



## Michigan League FOR Human Services

CELEBRATING 100 YEARS OF RESEARCH AND ADVOCACY

Date: March 29, 2012

To: The Honorable Matt Lori, Chair  
House Appropriations Subcommittee on Community Health

From: Karen Holcomb-Merrill, Policy Director

As you make final decisions on the Department of Community Health budget, I am writing on behalf of the Michigan League for Human Services to encourage you and your colleagues to consider the long-term impacts of your decisions, not just a short-term goal of reaching a dollar target. Health care needs do not diminish when funding for services is reduced or eliminated, they often escalate and become more expensive to treat or resolve. Your decisions directly impact people's lives and are not just numbers on a spreadsheet.

The Michigan League for Human Services supports the absence of major reductions in the Medicaid program, and strongly supports the governor's recommended increase to expand Healthy Kids dental to about 125,000 Medicaid-eligible children. Access to quality oral health services will reduce school absenteeism as well as long-term health consequences that result from untreated oral health issues. Tooth decay, an easily treatable condition, remains the most prevalent chronic disease of children, more common than asthma. We are very disappointed the House subcommittee reduced the recommended investment by about two-thirds (from \$25 million to \$7.9 million).

While dedicated funding for Autism Spectrum Disorders is important and valuable to Medicaid/MICHild children and their families, this policy does pick winners and losers. There are many other disorders that require early treatment to be most effective. A greater step toward mental health parity would be preferable public policy.

The minimal investment and focus by the House subcommittee to reduce obesity, infant mortality and smoking—critical public health issues in Michigan—will likely assure that little or no progress is made.

We believe disinvestments in Graduate Medical Education are short-sighted in view of the upcoming physician shortage and the dramatic increase in Medicaid enrollees beginning in January 2014. The importance of this program is demonstrated by the passage of supplemental appropriations by the House to restore all but \$6 million of the FY 12 reduction (\$32 million). The House subcommittee recommendation of an \$18 million gross appropriation to offset a portion of the continued \$32 million reduction, while an improvement over the Executive Budget recommendation, basically continues the one-time boilerplate appropriation from FY 12. The

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League is very concerned about the use of one-time appropriations to fund ongoing program costs, making program administration and continuity very difficult.

We are also very concerned about prior disinvestments in other Community Health programs including:

- Multi-year cuts to non-Medicaid mental health services which continue to stress the system and those who need care. Research has documented the significant stress on individuals and families during times of economic downturn and high unemployment. Michigan's economy is improving but is not yet recovered, and the reductions of more than \$50 million over the prior three years will result in individuals with serious mental illness not receiving the care they need in the right setting. Some are likely to end up in the corrections system.
- Healthy Michigan program disinvestments will detract from the state's ability to achieve the governor's goal to "promote wellness programs to reduce costs, improve quality of life, and increase the chances of detecting health conditions before they become chronic."
- Multi-year cuts in public health funding, more than \$3 million over the prior three years, making it more and more difficult for local health departments to provide the essential services (immunizations, water and food safety inspections, hearing and vision screenings for children, to name a few) that benefit all Michigan residents.
- Eligibility restrictions for Adult Home Help program recipients and their impacts on recipients' abilities to remain in the community when services are reduced or eliminated. This policy had been considered in the past and not pursued due to the negative impact on significant numbers of recipients, particularly those with mental health conditions. Due to the policy phase-in, negative impacts are not yet documented.

I urge you, as you make final decisions on the Department of Community Health budget, to weigh your decisions on their impacts on low-income residents—whether their lives will be positively impacted or diminished.

I would ask you to also consider the economic impact of Medicaid budget cuts on providers and communities. For every state dollar cut from the program, \$2 of federal funding are also lost, resulting in the loss of \$3 of health care services for Medicaid recipients, and \$3 of economic activity is taken away from communities, reducing, not creating jobs.

Feel free to contact me should you wish to discuss the Department of Community Health budget or receive additional information. Thank you for your tireless work on this budget.

cc: Honorable Jase Bolger, Speaker of the House  
House Appropriations Committee Members  
Bill Rustem, Director of Strategy, Office of the Governor  
Olga Dazzo, Director, Michigan Department of Community Health  
John Nixon, Director, State Budget Office