



## Michigan's Proposed Models for Expanding Coverage: An Analysis

This document presents analysis conducted by the Paraprofessional Healthcare Institute's *Health Care for Health Care Workers* initiative on how well the models being explored in the Models Development Workgroup of the Michigan State Planning Grant for the Uninsured might serve direct-care workers (DCWs).

The descriptions of the models are adapted from the [Expansion Model Evaluation Template \(EMET\)](#) used in the Models Development Workgroup and the model descriptions provided by [Health Management Associates](#). They are:

- Subsidized buy-in to the state employee health plan
- Expansion of the basic county benefits plan
- Medicaid expansion

The criteria used include:

- Affordability. This considers the cost to small employers as well as to DCWs. Affordability for DCWs looks at premium, co-payment and deductible costs. Research indicates that when premiums rise above four or five percent of income, enrollment by low-income workers decreases. Co-payments of more than \$10 for office and specialty visits are considered unaffordable, and the deductible should be nonexistent or minimal. We also look at whether the employer premium is less than \$261 a month, the average premium for employer-based individual coverage.
- Accessibility. This considers eligibility requirements and portability of benefits. Portability is important to ensure steady coverage, since turnover rates are high among DCWs. A model that bases eligibility on income should be at or below twice the federal poverty level in order to be accessible to DCWs, and the part-time nature of much direct-care work – particularly for those employed in the home health sector – requires that a model based on hours worked be set at a low threshold. Accessibility also considers whether the model addresses the barriers long-term care employers. If small organizations find affordable health insurance at all, they must often pay a higher rate than larger employers. While the Health Insurance Portability and Accountability Act of 1996 (HIPAA) prohibits insurers from denying coverage to employees with 2-50 employees because of industry or risk status, insurers can deny employers with 51 or more employees in high-risk categories. High-risk factors such as having an older workforce, high turnover rates, and exposure to hazardous working conditions are all common to long-term care.
- Adequacy. This evaluates a model's benefits package. DCWs have a high prevalence of asthma, depression, diabetes, high blood pressure, and obesity. They also have

high rates of work-related injuries, which can lead to increased rates of absenteeism and permanent disability. Therefore, a comprehensive benefit plan would include preventative and primary care, disease management, inpatient hospitalizations, physical and occupational therapy, behavioral health, and dental care.

	<b>Subsidized Buy-In to State Employees Health Plan</b>	<b>Expansion of County Health Plans</b>	<b>Medicaid Expansion</b>
<b>Affordability</b>			
Is the DCW share of the premium cost minimal?	<b>Yes</b> (for full-time workers)	<b>Yes</b>	<b>N/A</b>
Are out-of-pocket costs less than 5% of the average DCW's income?	<b>No</b>	<b>Yes</b>	<b>Yes</b>
Does the plan have low (e.g. \$10) co-payments?	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
Does the plan limit deductibles?	<b>No</b>	<b>N/A</b> (no deductibles)	<b>N/A</b> (no deductible)
Are subsidies available to help workers pay their share of the premium?	<b>No</b>	<b>No</b>	<b>N/A</b> (no premium)
Are premiums affordable for small employers?	<b>Yes</b>	<b>Yes</b>	<b>N/A</b>
<b>Accessibility</b>			
Is eligibility based on full-time work?	<b>No</b>	<b>No</b>	<b>No</b>
Does the plan allow part-time workers to enroll?	<b>Yes</b>	<b>Yes</b>	<b>N/A</b> (eligibility not tied to employment)
Are providers and health plans (managed care) available statewide?	<b>Yes</b>	<b>No</b>	<b>No</b>
Does the plan minimize adverse selection?	<b>No</b>	<b>No</b>	<b>N/A</b>
<b>Adequacy</b>			
Is the benefit plan comprehensive?	<b>Yes</b>	<b>Yes</b> , for third share <b>No</b> , for county health plans	<b>Yes</b>
Does the plan include prescription drugs, mental health, and dental health?	<b>Yes</b>	<b>Yes</b> , for third share <b>No</b> , for county health plans	<b>Yes</b>
Does the plan include disease management and therapy services?	<b>Yes</b>	<b>Some</b> third share programs provide disease management <b>No</b> county health plans provide these services	<b>Yes</b>
Does the plan have a stop-loss plan or catastrophic coverage?	<b>No</b>	<b>Yes</b> , for county health plans	<b>No</b>