claims

BENEFITS TO REFORMING MEDICAID



- ❑ Help more Michigan citizens have access to cost-effective care
- ❑ Make sure Michigan tax dollars are spent to help Michigan families.
- ❑ Protect Michigan families and small businesses currently paying more for health care because of uncompensated care.
- ❑ Reform Medicaid to make Michigan healthier

QUESTIONS?