



## MEMORANDUM

TO: Members, House Appropriations Subcommittee for the Department of Health and Human Services

FROM: Gilda Z. Jacobs, President and CEO

DATE: March 2, 2017

SUBJECT: FY 2018 Budget for Health and Human Services

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On behalf of the Michigan League for Public Policy, which has been advocating for low-income families and children in Michigan for more than 100 years, I am urging you to support several key proposals in the governor's 2018 budget, and work to expand many of the interventions in Flint to other areas of the state where failing infrastructure and long-term disinvestments have left children at risk of exposure to environmental toxins.

### Human Services

- **Support continuation funding for the “Heat and Eat” nutrition program.** Approved last year on a bipartisan basis, the “Heat and Eat” program allows Michigan to leverage more than \$300 million in food assistance for low-income Michigan families, seniors and persons with disabilities. For 2018, the governor continues funding for the program and we urge you to support it again.
- **Support an increase in the clothing allowance for very low-income children in families receiving income assistance.** The governor proposes to increase the annual clothing allowance for children in the Family Independence Program (FIP) from \$140 per child to \$200. More than 3 of every 4 FIP recipients are children who are living substantially below the poverty line. The FIP benefit has not been increased in many years, and currently represents approximately 30% of the federal poverty line. Even with the maximum FIP benefit and food assistance, children in families receiving income assistance are surviving at a little over 60% of the federal poverty line or roughly \$12,000 for a family of three.
- **Support funding to increase protective and in-home services for elderly adults and persons with disabilities.** A 2014 audit found that Michigan was unable to respond quickly to reports of abuse, neglect or exploitation of adults, in large part because of growing referrals and staff reductions. In addition, as Michigan's population ages, nearly 7,000 seniors and persons with disabilities are on waiting lists for home-delivered meals and other home services.

### Health

- **Support continued funding for the Healthy Michigan Plan.** At a relatively low state cost, Michigan has been able to extend healthcare coverage to over 600,000 individuals through the Affordable Care Act. The program has been very successful resulting in nearly \$2.3 billion in additional personal spending power, reducing hospital uncompensated care rates by nearly 50% which means stabilization of rural

hospital finances, and creating more than 30,000 new jobs every year. A copy of the League's fact sheet on why the Affordable Care Act is good for Michigan is attached.

- **Invest in the public health services and infrastructure needed to address the crisis in Flint, and prevent similar crises in other areas of the state.** As the Flint crisis continues, the governor has recommended \$13.4 million to support distribution of healthy food, breastfeeding support, school-based child and adolescent centers, lead abatement, and the establishment of primary care medical homes. Problems with lead exposure are not limited to Flint, and many of these investments need to be expanded statewide.

Thank you for your consideration of our priorities for the 2018 budget. We welcome your questions and stand ready to provide additional information.

# 10 reasons the Affordable Care Act is good for Michigan

**1** Michigan's uninsured rate has dropped by 45% under the Affordable Care Act.

**2** Over 600,000 working individuals with low incomes were able to gain health insurance, many for the first time, through Michigan's Healthy Michigan Plan (Medicaid expansion).

**3** Nearly 3.5 million Michiganians (including 977,000 children) saw lifetime coverage limits disappear as a result of the Affordable Care Act's ban on lifetime limits.

**4** Michigan residents have received \$91.8 million in refunds from plans that overcharged for premiums since the ACA took effect.

**5** 4.4 million Michiganians with pre-existing conditions including cancer, asthma and diabetes who were often denied healthcare have been able to gain necessary health coverage.

**6** An analysis done at the University of Michigan shows that the implementation of Medicaid expansion has resulted in more than 30,000 new jobs every year.

**7** Prior to the Affordable Care Act, women were charged approximately 32% more for health coverage than men. Now they are charged the same.

**8** 70,000 young people have been able to stay on their parents' insurance as a result of a provision that requires health plans to allow those up to the age of 26 to stay on their parents' health insurance policies.

**9** Mental health parity has provided coverage for those suffering from mental illness and substance use disorder, including opioid addiction.

**10** 200,000 senior citizens and people with disabilities have saved an average of \$1,000 each in prescription drug costs.

