

March 28, 2017

Jennifer Kostasich, Project Officer
Center for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop S2-01-16
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Baltimore, Maryland 21244-1850

Dear Jennifer:

On December 17, 2015, the State of Michigan received approval from the Centers for Medicare & Medicaid Services (CMS) to amend its existing Section 1115 Demonstration, known as the Healthy Michigan Plan. With this approval, the State will require certain Healthy Michigan Plan beneficiaries to obtain coverage through a Qualified Health Plan (QHP) participating on the Marketplace (the Marketplace Option) beginning on April 1, 2018. The State has experience supporting beneficiaries through coverage transitions and understands the importance of coordinated outreach and robust beneficiary support. To that end, and as directed by the Special Terms and Conditions associated with the approval of the Healthy Michigan Plan, the Michigan Department of Health and Human Services (MDHHS) hereby submits the following plan for those individuals transitioning from the Healthy Michigan Plan to the Marketplace Option.

Transition Procedures

While the enrollment options available to certain Healthy Michigan Plan members will change as of April 1, 2018, no beneficiary will undergo an additional eligibility determination and all beneficiaries will retain their original redetermination date. As noted in the Special Terms and Conditions, individuals with incomes above 100% of the Federal Poverty Level will be required to transition to the Marketplace Option if they are not considered medically frail and have not completed the healthy behavior requirements, as defined in the State's forthcoming operational protocols. MDHHS will identify these individuals using relevant information in the State's eligibility and enrollment systems, as well as its Data Warehouse and claims processing systems. Once the eligible population has been identified, MDHHS will notify the affected beneficiaries as described below. While the initial identification and transition of beneficiaries will occur in the spring of 2018, MDHHS plans to assess eligibility for the Marketplace Option on a monthly basis going forward, and to utilize the same transition procedures and outreach materials for all affected beneficiaries for the duration of the program.

Beneficiary Outreach

MDHHS is aware of the potential impact of this transition on current beneficiaries, and is planning to provide focused outreach to the affected population beginning well in advance of April 2018. For example, MDHHS plans to work with the Medicaid health plans to notify potentially affected beneficiaries of the upcoming program change. This outreach will begin in the fall of 2017 and continue on an ongoing basis as individuals meet criteria for enrollment in the Marketplace Option. Specifically, MDHHS will direct the Medicaid health plans to provide guidance on the healthy behaviors incentives requirements and the impact of completing those requirements on a beneficiary's enrollment options.

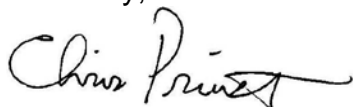
In addition, beginning in early 2018 and ongoing, MDHHS will send written notice to all Healthy Michigan Plan beneficiaries meeting enrollment criteria for the Marketplace Option. This notice will occur at least 30 days prior to the planned transition and will provide the information required by the Special Terms and Conditions. In particular, this communication is expected to focus on the timelines for the beneficiary's enrollment in the QHP and the process for claiming an exemption, as well as the benefit impacts and related costs of the Marketplace Option. MDHHS is committed to developing notices and related procedures that are accessible and understandable for beneficiaries, and that clearly describe the Marketplace Option and its enrollment requirements.

Supporting Beneficiaries with Complex Health Needs

As required by State law and the Special Terms and Conditions, individuals considered medically frail are exempt from enrollment in the Marketplace Option. With input from stakeholders, MDHHS has developed criteria as well as a multi-pronged approach for identifying these individuals prior to any transition. Consistent with plans the State has already shared with CMS, not only will beneficiaries be able to self-identify as medically frail, MDHHS will also perform a retrospective claims analysis for select diagnosis codes and other claims-related information to exclude these individuals from the transition. As a result, MDHHS anticipates minimal disruptions in care for beneficiaries with complex health needs or those in active treatment for a significant health condition. MDHHS will ensure that its outreach materials include information on the medically frail exemption process and its impact on the beneficiary's enrollment options and any current treatment.

Thank you for giving the State the opportunity to share its plans for the upcoming Healthy Michigan Plan transition with you and your colleagues. If you have any questions or require any additional information, please do not hesitate to contact Kellie Green at greenk6@michigan.gov or 517-284-1207.

Sincerely,



Chris Priest, Director
Medical Services Administration