



**MICHIGAN HEALTH**

**ENDOWMENT FUND**



# How Many Different Types of Nonprofits?

## 27 Different Types of Nonprofit Designations

1. Social Advocacy Groups
2. Charitable Organizations
3. Foundations
4. Civil League, Social Welfare Organization or Local Employee Association
5. Trade or Professional Association
6. Social or Recreation Club
7. Fraternal Societies
8. Employee Beneficiary Association
9. Teacher's Retirement Fund Associations
10. Veterans Organizations

# ABOUT THE HEALTH FUND

## MISSION

To improve the health of Michigan residents, with special emphasis on the health and wellness of children and seniors, while reducing the cost of health care.

**ESTABLISHED** 2013, Public Act 4

**2023 GRANTMAKING** \$35 million

**BEYOND GRANTMAKING**

- Partnership and collaboration
- Capacity building for health nonprofits
- Engaging and informing leaders

# ABOUT THE HEALTH FUND

- **2013**
  - PA 4 of 2013 authorized changes to BCBS organizational structure
    - Required BCBSM to contribute \$1.56B to a health endowment fund benefitting Michigan citizens with a focus on children and seniors in 8 areas
  - 9-member board appointed by Governor
- **2014 -2015**
  - Board embarks on “listening tour”
  - Health fund issues \$38M in grants in first round
  - Board reorganizes, hires first staff members
- **2017-2018**
  - First year Health Fund has a full cycle of grantmaking
  - Applications for grants dramatically increase
  - Largest health foundation in Michigan.



# OUR 2025 GOALS

1

**INCREASE ACCESS TO SERVICES**

2

**BRIDGE HEALTH EQUITY GAPS**

3

**ADVANCE INTEGRATED CARE**

4

**SHARE KNOWLEDGE AND LEARNING**

5

**INCREASE EFFICACY & COST EFFECTIVENESS**

6

**STRENGTHEN HEALTH WORKFORCE AND NONPROFIT COMMUNITY**

# GRANTMAKING OVERVIEW

	<b>GRANT RANGE</b>	<b>CYCLE OPENS</b>	<b>2024 AWARDS</b>
<b>BEHAVIORAL HEALTH</b>	Up to \$500,000	Winter	September
<b>NUTRITION &amp; HEALTHY LIFESTYLES</b>	Up to \$500,000	Winter	September
<b>MATERNAL &amp; INFANT HEALTH</b>	Up to \$200,000	Winter	May
<b>HEALTHY AGING</b>	Up to \$500,000	Spring	November
<b>COMMUNITY HEALTH IMPACT</b>	Up to \$150,000	Rolling	May, November
<b>CAPACITY BUILDING</b>	Up to \$150,000	Rolling	May, November
<b>SPECIAL PROJECTS &amp; EMERGING IDEAS</b>	Up to \$500,000	Summer, by invitation	November

# BEHAVIORAL

# HEALTH

**GRANT RANGE** UP TO \$500,000

**APPLICATIONS OPEN** FEBRUARY

Improving access to high-quality mental health and substance use disorder treatment, with a focus on expanding integration of care and the behavioral health workforce.



**NUTRITION &**

**HEALTHY LIFESTYLES**

**GRANT RANGE** UP TO \$500,000

**APPLICATIONS OPEN** MARCH

Improving food systems, eliminating barriers to healthy eating, and promoting opportunities for access to physical activity and wellness interventions, with an emphasis on children.





**HEALTHY**

**AGING**

**GRANT RANGE** UP TO \$500,000

**APPLICATIONS OPEN** APRIL

Improving the quality and coordination of care and supporting caregivers to support the health and well-being of older adults.



**MATERNAL**

**& INFANT HEALTH**

**GRANT RANGE** UP TO \$200,000

**APPLICATIONS OPEN** DECEMBER

Reduce disparities, increase access to care, and improve outcomes for infants and their mothers.



**COMMUNITY**

**HEALTH IMPACT**

**GRANT RANGE** UP TO \$150,000

**APPLICATIONS OPEN** THROUGH AUGUST 2024

Supporting bold ideas that empower communities to solve their most pressing health challenges



# Legislative Education

- Largest Health-related foundation in the state of Michigan.
  - Important to serve as a resource for health policy matters.
- Since 2020, partnered with IPPSR and Center for Health and Research Transformation (CHRT) to established a collaborative for House and Senate members overseeing health policy matters.
- The initiative includes topic-specific briefs and discussion forums on critical and timely health policy issues.
  - Mental health/substance abuse, Healthcare workforce, Healthcare costs/transparency, and Resources for older adults



# Building on Success

- Inaugural Forum Recap (Spring 2024)
  - Topics: Behavioral Health & Healthcare Workforce
  - Featured Presenters: State agencies and behavioral health leaders
  - Key Impact: Fostered bipartisan collaboration to advance the field
- What's Next
  - Planning our next session in the coming months (e.g., Medicaid 101)
  - Continued focus on actionable solutions and partnership opportunities





# FIND US

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CHRT

# Michigan Medicaid 101

*Key Facts and Policy Insights*



# Who is Covered by Medicaid?



## Eligibility and Enrollment

Over 2.3 million enrolled in Michigan as of Sept. 2024.

- 1.44 million adults
- 924,877 children

Figure 1

Low income - up to 138% of federal poverty level

- In 2025 this threshold is \$20,783 for a single person, \$35,632 for a family of three

Other populations with “categorical eligibility”

- Pregnant women
- Disabled individuals
- Aged and receiving long term supports and services

## Benefits

### Optional, covered by Michigan Medicaid

Dental,  
Vision,  
Prescription drugs,  
Hospice,  
Chiropractic,  
Doula care as well as expanded behavioral health, social needs, and others

Figure 2

### Federally required minimum for all states

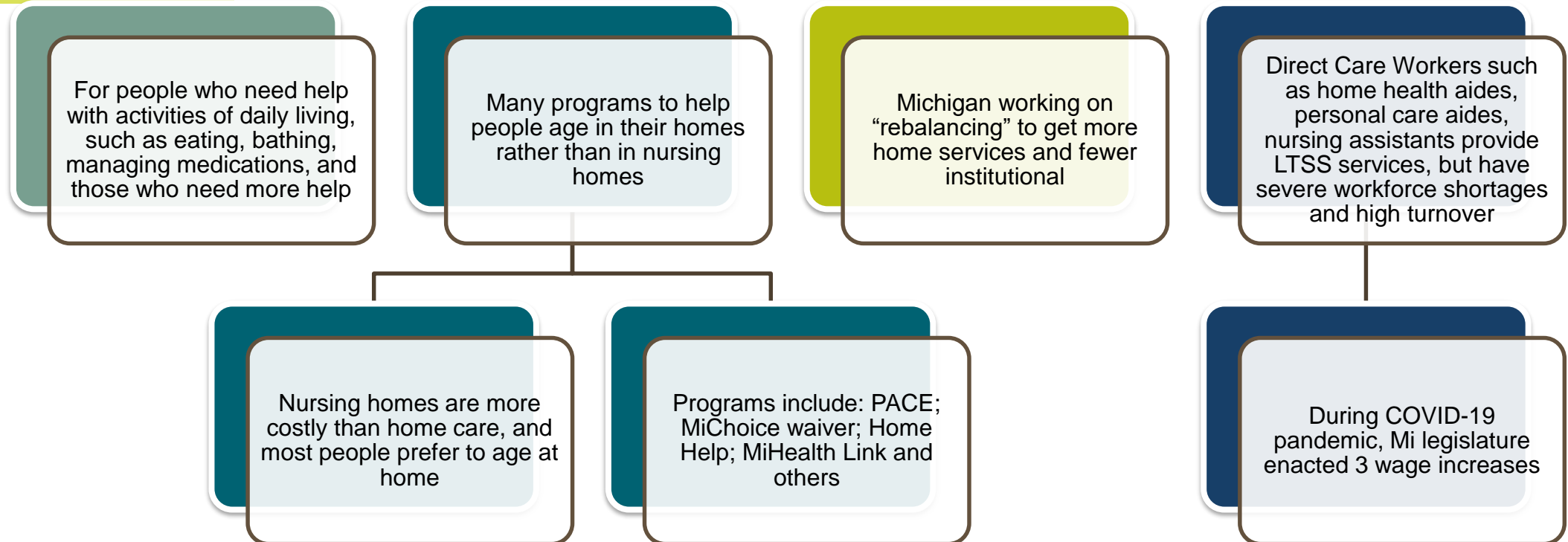
- Hospital care,
- Physician services,
- Lab services,
- Ambulance,
- Family planning,
- Home health services

### Federally required minimum for all states' children

- Early periodic screening diagnostic and treatment benefit (EPSDT) for preventive care – dental, mental health, specialty care

# Long-term Supports and Services

Figure 3



# Medicaid Program Flexibility – Waivers

Figure 4

1

Centers for Medicare and Medicaid Services (CMS) sets eligibility and benefit requirements

2

States can apply for waivers or state plan amendments (SPA) to

- Expand the scope of services
- Expand eligible populations

3

In July 2024, Michigan Medicaid had 10 approved waivers, including

- Additional services for those with behavioral health needs
- Guidance for Medicaid managed care programs
- Support for home and community-based services



# How is Medicaid Funded?

# Federal and State Funding

Figure 5



**Joint federal and state funding = \$24 billion for Medicaid in FY 24-25**

MDHHS is largest spending category in state budget (45%); Medicaid is largest category in MDHHS budget



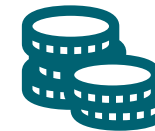
**Federal funding for Medicaid**

National FMAP ranges from 50% - 83% In 2025. Michigan will receive 65% of cost of Medicaid from federal government.



**Federal funding for Medicaid expansion**

Healthy Michigan Plan costs are primarily (90%) paid by federal government.



**State Medicaid funds primarily from General Fund/General Purpose revenue**



# What is the Impact of the Affordable Care Act (ACA) on Michigan Medicaid?

# Medicaid Expansion in Michigan

Figure 6

ACA passed in 2010. In 2012, Supreme Court ruled that states had option of expanding Medicaid. Michigan expansion, called Healthy Michigan Plan, began in 2014 (earlier than most).

All Michiganders eligible if income at or below 138% FPL – no longer need to be in a certain category so many single adults previously uninsured now have HMP coverage.

Uninsured rate in Michigan used to hover around 12%. In 2023 it was 5.4% for under age 65.

Evaluation of HMP has shown improvements in physical, mental, and oral health, and reduced uncompensated care costs for hospitals across the state.





# How is Michigan Medicaid different from other states' Medicaid programs?

# Managed Care Structure

Figure 7

Michigan contracts with health plans to enroll Medicaid beneficiaries and deliver Medicaid benefits and services

- In Dec 2024, 1.77m beneficiaries were enrolled with these Medicaid Health Plans. Others receive “traditional” Medicaid through fee-for-service funding

Plans are funded by a capitated rate and assume full financial risk for services provided

- Incentivizes plans to deliver appropriate, preventive, high-quality care and reduce unnecessary care
- Incentivizes plans to offer additional benefits beyond what the state and CMS require

# Behavioral Health Carve Out

Figure 8



**Michigan one of just 6 states with behavioral health carve out in Medicaid**

Those with mild to moderate needs covered by Medicaid health plans along with all other benefits  
Those with moderate to severe needs covered by public behavioral health system.  
Intellectual and developmentally disabled also get services through carve out



**Public behavioral health services are administered through 10 regional “Prepaid Inpatient Health Plans” or “PIHPs” and CMHs**



**In recent years, efforts to “carve back in” the public behavioral health benefit, referred to as the “298 effort”**

Medicaid health plans support a carve in  
Behavioral health advocates generally oppose a carve in



# What are the Key Challenges in Michigan Medicaid?

# Enrollment Complexity - Churn

Figure 9



High proportions of Medicaid beneficiaries frequently enroll and disenroll = “Churn”

Creates high administrative burden on Medicaid  
Caused by fluctuations in income, job instability, changes in health



Efforts to reduce churn include:

Lengthening eligibility periods (Michigan has 1-year renewal requirements)  
Automatic renewals

# Healthcare Cost Increases

Figure 10

Demand for Medicaid is countercyclical with state economy, presenting major pressure on state budgets

- Some subgroups, such as dual-eligibles, are disproportionately costly
- Children are consistently the lowest cost beneficiaries

Historically very low provider reimbursement rates

- Leads to very low provider participation rates, so low-income residents across the state have greater difficulty accessing care
- Legislature raised provider rates in 2 most recent budget periods, including for home health agency services, ambulance, dental care and behavioral healthcare

# Public Health Emergency “Unwind”

Figure 11



During COVID-19 pandemic, CMS required states to enact continuous Medicaid enrollment to receive temporary 6.2 percentage point increase in federal match



When emergency ended, states returned to regular redeterminations. 979,900 Michiganders lost coverage

Some have higher incomes and no longer qualify  
Others are still eligible but have not been able to enroll for procedural reasons

## New Administration: Significant Changes Anticipated

Current proposals being floated = \$2.3 trillion in cuts/reduced spending for Medicaid, including:

- Implement per capita caps
- Reduce ACA match rates for Medicaid expansion
- Lower the FMAP floor below 50%
- Limit use of provider taxes to fund State Medicaid programs
- Impose work requirements (via 1115 Waivers)
- Reverse or delay implementation of Biden administration regulations designed to streamline enrollment and renewal processes

Shifts greater pressure onto the States, including financial risk



## Medicaid Primer and Our Contact Information

You can access our recent primer on Michigan Medicaid at the CHRT website: <https://chrt.org/publication/michigan-medicaid-a-primer/> or at the Michigan Health Endowment Fund website: <https://mihealthfund.org/policy-resources>

We would be happy to be a resource to you on Medicaid or other health policy topics. Please contact us directly:

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# CHRT



## **Our mission.**

To inspire and enable evidence-informed policies and practices that improve the health of people and communities.

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## **Our vision.**

Facilitating community health improvements. Impacting state and national policy.

## **Our programs.**

- Backbone support
- Data analysis
- Evaluation
- Fellowships
- Integration
- Issue briefs
- Learning communities
- Policy analysis
- Strategic communications
- Surveys