



LEAGUE ADVOCATES FOR ADEQUATE HEALTHCARE

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The health of Michigan children and families is a top priority for the League as the Michigan Legislature works on the 2019-20 state budget. At the center of the political debates in the last year has been the adoption of work requirements for the Healthy Michigan Plan, a decision that the League vigorously opposed. Despite little evidence that work requirements are effective, and substantial proof that they can cause hardship for many Michiganders, the Snyder administration submitted a waiver request to the federal government to impose work requirements, which was approved late in 2018. The implementation of the waiver is left to the Whitmer administration, and the governor has indicated her opposition to work requirements.

There is strong evidence that the social determinants of health—including poverty, poor nutrition, inadequate housing and exposure to toxins—can and do affect health outcomes. At the forefront of current public debates in Michigan are continuing environmental and public health crises, including the ongoing problem of lead contamination in Flint and other areas of the state, and the growing awareness of the threats of per- and polyfluoroalkyl substances (PFAS) in water and soil. PFAS contamination has been described as Michigan’s biggest environmental crisis in 40 years, and the full impact of the contamination is not yet known.

The League also documents, through its [Kids Count](#) project, the health of Michigan mothers and babies—prenatally through the earliest years of life—and monitors state spending on maternal and child health services. For the 2020 budget, the League supports investments in proven home visiting services as well as the restoration of funding for state family planning and pregnancy prevention services.

At the forefront of the League’s work is the commitment to advocating for policies and state investments that can reduce the deep disparities in outcomes for Michigan residents based on race, place and income. The disparities in health and wellbeing are both deep and broad. The rate at which infants die before reaching their first birthday has declined overall, but is much higher and actually rising for some babies of color. Women of color face more barriers to adequate prenatal care and are more likely to have babies born too early and too small. And, despite expansions in health insurance coverage through the Healthy Michigan Plan, Latinx and African American residents are more likely to be uninsured and have lower life expectancies.

The League’s Health Priorities for the 2020 Budget

- ✓ Protect state and federal funding for Medicaid, the Healthy Michigan Plan and the Children’s Health Insurance Program.
- ✓ Invest in services needed to comply with new Healthy Michigan Plan work requirements .
- ✓ Support programs that help all moms and babies thrive, including expanded funding for home visiting, the creation of a centralized intake system for Michigan’s home visiting programs, and restored funding for state family planning and pregnancy prevention services .

Medicaid and Healthy Michigan

Healthy Michigan Plan, Medicaid and MICHild funding:

- **Governor:** The governor recommends continued funding for the successful Healthy Michigan Plan, which has provided healthcare coverage to nearly one million Michiganders since its creation in 2014, with current enrollment at approximately 670,000. In the 2020 budget year, the federal match rate for the Healthy Michigan Plan falls from 93% to its permanent level of 91%, requiring an additional \$75.1 million in state General Fund dollars to offset the decline. In addition, the federal match rate for Medicaid and MICHild will fall in 2020, requiring an increase in state funding for the programs of \$70.5 million.
- **Senate:** The Senate agreed with the governor and provided the additional state funding needed to continue the Healthy Michigan, Medicaid and MICHild programs. The Senate also included a placeholder in the budget to ensure later consideration of an increase in Medicaid rates paid to neonatologists.
- **House¹:** The House agreed with the governor and the Senate and provided state funding needed to continue the Healthy Michigan, Medicaid and MICHild programs. The House also included \$1.7 million to increase Medicaid rates for neonatal services, and \$5.8 million to boost payments for pediatric psychiatry.

Healthy Michigan Plan work requirements:

- **Governor:** The governor recommended a total of \$36.2 million to implement the new Medicaid work requirements, including \$10 million for supportive services to help people overcome barriers to meeting the requirements. The governor's budget includes a reduction of \$50 million in spending on the Healthy Michigan Plan in 2020 because of reduced access to healthcare when work requirements take effect on January 1, 2020—with 90% of the reduction being federal funding.
- **Senate:** The Senate agreed with the governor on a reduction in Healthy Michigan Plan spending of \$50 million in 2020 as work requirements are implemented, and also provided \$10 million in funding for supportive services related to work requirements.
- **House:** The House included \$26.2 million to administer new work requirements, but did not include the \$10 million proposed by the governor for support services for individuals attempting to meet them.

Public/Environmental Health

Environmental health threats:

- **Governor:** With the ongoing Flint water crisis and per- and polyfluoroalkyl substances (PFAS) contamination, the governor recommended a total of \$13.8 million to respond to environmental threats, including: 1) \$8.3 million to monitor and respond to the public health threats more effectively, including grants to local public health departments and laboratory capacity to investigate and assess the impact of contamination from a range of environmental toxins; and 2) \$5.5 million for the

public health response to PFAS, including outreach, local health department services, alternative water sources and water filters.

- **Senate:** The Senate rejected the \$13.8 million recommended by the governor to combat environmental threats, leaving a \$100 placeholder and using some of the funds to increase funding for local public health departments.
- **House:** The House agreed with the governor on \$8.3 million for a state response to a range of environmental threats, but provided slightly under \$5 million to combat PFAS contamination.

Flint water crisis:

- **Governor:** The governor provides \$8.1 million for residents in Flint, an increase of \$3.4 million. Included in her 2020 budget are \$5.2 million in *ongoing* funding for Flint, and \$2.9 million in *one-time* funding. Services funded include \$650,000 for child and adolescent health centers, \$375,000 for the Children’s Health Access Program (CHAP), \$1.5 million for lead poisoning prevention, \$490,000 for the Michigan Child Care Collaborative Care program, \$500,000 to expand the Nurse Family Partnership program, \$1.4 million for nutrition outreach and \$260,000 for the “Parents as Teachers” program. In addition, funding is included for the delivery of bottled water and filters to seniors and people with disabilities (for six months of the budget year), \$2.2 million for lead abatement in Flint, and \$500,000 for a non-emergency medical transportation program in the city.
- **Senate:** The Senate agreed with the governor on most Flint spending but removed funding for lead abatement contracts, inserting a \$100 placeholder for later discussion, and changing budget language to make the funding available statewide.
- **House:** The House rejected the governor’s recommended increase in funding for the Flint water crisis (retaining current funding of \$4.6 million), but provided \$3.4 million in one-time state funds for healthcare, food and nutrition, lead abatement and other services in communities statewide that have lead contamination in water, soil or housing. The House also requires the Michigan Department of Health and Human Services (MDHHS) to establish a workgroup to determine the cost of establishing lead elimination as an essential local public health service.

Funding for local public health departments:

- **Governor:** The governor provided flat funding for local public health services (\$45.4 million). Prior to an increase in the current budget year, funding for local health departments for infectious disease control, food and water protection, and other essential public health services has been essentially flat since 2005.
- **Senate:** The Senate included \$6 million to hold all local health departments harmless under a new allocation formula for essential public health services.
- **House:** The House agreed with the governor and provided flat funding for local public health services.

Birth certificates for individuals who are homeless:

- **Governor:** The governor provided state funding to waive fees for copies of birth certificates requested by people who are homeless.
- **Senate and House:** The Senate and House agreed with the governor.

Additional House Initiatives:

- **Children's oral health:** The House included \$2 million in state funds for a new oral health assessment for children entering kindergarten who do not have dental insurance. HB 4223, which is currently being considered by the Legislature, establishes the mandate for a dental assessment.
- **Exercise program for children:** The House cut \$1 million in state funding for grants for exercise programs in schools.
- **Child and adolescent health centers, free health clinics and Centers for Independent Living:** The House included \$2 million in state funds for a one-time expansion of child and adolescent health centers in underserved areas, \$1.5 million for Centers for Independent Living, and \$150,000 for a funding increase for free health clinics.

Behavioral Health

Cost of behavioral health services:

- **Governor:** The governor includes increased funding to cover rising costs in Medicaid and Healthy Michigan Plan mental health and substance use disorder services. Between 2001 and the current budget year, total mental health spending increased 80%, with most services covered by Medicaid.
- **Senate:** The Senate adopted the governor's projections on growth in Medicaid mental health and substance use disorder services for the 2020 budget year.
- **House:** The House included a placeholder to continue discussions of ways to hold Community Mental Health Services Programs (CMHSPs) harmless in the second year of a new funding formula that is being phased in over five years. Currently, six CMHSPs would lose a combined \$5.5 million.

Medicaid autism services:

- **Governor:** The governor included a \$15 million increase for Medicaid autism services, bringing total funding to almost \$208 million. The governor recommended an increase in payment rates for Medicaid autism services of 5.75%. The governor eliminated one-time funding for autism navigators that can assess the rollout of the Medicaid autism benefit and help families find autism services.
- **Senate:** The Senate reduced rate increases for autism providers to 3%. The Senate also revised budget language to require the MDHHS to continue to provide all autism services to Medicaid enrollees eligible for the services that were covered on January 1, 2018; and to specify who is qualified to make an autism diagnosis for purposes of Medicaid eligibility, and when a second

opinion is required. The Senate assumes that these cost containment efforts will save the state just under \$7 million in the 2020 budget year. The Senate included a placeholder for further discussion of the autism navigator program.

- **House:** The House adopted the 5.75% rate increase for autism services proposed by the governor. The House also included \$1 million in state funds for autism navigators.

Medicaid behavioral health integration pilot programs.

- **Governor:** Former Gov. Snyder launched an effort to integrate behavioral health and other health services, and the appropriateness of that approach has been contested in subsequent budgets. Gov. Whitmer continues the pilot projects in her 2020 budget.
- **Senate:** The Senate continues funding for the pilot programs and adds budget language expressing that it is the intent of the Legislature that by January of 2021 the MDHHS—in conjunction with the Medicaid Health Plans and CMHSPs—will provide the measures that would trigger full statewide implementation by October 1, 2022. The Senate also adds specific metrics for inclusion in that plan.
- **House:** The House agrees with the governor on continuation of the behavioral health integration pilot programs.

Maternal and Child Health

Funding for maternal and child health:

- **Governor:** The governor included a total of \$329.7 million for maternal and child health programs, an increase of less than 1% over the current year, with essentially flat funding for major maternal and child health programs, including Family Planning Local Agreements (\$8.3 million), local Maternal and Child Health (MCH) services (\$7 million), and the pregnancy prevention program. The largest maternal and child health program is the Women, Infants and Children (WIC) food program at an estimated \$231.3 million in the 2020 budget year. The bulk of the funding (74%) for maternal and child health is federal.
- **Senate:** The Senate provided a total of \$331.4 million for maternal and child health services, an increase of 1.4%. The Senate agreed with the governor on flat funding for Family Planning Local Agreements, local Maternal and Child Health (MCH) services, and the Pregnancy Prevention Program. The Senate included a small increase in prenatal care outreach and service delivery support funding.
- **House:** The House cut funding for maternal and child health services by \$4.3 million (1.3%) to a total of \$322.9 million. The House agreed with the governor on flat funding for Family Planning Local Agreements, local Maternal and Child Health (MCH) services and pregnancy prevention.

Home visiting programs:

- **Governor:** The governor removed \$325,000—approved in a supplemental budget bill in the last days of the Snyder Administration—to support Nurse Family Partnership programs in Kent and Ingham counties.

- **Senate:** The Senate also removed funding for the Nurse Family Partnership programs in Kent and Ingham counties, but left a placeholder for continued legislative discussions.
- **House:** The House retained current year funding (\$325,000) for the Nurse Family Partnership programs in Kent and Ingham counties.

Additional Senate Initiatives: The Senate included \$1 million for the Strong Beginnings program in Grand Rapids, a community partnership that works to improve the health and well-being of African American and Latinx families during pregnancy and early childhood. The Senate also included a \$100 placeholder to continue discussions about a regional perinatal system in Michigan.

Endnote

1. In addition to the specific provisions of the House budget outlined above, the budget for the Department of Health and Human Services approved by the House assumes: 1) a reduction of lapsed savings based on historical lapses in specific budget areas; and 2) a 3% across-the-board reduction for most budget items to be achieved through administrative efficiencies. A 3% across-the-board reduction could affect the ability of the DHHS to administer and provide services needed by families and children with low incomes.