Financial Alignment Initiative: Michigan

States participate in the Financial Alignment Initiative, a demonstration program administered by the Centers for Medicare & Medicaid Services, under either a capitated model, a managed fee-for-service model, or an alternative model. The purpose of the demonstration is to test ways to improve care for dually eligible beneficiaries and reduce program costs by aligning financing and coordinating care across Medicaid and Medicare. This fact sheet provides details about Michigan's demonstration.

TABLE 1. Michigan's Capitated Model

Demonstration name: MI Health Link	
Timeline	
MOU signed	April 3, 2014
Opt-in enrollment starts[1]	March 1, 2015–May 1, 2015
Passive enrollment[1]	May 1, 2015 - July 1, 2015, resumed in June 2016
Scheduled to end	December 31, 2023
Enrollment	
Covered population	Age 21 and older; had not previously disenrolled from Medicaid managed care due to Special Disenrollment, receiving Children's Special Health Care Services, elect hospice services, and living in the Upper Peninsula and the following counties: Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, Macomb, St. Joseph, Van Buren, and Wayne
Enrolled (as of January 2022)	40,216
Payment	
Number of participating plans	7
Savings percentage range	1–3%
Number of rating categories	3
Other risk mitigation strategies	Medical loss ratio and risk corridors
Benefits	
Expanded benefits	HCBS, adaptive medical equipment and supplies, community transition services, fiscal intermediary, personal emergency response system, and respite[2]
Carved out benefits	Mental health and substance use
Required community involvement	Not specified

Medicaid and CHIP Payment and Access Commission

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Demonstration name: MI Health Link	
Care coordination	
Number of days to complete HRA	Not specified
Number of days to establish ICP	Within 90 days of enrollment[3]
Education requirements for care coordinator	Care coordinators must be licensed in Michigan as a registered nurse, nurse practitioner, physician assistant, or bachelor's or master's prepared social worker
Care coordinator caseload requirements	Not specified
Number of days to maintain continuity of care from previous coverage	• For enrollees in habilitation supports waiver or receiving PIHP services, plans must maintain current providers, existing care plans, and prior authorizations for 180 days. For all others, until authorization ends or 180 days. • Home health and state plan personal care services continue for 90 days. • Enrollees in nursing facilities may remain in that facility through plan contract, single case agreement, on out-of-network basis for duration of demonstration or until enrollee chooses to relocate. • For enrollees receiving MI Choices HCBS waiver services, plans must maintain current providers and level of service for 90 days unless changed during the person-centered planning process.
Consumer protections	
Ombudsman	MI Health Link Ombudsman

Notes: HCBS is home- and community-based services. HRA is health risk assessment. ICP is individualized care plan. MOU is memorandum of understanding. PIHP is prepaid inpatient health plan.

[1] Opt-in and passive enrollment start dates varied by county or region.

[2] In Michigan, HCBS waiver services and items are only available to enrollees who meet nursing facility level of care criteria and for whom those services are included in the enrollee's care plan. The supplemental benefits (detailed in the table above) are provided to enrollees who meet established criteria and for whom the benefits are included in the enrollee's care plan.

[3] Plans must attempt to make their best efforts to complete the initial health screening within 15 days of passive enrollment.

Sources: CMS 2012, 2014, 2019, 2020, and 2021; ICRC 2022; Medicare Payment Advisory Commission (MedPAC) 2018; and MI Health Link Ombudsman n.d.

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