

Advisory Council



Status of Coverage Expansion Concepts DRAFT FOR DISCUSSION 2/22/06

Green Light Concepts- Concepts to which the AC has Agreed:

1. The AC supports the notion of health insurance coverage for all Michigan residents, and agrees to work collaboratively towards this end.

Although there is not agreement at this time on long-term solutions to the issue of uninsurance, it is agreed that there are tangible short-term steps that can be taken in Michigan that extend health insurance coverage, and that are consistent with the goal of 100% coverage.

2. There is a need for a public education initiative to inform residents of the nature and severity of the uninsured issue, and how this issue impacts all residents, not just those without health insurance.
3. Longer term and continued progress on this issue will require an on-going mechanism or council to continue both the research and dialogue needed. This council should consider health care cost, quality, and access, in addition to health policy analysis.
4. Increasing health care costs are a primary driver of the erosion of private coverage. Increases in the uninsured and those with publicly funded coverage also contribute to the erosion of private coverage. Cost shifting due to inadequate Medicaid reimbursement rates and uninsurance create additional strains on employer-sponsored and private health insurance. Long-term solutions to the uninsured issue need to address escalating health care costs.
5. Efforts are needed to strengthen the health care safety net in Michigan, which continues to provide necessary health care services for those without access to appropriate health care or an ability to pay for care.
6. Expansion efforts should maximize the use federal dollars.
7. The relatively high levels of coverage for children in Michigan must be maintained.
8. The current rate of Medicaid enrollment growth is not sustainable. In addition, an expansion of Medicaid eligibility is not feasible at current provider reimbursement rates.

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Yellow Light Concepts- Concepts Requiring Further Discussion:

1. Expansion efforts should improve Michigan's business climate by reducing the burden of health insurance on Michigan employers. At the same time, expansion efforts, at least in the short term, should seek to maintain or expand upon the employer-based health insurance system. Efforts are needed to address the current erosion in private coverage, and to provide incentives for employers to maintain or provide health insurance for their workers.
2. A limited expansion of Medicaid, with little or no financial costs to the State, warrants consideration, given the statewide Medicaid infrastructure already in place. However, the issue of enhanced provider reimbursement needs to be addressed. *(This statement conflicts with Green Light Concept #8.)*
3. The Michigan First Health Care Plan: *(Additional information and discussion is planned for the March 15 meeting. The AC has requested additional information on the sources of state funding, as well as any risks associated with the proposal.)*
4. Efforts are needed to share the burden of catastrophic risk.
5. Ways should be found to partner with small businesses that provide clear incentives to maintain or provide health insurance for their workers.

Red Light Concepts- Concepts Identified as "Deal Breakers":

1. Employer mandates
2. Individual mandates
3. New taxes