



Michigan League FOR Human Services

CELEBRATING 100 YEARS OF RESEARCH AND ADVOCACY

September 20, 2012

Honorable Rick Snyder
Governor of Michigan
P.O. Box 30013
Lansing, MI 48909

Dear Governor Snyder:

I am writing to share a League report documenting the many benefits of expanding Medicaid as called for in the Affordable Care Act. Also enclosed is a fact sheet summarizing those benefits.

The Medicaid expansion will not only provide comprehensive healthcare coverage to hundreds of thousands of uninsured residents at no new General Fund cost initially, it will also provide welcome economic stimulus to the state through the infusion of billions of federal healthcare dollars. As you know, the ACA was paid for at the federal level when signed into law. The expansion is 100% federally funded initially, but does not add to the federal deficit.

The “coverage chasm” that will result if the Medicaid expansion is not implemented is of great concern. Even more troubling is that childless adults with the lowest incomes will continue to have no coverage or options, as the current Adult Benefits Waiver is a capped program and enrollment is generally closed.

Low-income residents with incomes between the current Medicaid eligibility levels and 100% of the federal poverty level will be left with no affordable options, as they will have income too high for Medicaid eligibility and too low for subsidies through the Exchange. An unintended consequence might be that Michigan residents could feel forced to reduce their incomes in order to qualify for Medicaid to receive the healthcare they need. This is also a great concern for us.

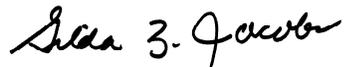
I understand your staff are completing analyses of the expansion. It is essential to consider more than just the fiscal impact of the expansion. This opportunity is unprecedented in the state’s ability to provide full-benefit healthcare coverage and health security to hundreds of thousands of low-income Michigan residents, the majority of whom are working. This can be accomplished without new General Fund investment for at least the first 10 years, according to a House Fiscal Agency analysis. Certainly a healthier workforce will result when health issues are identified and addressed before they escalate. The Medicaid expansion also provides a more comprehensive benefit to those currently receiving limited benefits under the Adult Benefits Waiver and non-Medicaid mental health services.

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The current “hidden tax” on employers and individuals will be reduced when hospital uncompensated care costs are reduced and not passed on to private payers. Expanding Medicaid will also avoid the penalty on low-wage employers with 50 or more full-time employees that do not provide affordable coverage, and their employees seek and receive coverage and subsidies through the Exchange. This unanticipated penalty would result for workers with incomes between 100% and 133% FPL because the ACA assumes they will be covered by the Medicaid expansion.

We urge you to support the Medicaid expansion and provide the leadership needed to successfully implement this critical public policy. Positive outcomes will result.

Warmest regards,



Gilda Z. Jacobs
President/CEO

Encls.

cc: Bill Rustem, Director of Strategy, Office of the Governor
Dennis Muchmore, Chief of Staff, Office of the Governor
John Nixon, Director, Office of the State Budget
James Haveman, Director, Department of Community Health
Steve Fitton, Michigan Medicaid Director
Steve Hilfinger, Director, Department of Licensing and Regulatory Affairs