

Michigan State Planning Project for the Uninsured**Advisory Council*****Over-Arching Statement of Support for
100% Health Insurance Coverage for
Michigan Residents***

On January 18, 2006 we, the members of the Advisory Council for the Michigan State Planning Project, met to discuss our recommendations to MDCH Director Janet Olszewski on options to expand health insurance coverage to all Michigan residents. At that meeting we found common ground on which to base our future discussions. We agree, in principle, on preparing short-term solutions to extend health insurance and on developing a strategy for crafting long-term solutions designed to achieve 100% coverage.

Listed below are the motions we accepted at that meeting, the rationale supporting our mutual agreement and information we have requested to inform future discussions.

Motions Accepted:

- 1. We agree to support 100% health insurance coverage for Michigan residents. In addition, we agree to recommend a public education initiative to inform residents of the nature and severity of Michigan's health care crisis.**

We agree, that absent a federal solution, the State of Michigan should continue to work toward achieving health insurance coverage for all Michigan residents.

We also agree to recommend an initiative to raise public awareness of the severity of Michigan's current healthcare crisis. Increased awareness should build the public support necessary for acceptance of bolder long-term coverage expansion solutions. We believe that greater public awareness should be achieved through an education campaign focused on describing the pragmatic effects the growing number of uninsured have on those fortunate enough to still have health insurance.

Educational messages should highlight how the financial burden of uncompensated care wreaks havoc as it ripples across providers, funding sources and employers, only to land squarely on the doorstep of those who are currently insured. We believe this pragmatic approach, as opposed to a purely humanitarian message, will inspire those still unaware of the severity of this problem to become more disposed toward accepting a bolder long-term solution.

We request that MDCH staff develop a briefing paper which provides insights into the impact of uninsurance in general, and uncompensated care in particular, on cost shifting, competitiveness, health care providers and the public.

- 2. We agree to recommend a prudent expansion of Medicaid to benefit those just above current eligibility thresholds.**

We believe the considerable financial leverage provided by Medicaid matching funds cannot be ignored in our efforts to expand insurance coverage. Optimizing federal financial participation

(FFP) is particularly attractive since Michigan is currently a donor state, paying more in federal taxes than it receives back in federal funds.

However, as we expand any Medicaid-like coverage to those just above current eligibility thresholds, we recognize that we must pay higher rates to health care providers. We believe that expanding Medicaid coverage at current reimbursement rates would cause providers to leave the program and further deteriorate participants' access to care.

We request that MDCH staff develop a briefing paper on possible sources of State funds, populations to be covered, and the expected cost of such an expansion.

3. The Advisory Council agrees to recommend the creation of an on-going state mechanism to continue exploring solutions to achieve 100% health insurance coverage for Michigan residents and look at issues related to cost, access and quality of health care.

We also agree, however, that we have insufficient time before our recommendations are due on March 15th to reach consensus on a long-term solution for covering all Michigan residents with health insurance. In recognition of this time limitation, we unanimously agree to recommend the creation of an on-going state mechanism to continue this effort beyond completion of the State Planning Project for the Uninsured. Such an on-going mechanism would allow continued dialog among Michigan's health care stakeholders. We believe this on-going dialog is essential for stakeholders to chart a path among their diverse interests to consensus on bold, long-term coverage solutions.

We further agree that, because rising health care costs are at the root of our health care crisis, incorporating cost containment initiatives into long-term solutions must be a priority. In turn, we believe discussions about cost containment must always be linked to those about access and quality of care.

In addition to carrying forward the dialog necessary to reach consensus, an on-going state mechanism should also be charged with monitoring the state's ever-changing financial and political environment to identify and build upon emerging opportunities to expand health insurance coverage in Michigan. For instance, this body should carefully monitor, promote and assist in efforts currently underway to negotiate a federal waiver to allow coverage of additional Michigan residents under a Medicaid-like expansion leveraged by federal matching funds.

We request that MDCH staff develop a briefing paper outlining issues that the on-going state mechanism should address with specific attention to cost control initiatives, such as: patient safety; electronic medical records; provider supply issues; access; and, quality of health care in Michigan.

4. We agree to recommend that a priority concern should be the strengthening of safety net provider services.

We believe strengthening safety net provider services to be essential, because many Michigan residents will continue to depend on these health care services as we move toward 100% coverage.

We request that MDCG staff develop a briefing paper describing safety net service programs and initiatives, current capacity, and future outlook.