

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

December 7, 2023

Meghan Groen
Medicaid Director
Michigan Department for Health and Human Services
400 South Pine Street
Lansing, Michigan 48933

Dear Director Groen:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is acknowledging the expiration of Michigan's section 1115 demonstration, titled "Healthy Michigan Plan" (HMP) (Project Number #11-W-00245/5). This demonstration will expire December 31, 2023.

The Healthy Michigan Plan demonstration was implemented on April 1, 2014, and impacts individuals in the new adult group covered under Title XIX of the Social Security Act, section 1902(a)(10)(A)(i)(VIII). The group is comprised of adults from ages 19 up to and including 64 with incomes up to and including 133 percent of the federal poverty level (FPL) and was incorporated as part of the state's expansion of Medicaid coverage under the Affordable Care Act (ACA). Individuals in the new adult group receive coverage through the state's managed care delivery system.

As approved in the state's most recent demonstration period from January 1, 2019, to December 31, 2023, individuals in the ACA expansion population with income above 100 percent of the FPL were required to make contributions not to exceed two percent of their family income toward the cost of their health care. In addition, the state required all newly eligible adults with income from 0 up to and including 133 percent of the FPL to pay required Medicaid copayments as specified in the Medicaid state plan. The state was authorized to implement new conditions of eligibility for beneficiaries with income above 100 percent of the FPL through 133 percent of the FPL who have been enrolled in HMP for 48 or more cumulative months, including the completion of a health risk assessment (HRA) or a qualifying healthy behavior within the previous year and a premium of five percent of income. This new condition of eligibility, also referred to as the 48-month policy, was not implemented due to the maintenance of effort requirements of Section 6008 of the Families First Coronavirus Response Act (FFCRA) during the Public Health Emergency (PHE) related to the COVID-19 pandemic. Effective January 1, 2024, the state will no longer have authority for these policies and any premiums and copayments imposed on the new adult group must align with what is approved under state plan

authority. The state will no longer have the authority to condition eligibility on the basis of the completion of a HRA or qualifying healthy behavior.

On September 28, 2023, the state issued a notice to all Tribal Chairs and Health Directors in the state entitled, “Notice of Intent to Submit a revised Section 1915(b) Waiver Renewal Application for the Comprehensive Health Care Program (CHCP).” This notice is enclosed as an attachment to this letter. The state provides notice of its intent to formally add the HMP population as a Medicaid-eligible group to the existing managed care authority under CHCP. On November 29, 2023, CMS approved the state’s 1915(b) waiver renewal request, with the HMP population newly incorporated under the 1915(b) waiver. The effective date of the 1915(b) waiver renewal and change is January 1, 2024. As a result of this change, authority for the managed care delivery system for the new adult group authorized under the HMP demonstration will be transitioned to the 1915(b) waiver and beneficiary eligibility will not be impacted.

Beneficiaries will be notified of the above changes in their coverage. Additionally, according to the Special Terms and Conditions (STCs) 40, 42, and 54 of the demonstration, Michigan is required to submit any remaining monitoring reports, a Close Out Report, and a Summative Evaluation Report. The Close Out Report is due within 120 calendar days after the expiration of the demonstration and a Summative Evaluation Report is due within 18 months of the expiration of the demonstration. CMS will continue to work with Michigan to finalize these reports.

Your CMS project officer for this demonstration is Kamia Rathore. She is available to answer any questions concerning your section 1115 demonstration. Ms. Rathore can be reached at Kamia.Rathore@cms.hhs.gov.

If you have questions regarding this letter, please contact me at (410)786-9686.

Sincerely,

Jacey Cooper
Director

cc: Keri Toback, State Monitoring Lead, Medicaid and CHIP Operations Group