



Administrator

Washington, DC 20201

DEC 17 2015

Mr. Chris Priest
Director
Michigan Medical Services Administration
Capitol Commons
400 South Pine
Lansing, MI 48909

Dear Mr. Priest:

The Centers for Medicare & Medicaid Services is approving Michigan's September 1, 2015 request to amend the Medicaid demonstration, entitled "Healthy Michigan Section 1115 Demonstration" (Project No. 11-W-00245/5). The amendment provides approval for the state to amend the delivery system and cost sharing options for adults with incomes above 100 percent of the federal poverty level (FPL) who are enrolled in the Healthy Michigan Section 1115 Demonstration. This amendment is approved in accordance with section 1115(a) of the Act, and is effective as of the date of the signed approval through December 31, 2018.

With this approval, beginning on April 1, 2018, which is 48 months after the initial implementation of the Healthy Michigan Plan, all beneficiaries in the demonstration with incomes above 100 percent of the FPL and who are not medically frail will have the opportunity to choose between coverage through a Healthy Michigan Plan or through a Qualified Health Plan offered on the Marketplace (known as the "Marketplace Option" component of the demonstration). Both options will provide benefits through an alternative benefit plan (ABP) through the state plan, but each will use a different cost sharing model. Individuals in the Healthy Michigan Plan after April 1, 2018, must meet a healthy behavior requirement. The state will update, for CMS approval, its operational protocols to specify the healthy behaviors that will be in effect and recognized in 2018. Individuals enrolled in the Marketplace Option will pay premiums; these individuals will have the opportunity to enroll in the Healthy Michigan Plan if they meet a healthy behavior requirement. This amendment does not change the special terms and conditions or authorities for people with incomes at or below 100 percent of the FPL.

CMS approval of this amendment is conditioned upon compliance with the enclosed set of special terms and conditions (STCs) defining the nature, character, and extent of anticipated federal involvement in the project. The award is subject to our receiving your written acknowledgement of the award and acceptance of these STCs within 30 days of the date of this letter. A copy of the STCs, waivers, and expenditure authorities are enclosed.

Your project officer for this demonstration is Ms. Megan Lepore. She is available to answer any questions concerning your section 1115 demonstration, and her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
E-mail: Megan.Lepore@cms.hhs.gov

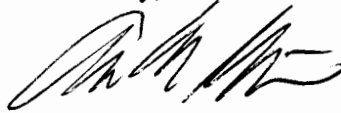
Official communications regarding program matters should be sent simultaneously to Ms. Ruth Hughes, Associate Regional Administrator in our Chicago Regional Office. Ms. Hughes's contact information is as follows:

Ms. Ruth Hughes
Associate Regional Administrator
Centers for Medicare & Medicaid Services
Division of Medicaid and Children Health Operations
233 N. Michigan Avenue, Suite 600
Chicago, IL 60601-5519

If you have questions regarding this approval, please contact Mr. Eliot Fishman, Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (410) 786-5647.

Thank you for all your work with us, as well as stakeholders in Michigan, over the past several months on this amendment. Congratulations on its approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Slavitt", written in a cursive style.

Andrew M. Slavitt
Acting Administrator

Enclosures