

Advisory Council



Status of Coverage Expansion Concepts DRAFT FOR DISCUSSION 3/15/06

Green Light Concepts- Concepts to which the AC has Agreed: (approved via motions)

1. The Advisory Council supports 100% health insurance coverage for Michigan residents. To assure an informed public necessary for action towards this objective, we recommend that the State launch a public education initiative to inform residents of the nature, severity and impact of Michigan having somewhere between 800,000 and 1.1 million of its residents without health insurance. This educational initiative should center around the ramifications of uninsurance such as:
 - Increased health care problems for those without insurance since they do not receive timely and adequate access to health care services;
 - Cost shifting to purchasers of health insurance -- employers, individuals and tax-funded public programs – which compounds the serious health cost problems facing Michigan employers and consumers;
 - Reduced competitiveness for all Michigan employers, but especially smaller businesses and those who compete in the international arena;
 - Financial endangerment of Michigan hospitals and other safety net providers.
2. A phased-in project/business plan shall be developed for covering the uninsured.
 - Each phase shall include number of uninsured to be covered, timeline, sources of revenue (state and federal) expected costs or outlays, remaining number of uninsured yet to be covered.
 - The business/project plan shall incorporate the recommendations of the Advisory Council.
 - The business/project plan shall be part of a larger plan whose objectives are dramatic, consistent improvements in cost, quality and access.
3. The Advisory Council supports creation of the Health Care Cost, Quality, and Access Partnership, which will look at the inextricably intertwined issues of cost containment, access and quality of health care. A priority for the Partnership will be to implement the recommendations of the State Planning Grant Advisory Council.

The Partnership should be non-partisan, independent of state government, and non-profit. It should include representation from all Michigan stakeholders, and be staffed sufficiently to assure its effectiveness. Given these characteristics, the Partnership should function as a long-term advisor to policy makers from both parties and the Executive and Legislative

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Branches. Those implementing the Partnership should seek funding from foundation sources, preferably blended funding from a consortium of foundations.

4. The Advisory Council recommends that a priority concern of the ongoing Cost, Quality, and Access Partnership should be the strengthening of safety net provider services.

(not yet approved via motion; upon approval, may incorporate/integrate into green light statements above)

5. The Advisory Council agrees 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. There is not agreement at this time on the long-term solution needed to reach 100% coverage.
6. The Advisory Council supports efforts to maximize enrollment of all current eligible individuals into public insurance programs, and recommends that a State government action plan be developed and implemented to maximize enrollment.
7.  Expansion efforts should maximize the use of federal dollars.
8. The relatively high levels of coverage for children in Michigan should be maintained and increased as efforts to  toward 100% coverage for all Michigan residents are pursued.

Yellow Light Concepts- Concepts Requiring Further Discussion:

1. Expansion efforts should improve Michigan's business climate  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 (especially small  businesses) to maintain or provide health insurance for their workers.
2.  **Medicaid Eligibility:** A limited expansion of Medicaid eligibility, to the extent that is financially feasible, warrants consideration, given the statewide Medicaid infrastructure already in place. However, a significant expansion of Medicaid eligibility is not feasible at current provider reimbursement rates.
3. **Medicaid Reimbursement rates:** Current Medicaid provider reimbursement rates are inadequate.
4. **Cost Shifting:** Cost shifting due to inadequate Medicaid reimbursement rates creates additional strains on employer-sponsored health insurance, providers, and individuals.
5. **Medicaid Enrollment Growth:** Because of escalating health care costs, the current rate of enrollment growth in Medicaid is not sustainable.
6. The Michigan First Health Care Pla 

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7. **Personal Responsibility:** Every Michigianian has a responsibility to have health insurance coverage for him/herself and her/his dependents. Personal responsibility should be woven into incentives that encourage the take-up or purchase of health insurance, as well as disincentives for those who have access to affordable coverage but remain uninsured. Government support or subsidization may be needed for those individuals that are unable to obtain affordable insurance coverage on their own.
8. **Enrollment Expansion:** The Advisory Council supports efforts to maximize enrollment of eligible individuals into employer-sponsored health insurance.
9. Efforts are needed to share the burden of catastrophic risk.

Additional topics discussed at 2/22 meeting: Dependent coverage, young adults, emerging individual market

10. Employers that offer health insurance to employees should be *required/encouraged/offered incentives* to offer dependent coverage (with or without employer contributions.)
11. Identify emerging individual retail market (including dependent children of covered individuals and young adults) and encourage insurance companies to develop and market relevant insurance products for this market.
12. Require/encourage/offer incentives to insurers to inform policy holders of available insurance options for dependents that may be losing eligibility for coverage as a result of age or loss of student status.

Red Light Concepts- Concepts Identified as “Deal Breakers”:

1. Employer mandates
2. New taxes
3. ? Expansion of existing State programs or expenditures (Is this a deal-breaker for some members?)