

S.B. 278 Suggestions and Comments

Proposed language additions are indicated in italics and removal of current language is indicated with a strikethrough.

Board Composition

PHI does not see the need for an actuary on the Exchange Board. The services of an actuary can and should be purchased or contracted by the program. In addition, we recommend that the Board be expanded to include three representatives from the low-income health care advocacy community. These additional board members are necessary to represent the needs and interests of the uninsured served by the MI-HEART program.

- Page 5, lines 18-19 – The MI-HEART exchange shall be governed by a board consisting of the following *17* members
- Page 5-6, lines 27-2 – Three members appointed by the governor with the advice and consent of the senate, ~~1 of whom shall be a member in good standing of the American Academy of Actuaries,~~ *1 of whom shall represent the low-income health care advocacy community,* 1 of whom shall be a health economist, and 1 of whom shall represent a health care corporation.
- Page 6, lines 5-9 – *Five* members appointed by the senate majority leader, 1 of whom shall be an employee health benefit specialist, 1 of whom shall represent health maintenance organizations, 1 of whom shall represent the general public, 1 of whom shall represent medical providers, and *1 of whom shall represent the low-income health care advocacy community.*
- Page 6, lines 10-13 – *Five* members appointed by the speaker of the house representatives, 1 of whom shall represent small employers, 1 of whom shall represent medical providers, and *1 of whom shall represent the low-income health care advocacy community.*

MI-HEART Exchange Board Duties and Functions

The MI-HEART Exchange Board will be tasked with implementing a major complex health care initiative with two major components—subsidized products to low-income individuals and a product for small employers. It is important that the Board has enough time to implement both well in a staged manner to meet the needs of all stakeholders participating in this new system.

- Page 8, lines 11-13 – The exchange shall begin offering eligible health coverage plans *to individuals within 180 days and to small businesses within 240 days of procuring federal matching funds under section 31.*

- Page 8, lines 23-24 – Establishes procedures *and criteria* for the selection of and seal of approval for health coverage plans as provided in section 8 offered through the exchange.
- Page 9, new language – *Establishes a plan for educating individuals on the benefits of health care coverage and assisting individuals to select the plan that best meets their health care needs.*

Premium Assistance and Cost Sharing

Flexibility in setting premium assistance levels and affordable cost-sharing requirements are vital in ensuring this program is accessible to low-wage individuals and small businesses. The Board should have adequate flexibility in setting premium assistance levels as needed. In addition, cost-sharing requirements – premiums, co-payments, and co-insurance – should not exceed 5% of gross income. This cost sharing level is consistent with research that shows that low-wage individuals are less likely to accept coverage in which cost-sharing is more than 5% of income.

- Page 14, lines 2-5 – Premium assistance payments under the MI-HEART program shall be made as provided in this act and under a schedule *at least* annually by the board in consultation with the department of community health.
- Page 14, lines 22-26 – The MI-HEART program shall provide that an enrollee with a household income that exceeds 100% of the federal poverty level but does not exceed 200% of the federal poverty level is not responsible for *premium contribution payments, co-payments and coinsurance for covered services* that exceed 5% of his or her gross family income.
 - In this section, both “household income” and “family income” are used and in other sections they appear to be used interchangeably. For clarity and consistency, these terms should be defined to be consistent with current definitions of household and/or family in existing programs.

Benefit Package

While we recognize that the MI-HEART program is designed to provide coverage for basic health care services, we believe that physical and occupational therapy should be covered services. Low-wage individuals largely work in the service sector and rely on their bodies to perform their jobs. An untreated accident or injury could lead to increased absenteeism or unemployment. Physical and occupational therapy are necessary preventive health care services for this population.

- Page 13 - Add physical and occupational therapy as a covered service.

Additional Concerns

- The MI-HEART Act does not discuss value-based cost sharing for prescription drugs. Under a value-based benefit design, the co-payment for certain drugs that are considered clinically necessary and beneficial to control certain chronic conditions (i.e. insulin for diabetes), is either lowered or completely eliminated. Page 14, lines 12-15 discuss the co-payment structure for pharmaceutical products under the MI-HEART program, but does not discuss a value-based co-payment structure. This benefit structure for drugs is an important component in the Michigan First Health Care Plan that PHI believes should be authorized in this legislation.

- While emergency room services are covered under the MI-HEART program, not enough detail is provided in the legislation regarding this service. Page 14, lines 15-16 discuss the co-payment structure for emergency room services for non-emergency conditions. PHI recommends that the co-payment for emergency room services are only assessed if the insurer has an adequate provider network and triage services, such as a nurse help-line or urgent care services, to assure that individuals have access to appropriate primary care services.
- In various sections of this legislation, the terms household and family income are used interchangeably. Was this done on purpose to indicate two different levels of determining income? For clarity and consistency, these terms should be defined and mirror current for definitions of household and/or family in existing health care coverage programs.

Thank you for the opportunity to provide recommendations to the MI-HEART Act. If you have any questions or concerns about the information provided, please feel free to contact Tameshia Bridges at (517) 372-8310 or tbridges@paraprofessional.org or Hollis Turnham at (517) 327-0331 or Hollis@paraprofessional.org.