

To: Members, House Health Policy Committee

From: Adam Carlson, Senior Vice President, Advocacy

Date: May 18, 2023

Re: HBs 4495, 4496

Position: Support

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For decades, Michigan hospitals have made significant contributions – both financially and through the investment of time, effort and personnel resources — in helping connect men, women and children throughout the state with healthcare coverage that is appropriate for their particular financial and social situation. Through 2019, Michigan hospitals contributed more than \$7 billion in permanent reductions to Medicare reimbursement to support healthcare coverage expansion, including the Healthy Michigan Plan. The return on this investment is remarkable, with more than one million Michigan residents currently enrolled in affordable healthcare coverage through the Healthy Michigan Plan.

Despite the success of Michigan's Medicaid expansion program, pressures in the healthcare marketplace impact program costs in Michigan and throughout the nation. Many of these pressures — such as growing workforce expenses, insurer premiums for healthcare coverage or the increasing cost of prescription drugs — are outside of hospitals' control and of the normal financial projections considered when the Healthy Michigan Plan won bipartisan approval.

This legislation makes several changes to ensure the long-term success of Healthy Michigan and continued access to healthcare:

- **Eliminates arbitrary cost-sharing requirements on enrollees** that are rarely collected, administratively burdensome and unnecessary.
- **Ensures program viability**, even if at a modest state cost. Since passage, Healthy Michigan has saved more than \$1.2 billion in general fund. Striking this provision means the program can continue, even if costs exceed savings in a given fiscal year.

- **Provides a broader range of options for enrollees to complete their health risk assessments.** This can include through electronic means and eliminates punitive penalties such as loss of insurance.

Providing health insurance coverage and access for lower-income community members improves the health and wellness of the state, while having a positive effect on securing and maintaining employment. As a healthcare leader in many of Michigan's communities, hospitals will continue to work with patients to promote healthy behaviors that improve health outcomes.

If you have any questions, please do not hesitate to contact me at [acarlson@mha.org](mailto:acarlson@mha.org).