

Figure 1

Themes in Approved § 1115 ACA Expansion Waivers

Waiver Provision	AR	AZ	IA	IN	MI	MT	NH
Premium Assistance	QHP		ESI	ESI	QHP		QHP
Premiums / Monthly Contributions	X	X	X	X	X	X	
Healthy Behavior Incentives		X	X	X	X		
Waive Required Benefits (NEMT)			X	X			
Waive Reasonable Promptness				X			
Waive Retroactive Eligibility				X			X
Co-payments Above Statutory Limits				X			
12-Month Continuous Eligibility						X	

NOTES: QHP = Marketplace Qualified Health Plan. ESI = Employer-sponsored insurance. NEMT = Non-emergency medical transportation.

SOURCE: KFF analysis of waiver special terms and conditions.

Figure 2

Health Accounts in Michigan and Indiana's Waivers

Traditional Health Savings Account:

- Individuals contribute pre-tax dollars.
- Accounts are typically linked with high-deductible health plans.
- Funds are used to pay for medical care.

Healthy Michigan Health Accounts:

- Individuals contribute premiums and co-payments (post-tax dollars).
- Accounts are administered by third party vendor.
- Medicaid health plans provide services without a deductible, and account funds go to plans as part of capitated payment.

Indiana's POWER Health Accounts:

- Individuals contribute premiums (post-tax dollars).
- Accounts are administered by Medicaid health plans.
- State supplements individual contributions to total a \$2,500 account balance that funds services provided by health plans. Preventive services are not charged against account funds. Once account funds are exhausted, plans receive capitated payment from state.
- Providers can swipe beneficiary's debit card at point of service for faster reimbursement from account funds but at a discounted rate.

Figure 3

Healthy Behavior Incentive Program in Michigan's Waiver

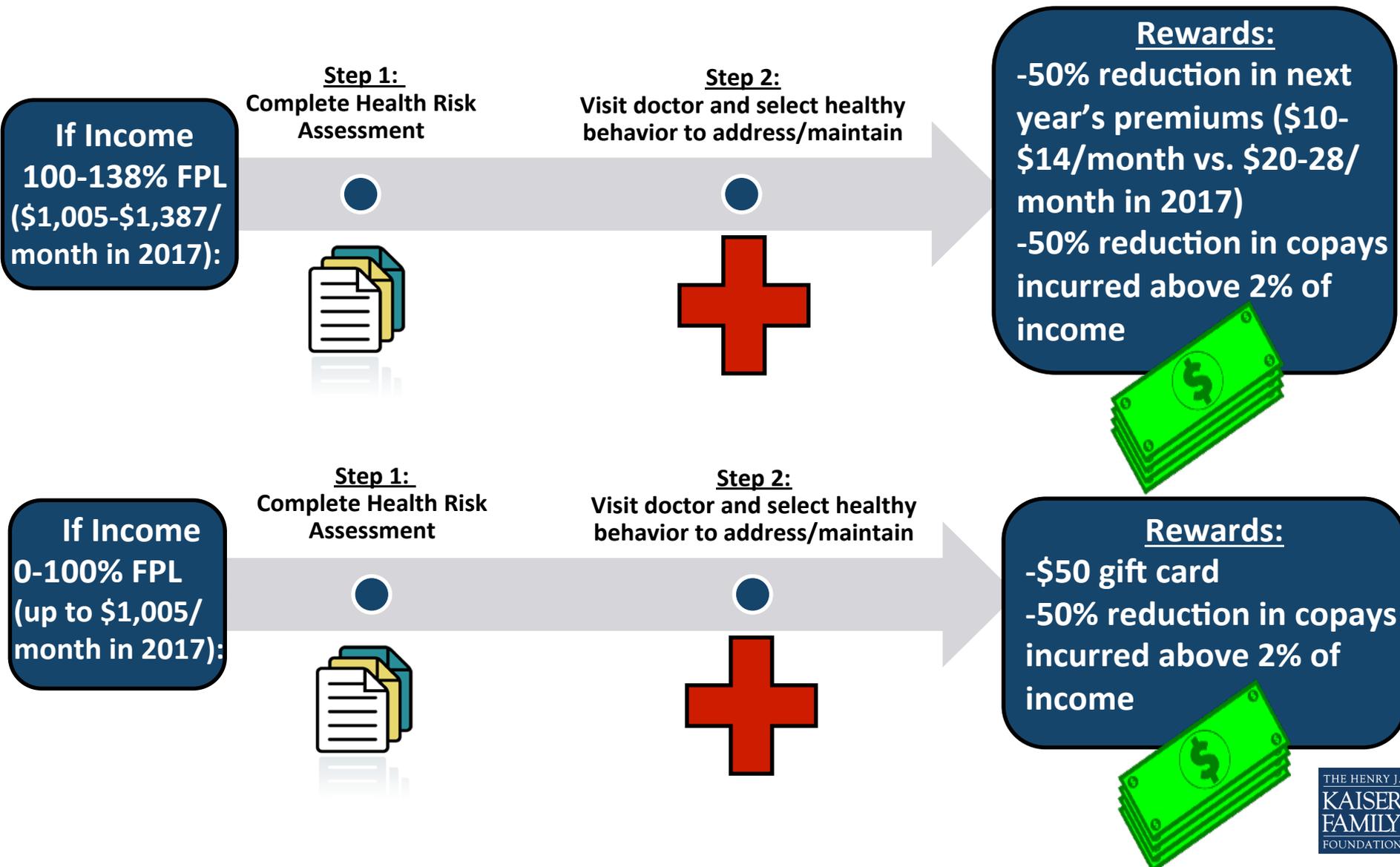
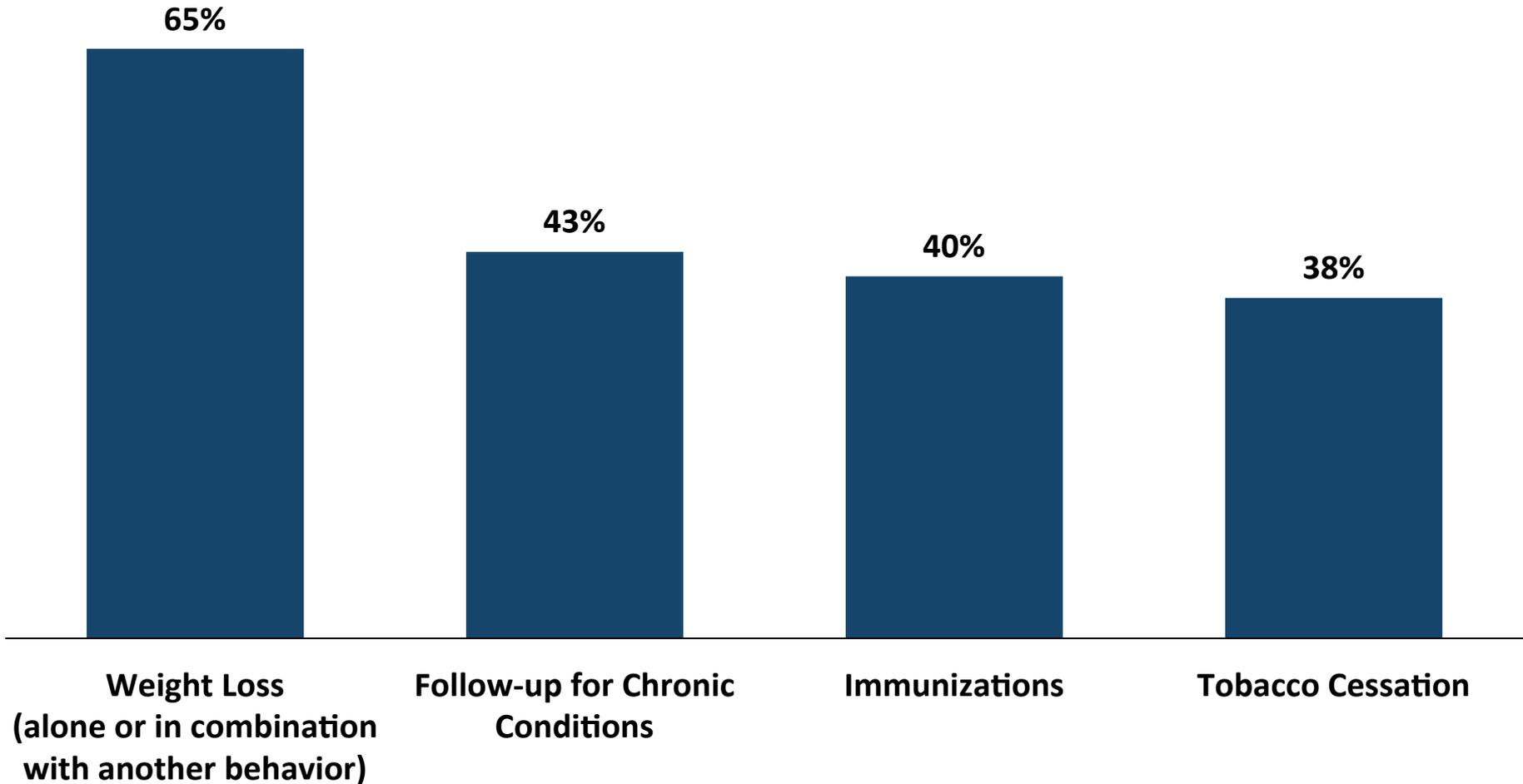


Figure 4

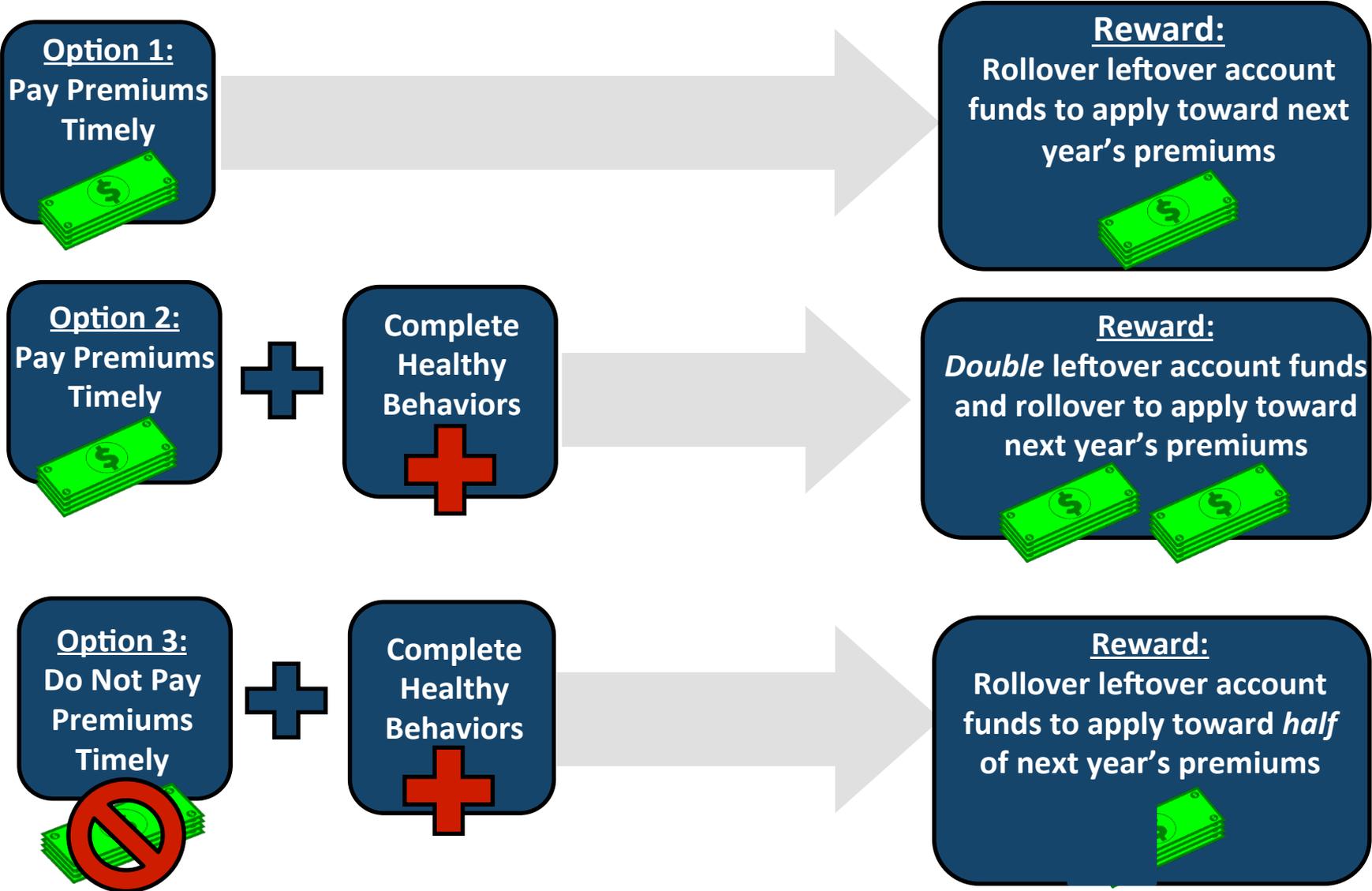
Healthy Michigan Selected Healthy Behaviors, as of June 2016



SOURCE: Mich. Dep't of Health & Human Servs., [Healthy Michigan Plan – Health Risk Assessment Report](#), (Lansing, MI: MDHSS, September, 2016).

Figure 5

Healthy Behavior Incentive Program in Indiana's Waiver



Early Insights From Michigan and Indiana: Health Accounts

- Beneficiaries, advocates, and providers expressed confusion about the purpose and use of health accounts and the account statements.
- Some health plans reported administrative burdens associated with the health accounts.
- Using the account debit card for reimbursement was seen as an administrative burden by some providers in Indiana.

“They send me a little credit card. . . I don’t know how that works.” – Indiana Medicaid Enrollee

“When I get those statements...I’m not really understanding what it’s all about... I mean you’re seeing all your services, but I really don’t understand the POWER account, what it’s all about and so on. It’s hard to understand.” – Indiana Medicaid Enrollee

Early Insights From Michigan and Indiana: Healthy Behavior Incentives

- Few beneficiaries to date had completed the required health risk assessment in Michigan, but those that do go on to select a healthy behavior to maintain or address to earn a reward.
- At the time of our study, data were not yet available about health account rollover funds in Indiana.
- In both states, it is unclear if a deferred benefit is an adequate incentive to participate in a healthy behavior program.

“I mean... everybody wants to be healthy... and if you have some kind of incentive like oh, at the end... I’m getting \$50, you know you can always use \$50. So yeah, I think it’s a good incentive.” – Michigan Medicaid Enrollee

“I got a \$50 gift card because I got my blood pressure down and my cholesterol down. And that... made everybody happy...but other than that I think it’s just about... going to see the doctor, getting your blood[work] done... It’s just like putting oil in your car, you know you’ve got to do something.” – Michigan Medicaid Enrollee

Looking Ahead: Issues to Watch

- Will CMS's formal waiver evaluation show whether health accounts and healthy behavior incentives change beneficiary behavior, lead to more efficient service use, and improve health outcomes?
- What effect will the 2018 changes in Michigan's waiver requiring compliance with healthy behaviors to remain in Medicaid managed care (vs. Medicaid premium assistance for Marketplace QHPs) have on beneficiaries from 100-138% FPL?
- Will administrative burdens and costs to states and health plans related to tracking health account status and healthy behavior compliance outweigh the benefits of these programs?
- Will CMS approve similar waivers in other states?
- Will states have the necessary data systems and communication mechanisms to exchange information among health plans, providers, and other stakeholders?
- What legislative or administrative changes to the Medicaid program will affect program design, waiver authority, and federal funding?