

**THE SOCIAL WELFARE ACT (EXCERPT)**  
**Act 280 of 1939**

**400.105b Medical assistance recipients who practice positive health behaviors; creation of incentives; creation of pay-for-performance incentives for contracted Medicaid health maintenance organizations; establishment of preferred product and service formulary program for durable medical equipment; financial support for electronic health records; conflict with federal statute or regulation prohibited.**

Sec. 105b.

(1) The department shall work in collaboration with the contracted health plans to create incentives for individual medical assistance recipients who practice specified positive health behaviors. The incentives described in this subsection may include, but are not limited to, expanded benefits and incentives relating to premiums, co-pays, or benefits. The positive health behaviors described in this subsection may include, but are not limited to, participation in health risk assessments and health screenings, compliance with medical treatment, attendance at scheduled medical appointments, participation in smoking cessation treatment, exercise, prenatal visits, immunizations, and attendance at recommended educational health programs.

(2) The department shall create pay-for-performance incentives for contracted Medicaid health maintenance organizations. The Medicaid health maintenance organization contracts may include incentives for meeting health outcome targets for chronic disease states, increasing the number of medical assistance recipients who practice positive health behaviors, and meeting patient compliance targets established by the department. Priority may be given to strategies that prevent and manage the 10 most prevalent and costly ailments affecting medical assistance recipients.

(3) The department shall establish a preferred product and service formulary program for durable medical equipment. The department shall work with the Centers for Medicare and Medicaid to determine if a joint partnership with Medicare is possible in establishing the program described in this subsection as a means of achieving savings and efficiencies for both the Medicaid and Medicare programs. The preferred product and service formulary program for durable medical equipment shall require participation from the department and shall permit the contracted Medicaid health maintenance organizations and provider organizations to participate.

(4) The department shall seek financial support for electronic health records, including, but not limited to, personal health records, e-prescribing, web-based medical records, and other health information technology initiatives using Medicaid funds.

(5) The department shall not implement incentives under this section that conflict with federal statute or regulation.

**History:** Add. 2007, Act 100, Imd. Eff. Oct. 1, 2007 ;-- Am. 2023, Act 99, Imd. Eff. July 19, 2023

**Popular Name:** Act 280