




## Examples of Consumer Incentives and Personal Responsibility Requirements in Medicaid


Many states are incorporating policies into their Medicaid programs that seek to enhance beneficiaries' ability to make informed decisions about their health and health care and become more active, engaged participants in the health care system. Several of these consumer incentive programs are tied to a broader state effort to use federal funds to extend coverage to a previously uninsured population. The policies described below are organized into three categories: (1) co-payments and premiums in alternative Medicaid expansion models; (2) health savings accounts; and (3) healthy behavior/wellness rewards and incentives. Program results are included when available.



CO-PAYMENTS AND PREMIUMS IN ALTERNATIVE MEDICAID EXPANSION MODELS	
Arkansas	<p><b>Co-Payments</b> Co-payments for a range of services for individuals 100-133% FPL. <i>Arkansas will request authority to amend the waiver to require co-payments for individuals &gt;50% FPL starting in 2015.</i></p>
Iowa	<p><b>Co-Payments</b> Co-payments for non-emergency use of ED for individuals 100-133% FPL.</p> <p><b>Premiums</b> Beginning in the second year of enrollment, \$10 monthly premiums for beneficiaries 100-133% FPL and \$5 monthly premiums for beneficiaries 50-100% FPL. Premiums can be waived in the second and future years for completion of a health risk assessment and wellness exam during the first year, and completion of preventive health activities in later years. Non-payment of premiums will result in loss of coverage for individuals 100-133% FPL, but not for individuals 50-100% FPL.</p>
Michigan	<p><b>Co-Payments</b> Co-payments for a range of services for individuals 0-133% FPL. Healthy behaviors, such as completing a yearly health risk assessment, may reduce Co-payments obligations, though it is unclear if these activities may also reduce premiums.</p> <p><b>Premiums</b> Premiums up to 2% of income for individuals 100-133% FPL. The state intends to seek a waiver that would increase premiums after four years of Medicaid enrollment (raising total cost sharing from 5% to 7% of income); beneficiaries will have the choice to pay higher premiums or seek private insurance through the marketplace.</p>
New Hampshire	<p><i>Medicaid expansion legislation states: "To the greatest extent practicable the waiver shall incorporate measures to promote continuity of health insurance coverage and personal responsibility, including but not limited to: co-pays, deductibles, disincentives for inappropriate emergency room use, and mandatory wellness programs."</i></p>
Pennsylvania	<p><b>Co-Payments</b> <i>Proposing co-payments for non-emergency visits to the emergency room.</i></p> <p><b>Premiums</b> <i>Proposing charging premiums for individuals from 100-133% FPL: \$25 a month for an individual or \$35 for a family after the first year. The waiver also proposes instituting a voluntary, one-year pilot program to encourage work or work search activities by reducing premiums up to 40%. It would also reduce premiums by 25% for engaging in healthy behaviors. The state seeks authority to terminate Medicaid eligibility for non-payment of premiums for three consecutive months.</i></p>

HEALTH SAVINGS ACCOUNTS	
Arkansas	<i>Arkansas plans to offer health savings accounts to “private option” enrollees beginning in 2015.</i>
Indiana	<p><b>Healthy Indiana Plan (HIP)</b>  <b>Population:</b> Uninsured adult state residents 19-64 years old whose household income is at or less than the federal poverty level and are not otherwise eligible for Medicaid, Medicare, or other minimum essential health coverage.  <b>Description:</b> Beneficiaries and the state contribute money to a Personal Wellness Responsibility (POWER) Account to pay medical costs, which is valued at \$1,100 per adult per year. Participants pay 2% of gross family income into the account. The state contributes any difference between the individual's contribution and \$1,100. If all age and gender appropriate preventive services are completed, then all POWER Account funds remaining at the end of the year (including state and individual contributions) roll over and offset the next year's contribution. If not, then only the individual's contribution rolls over (not the state's).  <b>Results:</b> In 2012, 94% of applicants determined eligible made their first required monthly contribution and became full members. Once enrolled, 93% continued to make their payments on time. Between 2010 and 2012, preventive service utilization rates across the HIP population ranged from 56% to 60%. A 2013 Mathematica Policy Research survey found that approximately 96% of HIP members were either somewhat or very satisfied with their overall experience with HIP.  <b>Authority:</b> 1115 waiver (originally approved in 2008 and extended through 2014)</p>
Michigan	<p><b>Healthy Michigan</b>  <b>Population:</b> Newly Medicaid-eligible adults with income up to 133% of the federal poverty level and low-income adults enrolled in Michigan’s limited benefit Adult Waiver Program.  <b>Description:</b> Eligible Medicaid beneficiaries deposit money for co-pays and other health expenses into health savings-like accounts (called MI Health Accounts). Enrollees with incomes between 100-133% FPL will pay a monthly premium of 2% of their income into the account (e.g., \$20 a month for someone with an income of \$12,000). Any contributions left in the MI Health Account at the end of a year will rollover to offset future contribution amounts. When individuals lose eligibility for the Healthy Michigan Plan, they will receive the balance of their account in the form of a voucher for the sole purpose of purchasing private insurance.  <b>Authority:</b> 1115 waiver (effective April 2014 – December 2018)</p>
HEALTHY BEHAVIOR / WELLNESS REWARDS AND INCENTIVES	
California	 <p><b><u>Medi-Cal Incentives to Quit (MIQS) Project</u></b>  <b>Health Goal:</b> Tobacco cessation  <b>Population:</b> Medicaid beneficiaries who smoke.  <b>Description:</b> Medicaid beneficiaries are offered a \$20 incentive to call a telephone counseling helpline, complete the intake protocol, and participate in counseling sessions. Eligible beneficiaries will also receive \$10 for every relapse-prevention call they complete.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
Connecticut	 <p><b><u>Connecticut Rewards to Quit</u></b>  <b>Health goal:</b> Tobacco cessation  <b>Population:</b> Medicaid beneficiaries who smoke.  <b>Description:</b> Provides incentives ranging from \$5 to \$15 for activities such as counseling visits, calls to the Quitline, and negative CO breathalyzer tests. Incentive program also includes nicotine-replacement therapy, other medications, and peer coaches.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
Florida	<p><b><u>Enhanced Benefits Reward\$ Program</u></b> (the provision of new rewards will end July 1, 2014)  <b>Health goal:</b> Preventive care</p>

*Policies that have been proposed, but not yet approved, are italicized;  indicates a CMMI Medicaid Incentives for Prevention of Chronic Diseases Grant - 2*

		<p><b>Population:</b> All enrollees in Florida Medicaid managed care.</p> <p><b>Description:</b> Provides beneficiaries with credits worth \$15 to \$25 (up to \$125 per year) for compliance with 19 healthy behaviors, like getting a flu shot, attending a smoking cessation class, or adhering to a prescribed drug regimen. The credits can be redeemed for health-related products such as over-the-counter medications or Band-Aids.</p> <p><b>Results:</b> Between 2006 and 2012, 499,209 Medicaid enrollees were awarded more than \$53.8 million in credits, with just over half redeemed. The majority of credits earned were for childhood preventive care (45%) or adult/child office visits (25%), with &lt;1% earned for participating in weight loss or tobacco cessation programs.</p> <p><b>Authority:</b> 1115 waiver (originally approved in 2005; renewed in 2011 until 2014)</p>
Hawaii		<p><b><u>Hawaii Patient Reward and Incentives for Supporting Empowerment Project (HI-PRAISE)</u></b></p> <p><b>Health goal:</b> Diabetes management</p> <p><b>Population:</b> Medicaid beneficiaries over 18 with diabetes; managed care enrollees only.</p> <p><b>Description:</b> Pays providers \$150 per patient for diabetes education during clinical visits and for referrals to wellness services. Providers can determine patient incentives, which could include a \$20 gift card for compliance with blood tests and eye exams or a \$25 coupon for completing a smoking cessation, counseling or education session.</p> <p><b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
Idaho		<p><b><u>Preventive Health Assistance (PHA) Program</u></b></p> <p><b>Health Goal 1 - Behavioral PHA:</b> Smoking cessation and weight control</p> <p><b>Population:</b> Optional for all Medicaid beneficiaries after completing application.</p> <p><b>Description:</b> Offers Medicaid enrollees who consult with a doctor about losing weight or quitting smoking 100 points (via a voucher), worth \$100. Recipients can use the vouchers for gym memberships, weight management programs, nutrition counseling and tobacco cessation products. After participants reach an interim goal, another \$100 in points is awarded. The program is capped at \$200 per year.</p> <p><b>Results:</b> Only 1,422 of the approximately 185,000 beneficiaries participated after 2 years.</p> <p><b>Authority:</b> State Plan Amendment under the Federal Deficit Reduction Act of 2005</p> <p><b>Health Goal 2 - Wellness PHA:</b> Well-child exams and immunizations</p> <p><b>Population:</b> Children in families that pay a Medicaid premium.</p> <p><b>Description:</b> Participants are rewarded 10 points per month (1 point = \$1) for keeping well-child exams and immunizations up to date. Rewards cover delinquent or current premiums.</p> <p><b>Results:</b> 20,000 children earned rewards, paying for \$1.5 million in premiums. A quasi-experimental study found a 116% increase in CHIP children with up-to-date exams and immunizations, compared to a 13% increase among children without the incentives.</p> <p><b>Authority:</b> Amendment to the state’s Children’s Health Insurance Program</p>
Kentucky		<p><b><u>Get Healthy Benefits</u></b></p> <p><b>Health Goal:</b> Disease management</p> <p><b>Population:</b> Medicaid beneficiaries with at least one of several targeted chronic conditions.</p> <p><b>Description:</b> Allows members to earn “Get Healthy” benefits after a year of compliance with a disease management program for diabetes, asthma, pediatric obesity, and cardiac care, which includes keeping appointments and filling medications. Benefits can be used for additional services, such as smoking cessation, weight loss, gym memberships, or paying co-pays. Participants can also earn additional benefits: up to \$50 for additional vision and/or dental services, or for counseling services in smoking cessation or nutrition. Individuals have six months to utilize benefits.</p> <p><b>Authority:</b> State Plan Amendment under the Federal Deficit Reduction Act of 2005</p>

<p><b>Minnesota</b></p> 	<p><b><u>Minnesota Medicaid Incentives for Prevention of Diabetes</u></b>  <b>Health Goal:</b> Weight control and diabetes management  <b>Population:</b> Medicaid beneficiaries between 18 and 75 who live in the Twin Cities metropolitan area and have pre-diabetes or a history of gestational diabetes and a body mass index <math>\geq 25</math>.  <b>Description:</b> Provides incentives between \$10 and \$100 for attending weight loss sessions and attaining weight loss goals. Participants will also receive weight loss tools like cookbooks, scales and pedometers.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
<p><b>Montana</b></p> 	<p><b><u>Medicaid Incentives to Prevent Chronic Disease</u></b>  <b>Health Goal:</b> Weight control and diabetes management  <b>Population:</b> Adult Medicaid beneficiaries who are overweight (BMI <math>\geq 25</math>) and have one or more risk factors for CVD and diabetes.  <b>Description:</b> Provides tiered and incrementally increasing financial incentives for reducing fat and caloric intake and exercising 150 minutes per week. Maximum total cash incentive per participant is \$315, which is provided through debit cards and can be drawn down over an extended period of time.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
<p><b>Nevada</b></p> 	<p><b><u>Medicaid Incentives for Prevention of Chronic Diseases</u></b>  <b>Health Goal:</b> Addressing weight, cholesterol, blood pressure and diabetes  <b>Population:</b> Medicaid beneficiaries with diabetes or pre-diabetes (including children at risk for heart disease).  <b>Description:</b> Nevada provides points that are redeemable for rewards; 100 points is equal to \$1. Points will be rewarded for activities like participating in diabetes self-management programs and achievement of improved health outcomes.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
<p><b>New Hampshire</b></p> 	<p><b><u>Healthy Choices, Healthy Changes</u></b>  <b>Health Goal:</b> Weight control and tobacco cessation  <b>Population:</b> Medicaid beneficiaries who are heavy smokers or Medicaid beneficiaries who are overweight and receive services at a community mental health center (managed care enrollees only).  <b>Description:</b> Participants will receive vouchers for memberships to community fitness centers and formal weight loss programs. Beneficiaries who get help quitting smoking will receive incentives for participation and positive outcomes. Additional financial rewards are also available.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
<p><b>New Mexico</b></p>	<p><b><u>Centennial Rewards Program</u></b>  <b>Health Goal:</b> Healthy behaviors  <b>Population:</b> All Medicaid health plan enrollees are automatically enrolled in the Rewards Program.  <b>Description:</b> The program allows beneficiaries to earn points when they complete certain health activities, such as annual dental check-ups, prenatal programs, and disease management programs. Points can be used to buy a Centennial Rewards Card that can purchase healthy items at certain stores. Beneficiaries can also use reward points to purchase other healthy items from a Rewards Catalog.  <b>Authority:</b> 1115 waiver</p>
<p><b>New York</b></p> 	<p><b><u>Medicaid Incentives for Prevention of Chronic Disease Program</u></b>  <b>Health Goal:</b> Addressing tobacco use, blood pressure, and diabetes  <b>Population:</b> Adult Medicaid beneficiaries and pregnant women who use tobacco or have high blood pressure, diabetes or pre-diabetes.  <b>Description:</b> Provides debit cards with predetermined cash value for participating in smoking cessation, diabetes management or blood pressure control programs (\$250 maximum per beneficiary). Rewards are provided for both participating in activities and achieving certain outcomes.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>

<p>Texas</p> 	<p><b>Wellness Incentives and Navigation (WIN) Project</b>  <b>Health Goal:</b> Addressing tobacco use, blood pressure, cholesterol, weight control, and diabetes  <b>Population:</b> Medicaid SSI beneficiaries with behavioral health and physical chronic health diagnoses in the Harris County (Houston) Service Delivery Area (managed care enrollees only).  <b>Description:</b> Participants will develop an individual wellness plan with a health navigator and will be able to draw on \$1150 per year in a flexible wellness account to help finance specific health goals that the participant defines.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p>
<p>West Virginia</p>	<p><b>Mountain Health Choices</b>  <b>Health Goal:</b> Healthy behaviors  <b>Population:</b> Medicaid-enrolled parents and children.  <b>Description:</b> Provides access to an “enhanced” benefits package if beneficiaries sign and conform to an agreement with the state that they will engage in certain behaviors such as showing up for scheduled appointments and taking medication as directed.  <b>Results:</b> 10% of eligible adults enrolled in the enhanced plan; enhanced plan members were more likely than others to have more doctor visits and take their medications, and to have physicians involved in decision to enroll.  <b>Authority:</b> State Plan Amendment under the Federal Deficit Reduction Act of 2005</p>
<p>Wisconsin</p> 	<p><b>Striving to Quit</b>  <b>Health Goal:</b> Tobacco cessation  <b>Population:</b> Pregnant Medicaid and SSI members in 17 counties with high numbers of Medicaid deliveries, and adult Medicaid and SSI members over who smoke in selected areas of the state.  <b>Description:</b> Provide cash incentives to receive tobacco cessation treatment services at primary care clinics. The program also links pregnant members with trained smoking cessation counselors. Participants are provided incentives for engagement in treatment (including taking biochemical tests) and additional incentives if they quit. \$595 maximum for pregnant women, \$350 maximum for other beneficiaries.  <b>Authority:</b> Medicaid Incentives for Prevention of Chronic Diseases Grant</p> <p><b>BadgerCare Plus Individual Incentive Pilots</b>  <b>Health Goal:</b> Healthy behaviors  <b>Population:</b> Medicaid-eligible families enrolled in managed care.  <b>Description:</b> Six Medicaid managed care organizations were awarded two-year grants to test if offering incentives would encourage members to adopt healthier behaviors. Two projects focused reducing adolescent obesity, two focused on increasing well-child exams, one focused on increasing blood lead testing, and one encouraged prenatal care and post-partum check-ups. Each project included an educational component and tested the use of different kinds of incentives: gift cards, healthy food baskets, gym memberships, diaper vouchers, athletic equipment, gas cards, etc.  <b>Results:</b> None of the six projects reached their health outcomes goals.</p>