



2021 BUDGET PRIORITY: PROTECT STATE AND FEDERAL FUNDING FOR HEALTHCARE COVERAGE FOR ALL MICHIGANDERS

LEAGUE RECOMMENDATION:

Protect state and federal funding for Medicaid, Medicaid Expansion and the Children’s Health Insurance Program. Invest in the services needed to help Michiganders enrolled in Michigan’s Medicaid Expansion program—the Healthy Michigan Plan—comply with the newly mandated work requirement.

BACKGROUND:

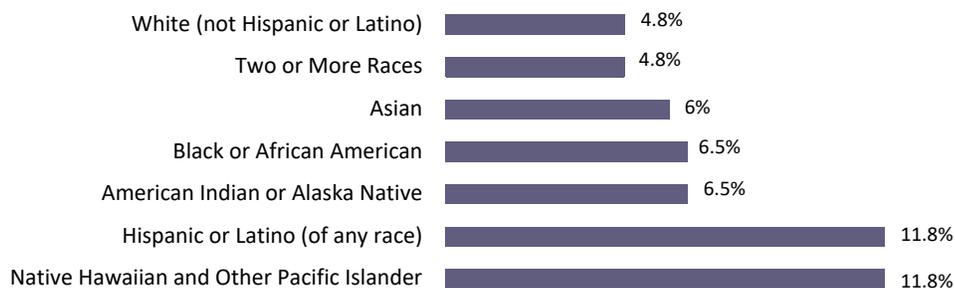
Continuation of Medicaid, Healthy Michigan and the Children’s Health Insurance Program (CHIP) are critical to the League’s goal of ensuring that all of our state’s residents are insured and have access to healthcare. Medicaid covers 50% of Michiganders with a disability, 40% of Michigan children and 60% of Michigan residents living in a nursing home. Additionally, Michigan was among the states that elected to expand Medicaid under the Affordable Care Act (ACA) and since 2014, more than 1 million adults have received health coverage through the Healthy Michigan Plan.

Michigan’s rate and number of uninsured children has increased since 2016. Rates of children without health coverage decreased after the passage of the ACA and the reauthorization of CHIP at the federal level, and, historically, Michigan has been highly effective in providing children in the state with health coverage. However, in recent years, this trend has slowed. Between December 2018 and June 2019, enrollment in Healthy Kids (Medicaid) and MICHild (CHIP) dropped by 11,800 children.

Federal attempts to sabotage the Affordable Care Act threaten health coverage in Michigan. Proliferation of short-term “junk” plans, cuts to subsidies for individual marketplace consumers, and threats to Medicaid such as block grant proposals, seek to undermine the ACA. Most notably is the *Texas v. United States* lawsuit, which is the most recent attempt to repeal the Affordable Care Act. If the ACA is ultimately invalidated, more than 700,000 Michiganders could lose their health insurance coverage and the 4.1 million people in Michigan with a pre-existing condition could lose the protections afforded to them under the healthcare law.

Work requirements don’t work. In the fall of 2018, the Snyder administration submitted a waiver to the federal government asking to impose work requirements on Healthy Michigan enrollees, despite overwhelming evidence that work requirements do not improve health outcomes or increase workforce participation. The League continues to oppose work requirements, but because these harmful requirements are now in effect, state resources will be needed to prevent significant coverage losses.

Percent Uninsured by Race and Ethnicity, 2018



Source: 2017 American Community Survey

WHY DOES IT MATTER?

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 important health screenings and improve access to needed prescription drugs.

Individuals who are insured are more likely to receive necessary (and more cost effective) preventive and primary care. The Healthy Michigan Plan extended health insurance coverage to many previously uninsured Michiganders. The program currently covers more than 640,000 adults. Nearly 90% of Healthy Michigan Plan enrollees saw a primary care doctor after enrolling, and the percentage who reported that their regular source of care was an emergency room dropped from 25% before enrollment to 7% after enrollment. Despite this progress, communities of color remain at greater risk of being uninsured.

The Healthy Michigan Plan helped grow Michigan's economy. The Healthy Michigan Plan is estimated to have created an additional 30,000 jobs every year since 2017 and significantly reduced uncompensated care across the state. Healthy Michigan work requirements may jeopardize these successes, so it is imperative that adequate funding be devoted to addressing barriers enrollees trying to comply with the new work mandate may face when seeking employment, such as limited access to job training, transportation and affordable child care.