



# Michigan Association of Health Plans

**FOR IMMEDIATE RELEASE**  
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## **Michigan HMOs urge lawmakers to extend state's Medicaid Quality Assurance Assessment Program**

*Legislative deadline looms for 2002 initiative that brings \$800 million annually in federal funds to provide healthcare to Michigan citizens*

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**LANSING, MI** — The Michigan Association of Health Plans today urged the Michigan Legislature to extend the state's Medicaid Quality Assurance Assessment Program (QAAP), a critical part of the state's budget that is scheduled to expire by Sept. 30, 2007.

"The QAAP initiative in Michigan has proven to be a model for the nation with an outstanding record of success that has served Michigan taxpayers well while ensuring the state's most vulnerable citizens receive quality healthcare," said MAHP Executive Director Richard B. Murdock. Resources from the QAAP support Michigan's Medicaid program and has provided general fund relief while enabling Michigan to finance services provided through Michigan's managed care programs.

The National Committee on Quality Assurance (NCQA), a nonprofit regulatory watchdog that monitors such programs, has honored Michigan's Medicaid HMOs for service excellence and efficiency. A 2006 ranking by U.S. News & World Report listed 10 of Michigan's Medicaid Health Plans among the Top 50 in the United States. This ranking would not be possible without the underlying support of the QAAP, Murdock said.

A 2002 federal mandate required the assessment be established in state law. Michigan's current statute expires Sept. 30, 2007 without legislative action and the 2008 fiscal year budget is based, in part, on its continuation. Since the 2003 fiscal year, Michigan health maintenance organizations (HMOs) have contributed nearly \$910 million in QAAP funds to the State Treasury. With the federal match generated by the QAAP, nearly \$1.7 billion has been provided to support Michigan's Medicaid program during this same period and more than \$185 million has been redirected and used to help finance other state programs.

"Michigan's HMOs are committed to strengthening our state's healthcare safety net, saving state general fund contributions and providing a means to support other essential state programs that help pay for our police, fire and roads," Murdock said. "Now we need the Legislature to support the QAAP partnership that has fostered good fiscal policy and good health care policy through improved delivery of health services."

Michigan's HMO industry five years ago was the first health care provider group to propose a funding mechanism to assess members of their industry a fee that can be used to replace the state's general fund obligations to Medicaid. The Michigan QAAP system is comprised of three elements: a uniform provider contribution, federal matching funds and a Medicaid payment increase. For Michigan's HMO industry, the program also covers the prepaid community mental health program.

The MAHP is an industry voice for 22 health care plans, covering over 2.1 million Michigan residents, and 45 businesses affiliated with the health care industry. MAHP facilitates communication among members, government, and the industry regarding health care issues of common concern.

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