

Michigan League for Public Policy

2019 BUDGET PRIORITIES

Protect State and Federal Funding for Healthcare Coverage for All Michiganders

— LEAGUE RECOMMENDATION —

Protect state and federal funding for Medicaid, the Healthy Michigan Plan and the Children's Health Insurance Program.

BACKGROUND: Continuation of the Medicaid program, the Healthy Michigan Plan and the Children's Health Insurance Program (CHIP, or MICHild in Michigan) is critical to the League's goal of ensuring that all Michiganders are insured and have access to healthcare. Michigan was among the states that elected to expand Medicaid under the Affordable Care Act (ACA), and since 2014 over 650,000 individuals have received health coverage and care as a result. The Michigan Legislature has appropriated sufficient state funding for the program through the end of the 2017-18 budget year.

- **Changes at the federal level threaten healthcare coverage in Michigan.** There are many threats to the progress Michigan has made in reducing the number of uninsured residents, including the recent tax reform bill signed by the president that eliminates the ACA mandate for healthcare coverage—a move that can destabilize healthcare markets—and Congressional failure to pass a long-term, clean CHIP reauthorization. Threats at the federal level continue, including the possibility of changes to Medicaid financing through harmful block grants or per capita caps.
- **Michigan has a history of effectively covering children.** Healthcare coverage for children has been a high priority for the state and was increased by the passage of CHIP and the ACA at the federal level.
- **Fewer children of color have access to private health insurance.** Only 30% of African-American children in Michigan and 39% of Latino children have private insurance largely through employers, compared to 65% of non-Hispanic White children. Cuts in publicly-funded insurance are likely to increase inequities for children.

WHY IT MATTERS:

- **Michigan residents who are insured are much more likely to receive less expensive preventive and primary care.** Following Michigan's implementation of the Healthy Michigan Plan, over 80% of enrollees had a primary care visit and reduced reliance on the emergency department as their primary source of care from 16% to just 1.7%.
- **Access to health insurance has improved outcomes for children and adults.** While access to insurance is not the only influence on health outcomes, it does improve economic security for families, increase the likelihood of regular well-child and primary care visits, expand access to screenings for potentially expensive chronic illnesses like diabetes, and improve access to needed prescription drugs.
- **The Healthy Michigan Plan helped Michigan's economy grow.** The Healthy Michigan Plan resulted in 30,000 jobs annually, \$2.3 billion in additional personal spending power, and \$150 million in state tax revenue as a result of added economic activity. Uncompensated care by hospitals fell by nearly 50% across the state.

