

“Developing Realistic Strategies and Viable Option too Provide Comprehensive and Affordable Health Insurance Coverage for All Michigan Citizens”

DEFINITION OF INSURANCE

Health Care Insurance: The sharing of health care risk through a) public or b)private insurance products.

a) Private health care insurance is licensed and regulated by the Michigan Office of Financial and Insurance Services (OFIS). Private health care insurance is sold by authorized insurance companies, health maintenance organizations, and Blue Cross Blue Shield. Each authorized company is required to include a specific set of mandated health care benefits in the plans they offer to the private sector market. In addition to premiums they may also include, subject to the approval of OFIS, co-pays, deductibles, or other subscriber payments. All authorized companies are required to meet specific financial reserve requirements to insure payment of covered health care services.

b) Public insurance includes Medicaid, State Children’s Health Insurance Program (SCHIP) and Medicare, which are regulated by federal and state agencies.

Medicaid provides specific health care services for enrolled children and adults in a number of specific low-income, age, and social categories; in most states, eligible beneficiaries do not pay a premium for Medicaid services. Adult Medicaid beneficiaries may be responsible for a nominal co-payment for some services.

SCHIP (MIChild in Michigan) is a means tested program for uninsured low-income children to age 19 that has a modest premium and limited co-payments requirements.

Medicare provides three programs with co-pays and deductibles, for persons over age 65 and disabled persons: 1) Part A covering hospital, nursing facility and other institutionally based services, 2) Part B covering physician services and other ambulatory care and 3) Part D covering pharmaceuticals beginning in 2006. There is no premium for Part A with a modest premium charged for Parts B & D. Medicare programs are not "means-tested", with the exception of Part D

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Health Care Coverage: Public or privately funded programs providing access to a specific set of health care services (for example, any or all of the following: basic primary care, referral to specialty care, pharmaceuticals, lab tests, dental care, and/or vision care). Coverage programs enroll persons with various low-income levels and other characteristics. Health care services are provided through a variety of public-funded clinics (Federally Qualified Health Centers (FQHC)) hospital clinics, free clinics, and volunteer physicians, nurses, hospitals, labs, etc. Co-pays on a sliding fee scale linked to income, as established by the funding source, may be required.

County Health Plan (CHP) Initiatives:

Health Plans established under the auspices of the Michigan Department of Community Health (MDCH). CHP's arrange for the provision of a defined set of health care benefits; however, they are not regulated as insurance companies by OFIS. All CHP's are required to establish a Plan A program, funded by MDCH, to cover the Adult Benefit Waiver (ABW) population within their service area. Services are provided through contracted network of providers that may include FQHC's, hospital clinics and private practice physicians.

CHP's may expand coverage within the low-income population, ages 19-64, by establishing a voluntary Plan B Program. The Plan B Program relies on various types of funding (foundation grants, county funds, co-payments, voluntary contributions) to provide access to a restricted range of health care services through the Plan A provider network.

CHP's may arrange for the placement of a Third Share Program (TSP). This is private, premium based, health care insurance available to small businesses that do not currently provide healthcare coverage to their employees. Coverage and eligibility are determined by the CHP. Premiums are shared between the CHP, the employer and the employee.

Also, some CHP's have established Voluntary Programs which enroll low-income persons and provide access to health care services either directly through free clinics and volunteer providers or indirectly through assignment to a network of providers including FQHC's, hospital clinics, free clinics, and other volunteer providers. These programs do not have premium requirements but may include modest co-payments.