

M I C H I G A N
Primary Care
A S S O C I A T I O N

2011 Legislative Priorities

Maintain the Integrity of Medicaid

● ● ● RECOMMENDATION

Governor Snyder's recommendation to preserve current Medicaid eligibility categories, benefits, and provider rates values prevention and promotes long-term fiscal strength. The legislature should support and protect the integrity of Medicaid as it currently stands. This will ensure that more providers are willing to deliver Medicaid services and that Michigan's most vulnerable populations have access to essential care.

● ● ● ISSUE

One out of every five Michigan residents uses Medicaid as their primary health insurance. As a result, Medicaid is crucial to assuring access to health care services for much of the low-income population in our state. Any reduction in eligibility, Medicaid benefits, or provider payment rates affects the ability of many to receive care and compromises the overall health of Michigan's population.

● ● ● BACKGROUND

For nearly 10 years Michigan has faced significant state budget deficits. Through much of this period our state was able to provide innovative approaches to reduce the pain of budget cutting. However, it finally became necessary in fiscal year 2008 to cut Medicaid provider rates by 8% to assure that benefits and eligibility could be maintained. In 2009, many optional services including dental services for adults were dropped to balance the budget. With passage of the American Recovery and Reinvestment Act of 2009 (ARRA), rates and optional services were reinstated in FY 2011. Unfortunately, creativity has led to a crisis in 2012 as we have basically depleted all available one-time funding opportunities and ARRA funding will end this year, as well.

● ● ● DISCUSSION

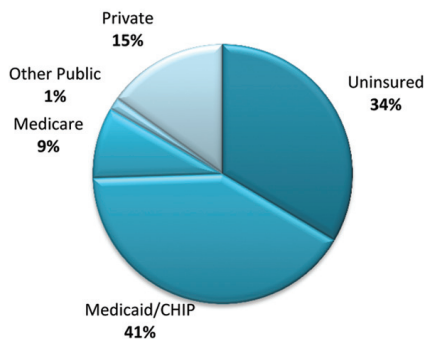
The number of uninsured individuals is growing in Michigan and across the country. This trend is happening even without any reductions in Medicaid eligibility. If Michigan creates newly uninsured populations as a result of reducing Medicaid eligibility, we must prepare for the resulting outcomes: reduced employability, poorer health status indicators, increasing infant mortality, and more expensive emergency care costs.

For those residents who depend upon Medicaid for their health insurance, reduction in payment rates to providers and reduction of benefits affect their ability to get care. Delay in treatment

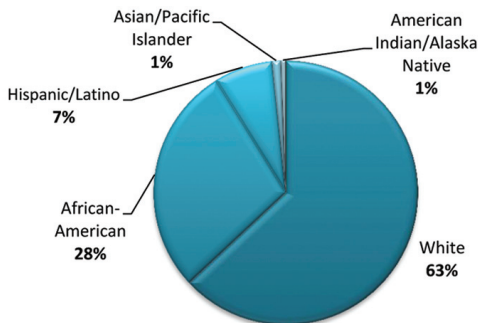
Michigan Health Centers Patients INCOME LEVEL 2009



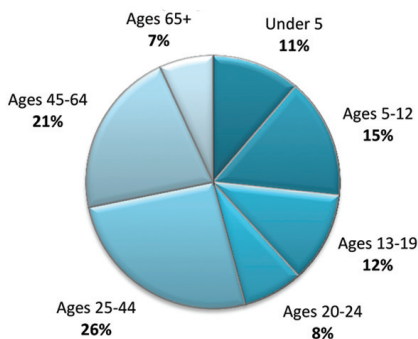
Michigan Health Centers Patients INSURANCE STATUS 2009



Michigan Health Centers Patients RACE/ETHNICITY 2009



Michigan Health Centers Patients AGE 2009



can lead to much more expensive care in hospitals and emergency settings. As hospitals provide care which is uncompensated or undercompensated, those costs are passed on to the insured through higher rates to other insurance carriers. As rates increase, more and more employers either require higher payment by those employed or they drop or reduce health insurance coverage, leading to more uncompensated care and the “cost spiral” continues. In other words, the public ends up paying the costs anyway at a much higher rate and all that has been accomplished is that people have suffered in the meantime. THIS IS NOT VALUE FOR THE DOLLAR BUDGETING.

It makes financial sense to assure that the one in every five Michigan residents who has Medicaid as their insurance coverage has access to early and comprehensive care to assure that more expensive care is avoided. THIS IS A GOOD VALUE FOR THE DOLLAR.

● ● ● MICHIGAN COMMUNITY HEALTH CENTERS

For over 30 years, Michigan’s Community, Migrant, HIV/AIDS, and Homeless Health Centers have been delivering comprehensive, affordable, cost-effective, quality primary and preventive care to federally designated medically underserved areas/populations of our state. Michigan’s 32 Community Health Center organizations form an essential component of the state’s safety net for nearly 600,000 residents at approximately 170 different locations. These organizations are on the front lines of health care serving the most vulnerable populations in rural and inner city communities.

● ● ● MORE INFORMATION

Kim Sibilsky, Executive Director
517.381.8001
ksibilsky@mpca.net

Doug Paterson, Director of State Policy
517.827.0463
dpaterson@mpca.net