



mahp
Michigan Association
of Health Plans

MAHP: Who We Are

- The Michigan Association of Health Plans is a nonprofit corporation established to promote the interests of member health plans.
- MAHP's mission is "to provide leadership for the promotion and advocacy of high quality, accessible health care for the citizens of Michigan."
- Represents 10 health plans covering all of Michigan and more than 45 related business and affiliated organizations. Our member health plans employ about 8,000 persons throughout the state.
- Member health plans provide coverage for more than 3 million Michigan citizens – nearly one in every three Michiganders.
- Member health plans collect and use health care data, support the use of "evidence based medicine", and facilitate disease management and care coordination in order to provide cost-effective care.



Our members

Aetna Better Health of Michigan ^{1,2,3}

Michigan Complete Health ³

Health Alliance Plan ^{1,2,3}

Molina Healthcare of Michigan ^{1,2,3}

Physicians Health Plan ¹

Total Health Care Plan ^{1,2,3}

McLaren Health Plan ^{1,2,3}

Meridian Health Plan ^{1,2,3}

Paramount Care of Michigan ^{1,3}

Priority Health ^{1,2,3}

Upper Peninsula Health Plan ^{2,3}

United Healthcare Community Plan ^{1,2,3}

Key: 1 = Commercial Health Plan

2 = Medicaid Health Plan

**3 = Medicare Advantage or Medicare Special
Needs Plan**



MAHP VISION

MAHP members expand coverage access for Consumers. Michigan will provide should be a national leader in providing health insurance coverage options to the State's population.

Michigan's health insurance industry improves value, affordability, choice and competition. By fostering competition, Michigan will become one of the top 25 competitive states for health insurance.

MAHP members will advocate for the improved health status of Michigan consumers. MAHP members will work with partners in government, the provider community, community organizations, and business leaders to improve the health status of Michigan residents in areas that MAHP members serve through meaningful transparency and a focus on integrating benefits.

COVID-19 Effects on Health Insurance

Robert Wood Johnson Foundation Estimates:

- May 4, 2020 research estimates that with 20% national unemployment rate, more than 25.3 million people would lose access to Employer-Sponsored Insurance (ESI).
- Medicaid expected to grow by 11.8 million enrollees.
- Uninsured expected to grow by 7.3 million people.
- Individual Market expected to grow by 6.2 million people.
- Expansion States are estimated to see about half of the newly uninsured obtaining Medicaid coverage.
- Michigan specific estimates at 20% unemployment: Loss of 749,000 ESI, gain of 432,000 in Medicaid, gain of 163,000 in Individual Market, gain of 155,00 uninsured.
- <https://www.rwjf.org/en/library/research/2020/05/how-the-covid-19-recession-could-affect-health-insurance-coverage.html>

COVID-19 Effects on Health Insurance

Health Management Associates Estimates:

- April 3, 2020 report Forecasts Medicaid enrollment could increase by 11-22% nationwide.
- Michigan specific “Medium” scenario:
 - Loss of ESI – 774,000
 - Gain in Medicaid – 599,000
 - Gain in Individual Market – 65,000
 - Gain in Uninsured – 110,000
- <https://www.healthmanagement.com/wp-content/uploads/HMA-Estimates-of-COVID-Impact-on-Coverage-public-version-for-April-3-830-CT.pdf>

COVID-19 Effects on Health Insurance

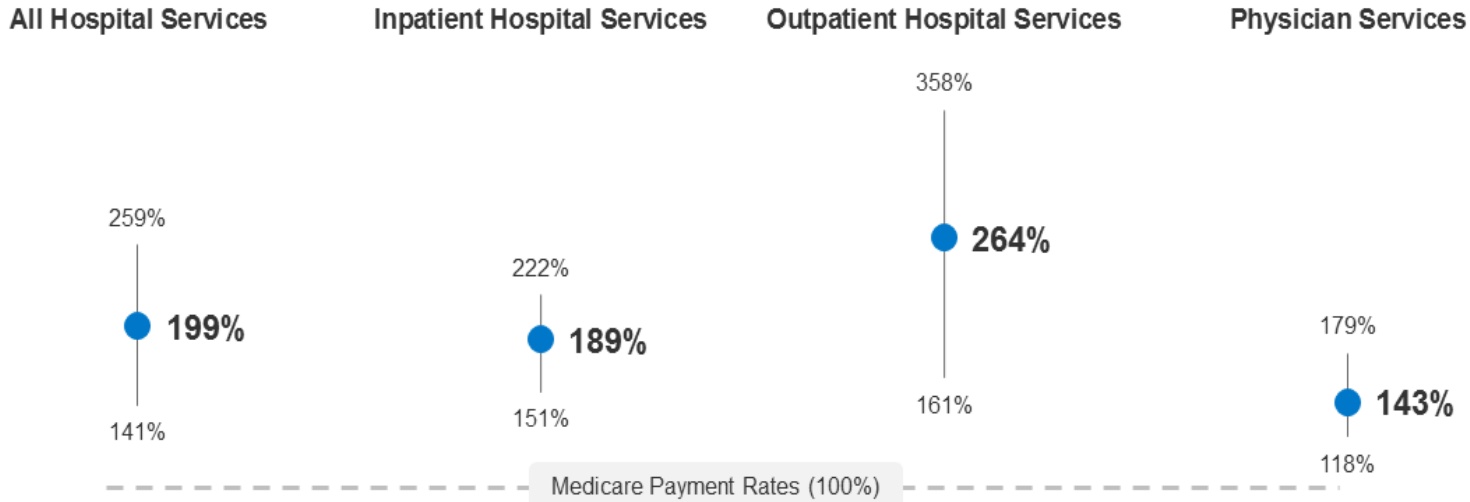
- Movement between Health Insurance Markets will directly effect Michigan health care providers.
- As people lose access to qualified health care coverage through Employer-Sponsored Insurance and move to Medicaid or Uninsured, provider overall reimbursement levels will fall.
- For example, while exact reimbursement levels for providers have a myriad of variables, national studies suggest that commercial reimbursement rates for hospital services are on average 199% of Medicare levels.
- For 2016, a review by Kaiser Family Foundation of Michigan FFS fee schedule against Medicare, showed primary care services for physicians eligible for allowed uplifted fee levels to be reimbursed at approximately 71% of Medicare.

COVID-19 Effects on Health Insurance

ES Figure 1

Private Payment Rates Are Higher Than Medicare Rates for Hospital and Physician Services

● Average Private Insurance Rates as a Percentage of Medicare Rates, Across Studies Using 2010-2017 Data



SOURCE: KFF analysis of 19 published studies comparing private insurance and Medicare payments to providers. Because some studies analyze payments to providers in multiple service categories, the number of studies across all categories is greater than 19.



COVID-19 Effects on Health Insurance

Hypothetical Math Quiz:

2018 ESI total annual premium average in Michigan = \$6,322 (Employer + Employee Cost Share)

85% Medical Loss Ratio applied to average ESI premium to estimate amount per individual spent on medical care = \$5,373

Estimated ESI market loss, minus 100,000 people that are estimated to enter the Individual Market = 650,000 people losing commercial coverage.

Of those estimated to lose ESI coverage and not migrate to the Individual Market, roughly 450,000 are estimated to enroll in Medicaid.

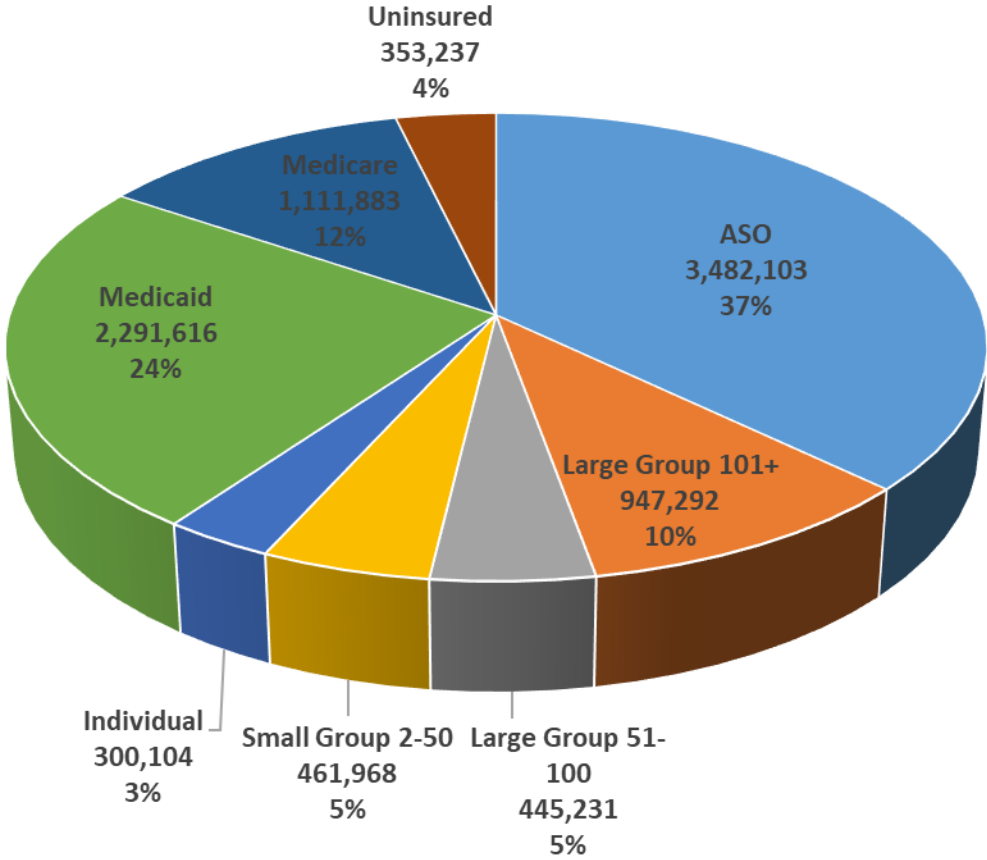
Estimated Medicaid reimbursement level of 71% of Medicare rates. Medicare rates estimated to be 200% below Commercial reimbursements.

\$2.9 Billion in potentially lost provider revenue



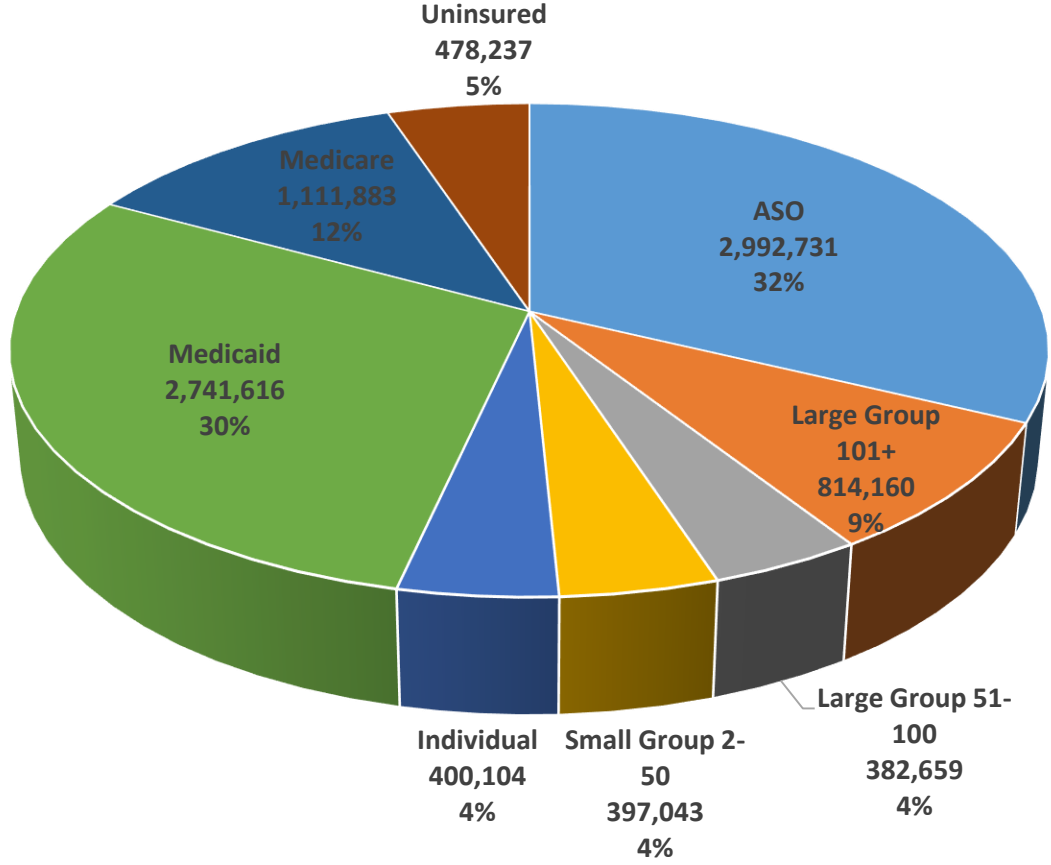
COVID-19 Effects on Health Insurance

Source of Insurance - 2019



Estimated Insurance Enrollment

Post-COVID



Policy Considerations

- Supporting Michigan's businesses through disaster aid packages is a critical first step. But ensuring that Michigan's workforce can continue to have access to health insurance coverage is essential to Michigan's economic recovery.
- Potential for Assistance to Employers and Employees (NOT insurers)
 1. Provide employers with temporary subsidies to preserve current health benefits.
 2. Cover the cost of coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA)
 3. Expand the use of Health Savings Accounts.
 4. Open a Special Enrollment Period (SEP) for the federally facilitated individual market.
 5. Increase eligibility and federal financial assistance subsidies for individuals to buy coverage on the individual market.
- Action should be taken to support and stabilize access to coverage and care for Michigan families, strengthen businesses, and supply health care providers on the front line with the resources they need to continue fighting the pandemic. Federal efforts being led by the American Hospital Association, US Chamber of Commerce, and AHIP.



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