
HEALTH POLICY UPDATE

HEALTHY SAFETY NET 2023

OCTOBER 16, 2023

This document is intended to build awareness and understanding of potential changes and issues related to the future regulatory environment for health care. This document is to be used as an educational tool only - it is not intended to provide predictions of future outcomes, comprehensive implications, or to impart tax or legal advice. Further, the information contained in this document is only informed as of the date of its creation and does not replace a more rigorous review of additional guidance pending from the federal or state government.

Congress may pass significant health policy legislation in 2023

TRANSPARENCY



PHARMACY BENEFIT MANAGERS



SITE-NEUTRAL PAYMENT REFORM



Federal budget negotiations and other legislative priorities could delay passage of health policy legislation.



Federal efforts to address prescription drug costs and shortages

POLICIES UNDERWAY

Drug price negotiations

ONGOING DISCUSSIONS

Improve competition

Insulin caps

DRUG SHORTAGES

Buffer stocks

Notice of disruption



RSV vaccine for infants, pregnant people and seniors: The Centers for Disease Control and Prevention recommended an immunization for infants up to 19 months of age and vaccines for pregnant people and adults 60 years or older.

COVID-19 vaccine: The CDC recommends the updated COVID-19 vaccine for anyone six months of age and older.

- Health plans, Medicare and Medicaid are now purchasing COVID-19 vaccine products.
- Uninsured adults still have access through temporary Bridge Access Program
- Uninsured children (age 19 and under) and Native American or Alaska Natives served through the Vaccines for Children program

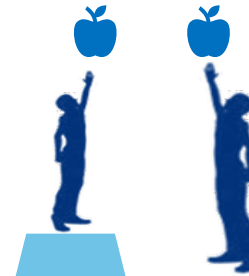
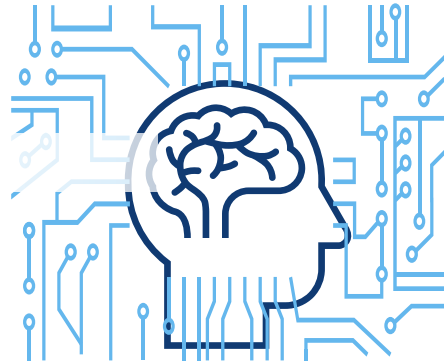


Telehealth



Behavioral health

Artificial intelligence

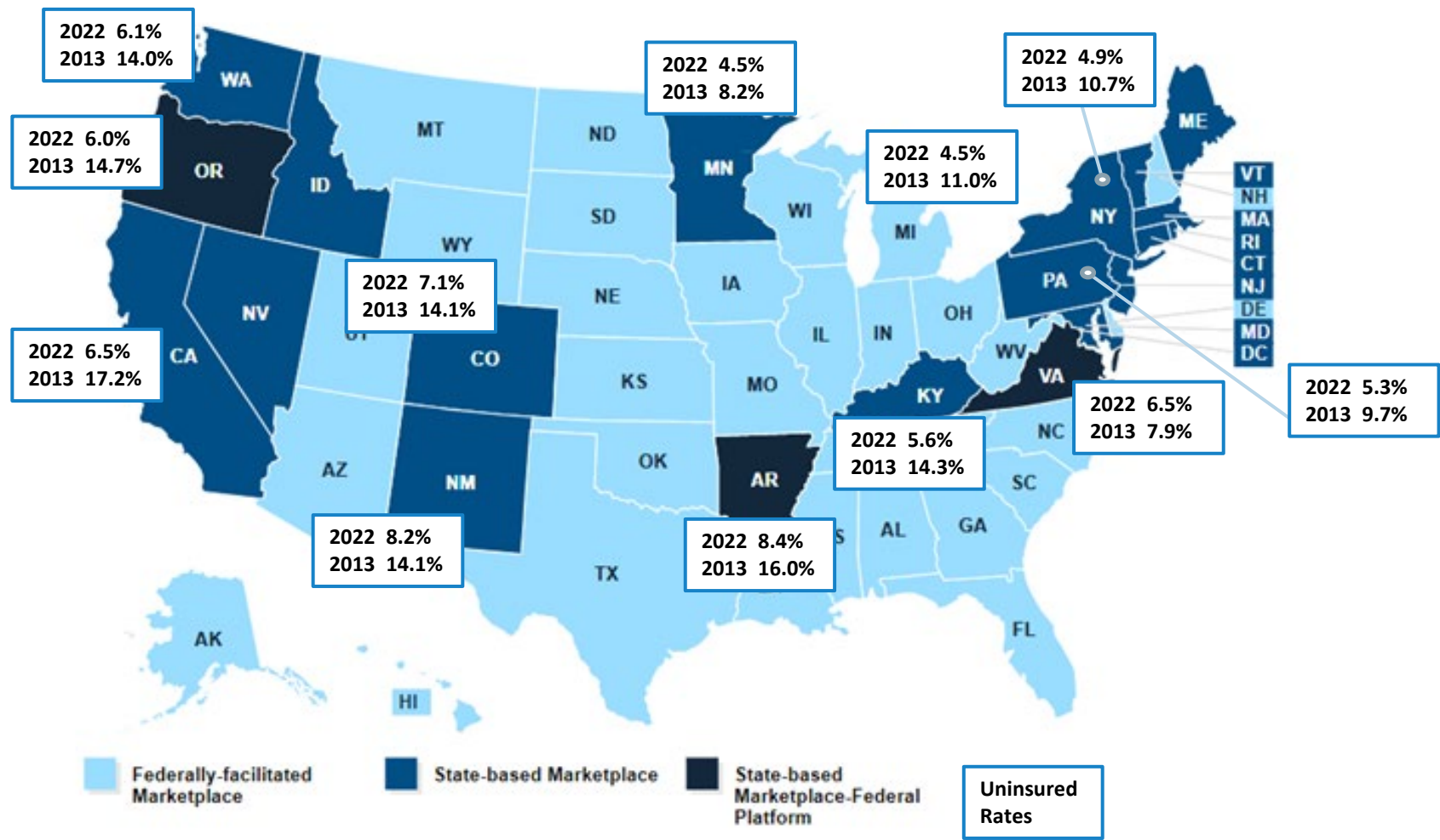


Health equity

To assess the value of a state exchange, here are three key factors to consider:

1. Will it **increase access to coverage**?
2. Will it **reduce costs**?
3. Will it **improve customer service**?

Do states with state-based exchanges have lower uninsured rates?



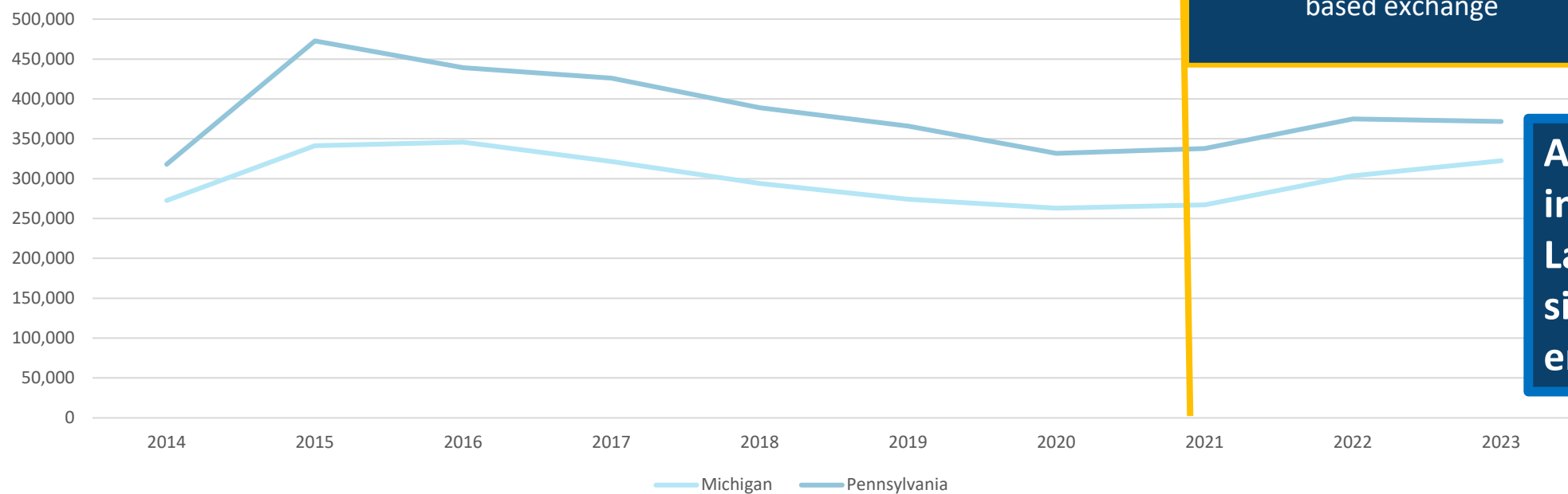
We have not seen compelling evidence that transitioning to a state-based exchange will lead to lower uninsured rates.

Source: [Health Insurance Coverage of the Total Population - Kaiser State Health Facts](#)

Do states with state-based exchanges increase access? ACA enrollment for Pennsylvania and Michigan

State	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Percent Change 2020-2022	Uninsured Rate
Michigan	272,539	341,183	345,813	321,451	293,940	274,058	262,919	267,070	303,550	322,273	+ 22.6%	4.5%
Pennsylvania	318,077	472,697	439,238	426,059	389,081	365,888	331,825	337,772	374,776	371,516	+12.0%	5.3%

ACA Enrollment for Michigan and Pennsylvania from 2014-2023

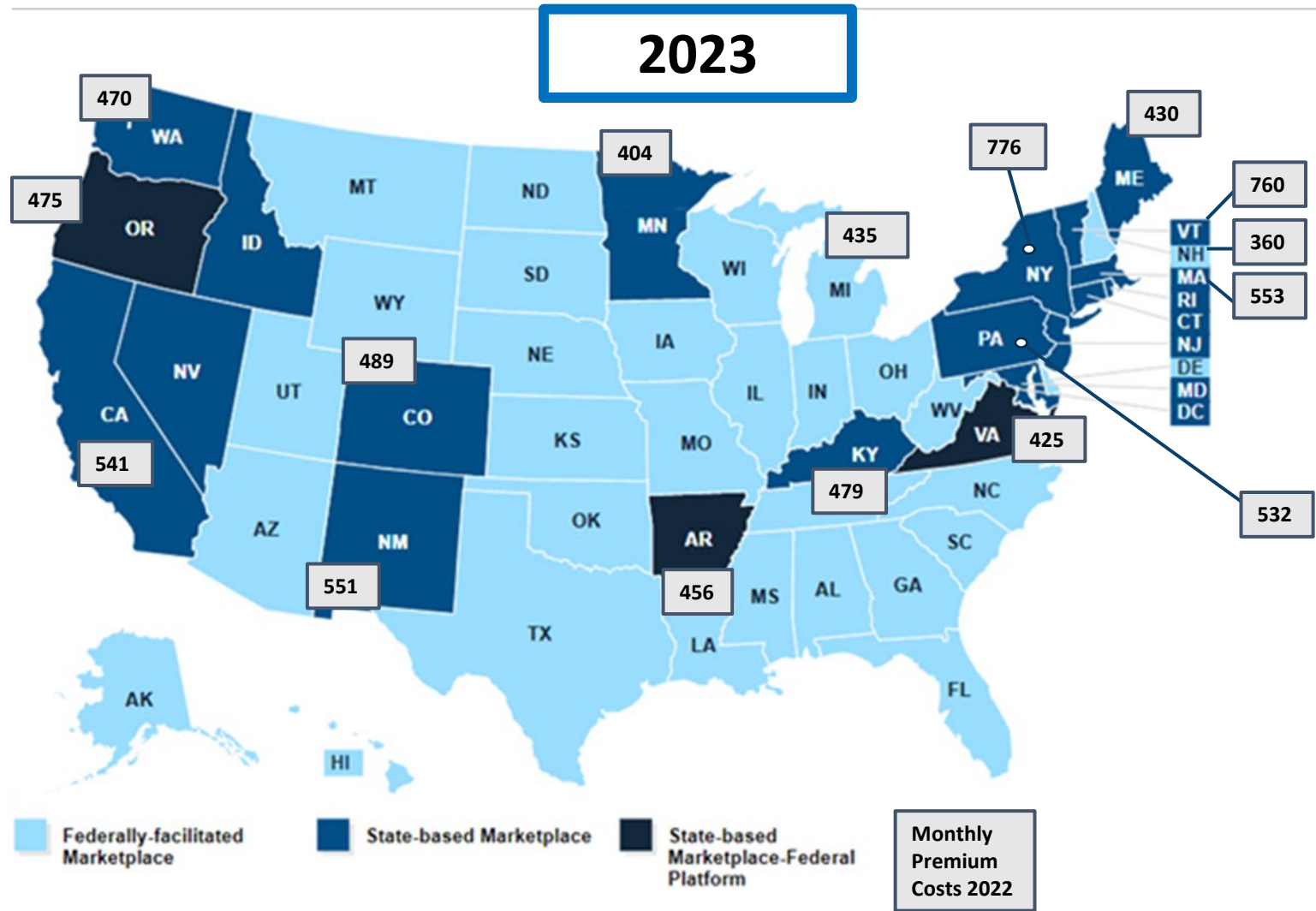


Pennsylvania switch to state-based exchange

A state-based exchange in a similar-sized Great Lakes state did not significantly increase enrollment

[Marketplace Enrollment, 2014-2023 | KFF](#)

Do states with state-based exchanges have lower premium costs?



Michigan Premium: \$435

**National Average Premium:
\$560**

**We have not seen
compelling evidence that
transitioning to a state-
based exchange will lead
to lower premium costs.**

Source: [Average Cost of Health Insurance \(2023\) – ValuePenguin](#)

Policy premiums are for a 40-year-old applicant on a silver plan.



Earlier this year, a Texas judge issued a nationwide order stopping the enforcement of certain preventive services mandated by the Affordable Care Act. That ruling has been stayed pending appeal.

In response to that ruling, the Michigan legislature has advanced bills to codify provisions of the Affordable Care Act into state law.

BCBSM supports maintaining these preventive services in place without cost sharing until all appeals to the court's decision are finalized.

Blue Cross Blue Shield of Michigan recognizes that **preventive services** like, access to no-cost screenings, counseling services and preventive medications **are critical to early detection, breaking down barriers to care and improving overall health.**

When someone has an emergency and needs an ambulance, the last thing they should have to worry about is receiving a surprise bill from an out-of-network ambulance company.

That is why BCBSM is working to advance legislation to protect patients from ground ambulance surprise billing.

- Current state laws **do not** protect Michiganders from ground ambulance surprise bills; in fact, ground ambulance providers are the only provider group still allowed to surprise bill patients, leaving consumers and health insurers to pay excessive, unchecked rates and surprise bills.
- As a result of this gap in law, **Michiganders are being hit with thousands of dollars in surprise bills** and for many, these bills can be financially devastating.
- The legislation would cap payments to nonparticipating ground ambulance providers at either the insurer's median contracted rate or 150% of the Medicare rate, whichever is greater.
- We remain hopeful the legislature will advance this critical consumer protection.

Working to together to address high drug costs

Prescription drug costs are the **fastest growing consumer health expense** and will continue that path without action.

These escalating prices continue to concern BCBSM, and we believe everyone should have access to affordable, effective, and safe medications

A glimpse at national health care average expenses



Source: [America's Health Insurance Plans](#)



The Governor and legislature continue to work on solutions to address high drug costs, including a bill to create a **Prescription Drug Affordability Board** to examine drug prices and set a reimbursement maximum if a drug's price is found to be exorbitant.

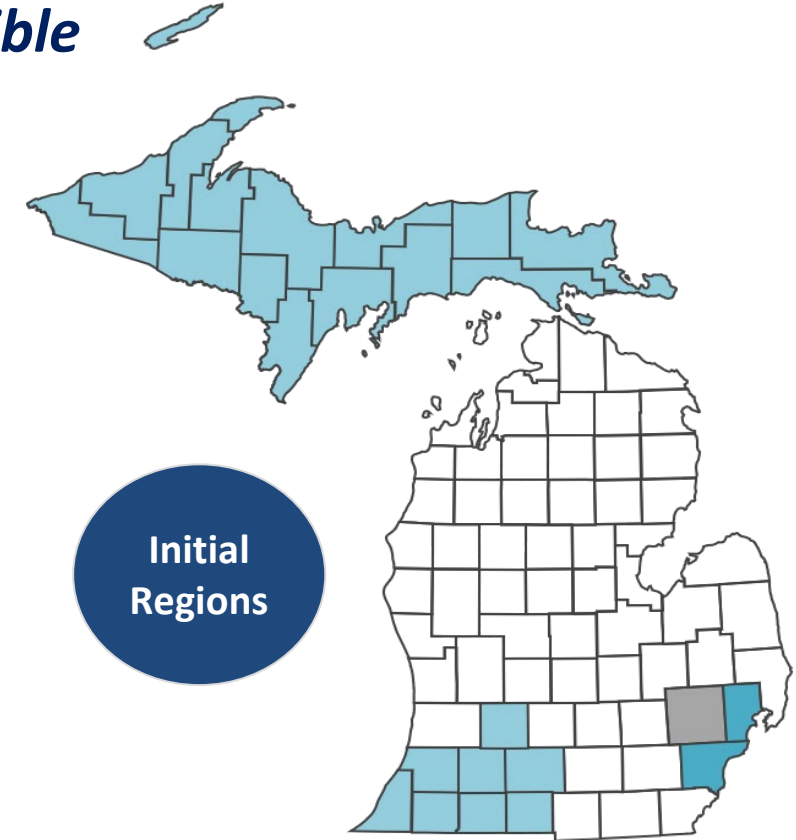
BCBSM remains committed to working with policymakers to **find solutions that address the root cause of these high costs** – pharmaceutical companies and their ability to increase prescription prices every year.

MDHHS to transition the Duals Demonstration program to a Highly Integrated Dual Eligible (HIDE) plan

Michigan has over 350,000 individuals that are “dually” eligible for both Medicaid and Medicare.

- For the last decade, MDHHS has administered a demonstration project to serve dually eligible individuals.
- The federal government is ending the demonstration and MDHHS is planning to transition to a Highly Integrated Dual Eligible program.
- The HIDE will provide Medicare, Medicaid, Managed Long Term Support Service, and Home and Community Based Services.
- The State will be releasing a competitive RFP process later this year or early next year, with HIDE plans beginning to serve duals in January of 2026.

These HIDE Plans have great potential to provide better care and service to Michigan’s duals population.



HIDEs are expected to begin in 3 regions:
Southwest, Southeast and the Upper Peninsula Regions. The rest of the state will begin at a date yet to be determined

HMP Reform: Streamlines program and creates opportunities to better serve Medicaid members and improve health outcomes

Governor Whitmer signed legislation into law reforming the Medicaid expansion program. BCBSM is grateful to have partnered on the passage of this legislation and for the opportunity to work with MDHHS on the implementation of this new law to better serve enrollees and improve health outcomes

- **Eliminates language that would end the Medicaid expansion program** if certain expectations are not met.
- **Repeals work requirements** for enrollees.
- **Eliminates complex premium and cost-sharing** requirements for enrollees.
- **No longer requires the** administratively burdensome **“MiHealth Account”**
- Allows but **does not require health risk assessments** that providers find burdensome
- Provides more flexibility and an opportunity **to modernize the Medicaid plan quality improvement program.**
- Directs MDHHS and plans to work together to create **“healthy behavior incentives”** that help enrollees achieve better health outcomes.

Questions?