



Time limits remain key hurdle in proposed Medicaid expansion plan from Michigan's House Republicans

[Tim Martin | tmartin4@mlive.com](#) By [Tim Martin | tmartin4@mlive.com](#)

[Follow on Twitter](#)

on May 14, 2013 at 7:16 PM, updated May 14, 2013 at 11:10 PM

LANSING, MI - A sweeping proposal from House Republicans to change Medicaid in Michigan is sparking concern from those who want to expand the health care program -- and those who don't.

[House Bill 4714](#) got its first committee hearing Tuesday, and it won't be the last. The House's Michigan Competitiveness committee has scheduled another hearing on the bill for Thursday.

The proposal would allow for expansion of the Medicaid program in Michigan -- but only if the Obama administration signs off on a series of changes, including a 48-month time limit on benefits for able-bodied adults. House Republicans say Michigan would be the first state to implement such a time limit, and that's the piece of the plan sparking the most concern.

House Speaker Jase Bolger, R-Marshall, has acknowledged that the federal government has expressed skepticism about some elements of the Medicaid plan -- particularly the proposed time limits on assistance. But Bolger [plans to build a case](#) that other government assistance programs -- such as welfare cash assistance -- already have time limits, so the approach is consistent.

If the federal government doesn't grant waivers for the Michigan plan, it basically would be scrapped and the state would stick with its current system.

Senate Majority Leader Randy Richardville, R-Monroe, told reporters Tuesday that he liked parts of the House Republican plan but added "I don't like all of it" -- followed quickly by a mention of the 48-month cutoff.

"I understand where they're going and why," Richardville said. "But I think some small businesses would have a different argument, when they have some people that are working probably to the greatest extent that they'll be able to in their careers and the jobs that are available to them might just not have health care coverage."

Democrats questioned the time limit on benefits as Reps. Matt Lori, R-Constantine, and Al Pscholka, R-Stevensville, detailed parts of the plan during Tuesday's committee hearing. Rep. Tim Greimel of Auburn Hills, the leader of House Democrats, has called the proposal "heartless" and "irresponsible."

Republican Gov. Rick Snyder – who supports expanding Medicaid under the federal Affordable Care Act or Obamacare -- has “strong concerns and reservations” about the 48-month cap, spokeswoman Sara Wurfel has said. [Snyder also wants features](#) that would allow the state to start a health savings fund, financed through money saved when the federal government initially starts to spend more on Medicaid.

If all conditions outlined in the House Republican proposal were accepted by the federal government, the state would accept federal money and expand coverage in line with Snyder’s original proposal. Expanding Medicaid coverage to adults who earn up to 133 percent of the poverty level could help cover 320,000 more residents in the first year alone, according to Snyder’s administration.

Supporters of the House Republican plan say it’s designed to include personal responsibility and personal control measures that would affect the entire Medicaid population, eventually saving taxpayer money through a healthier population.

Able-bodied adults also would be charged premiums and co-pays, with the premiums charged on a sliding scale based on income. The premium would top out at 5 percent of income. Health assessments or physicals would be required. Premiums would be lowered if people take steps to improve their health – such as quitting smoking or losing weight.

Recipients could go through Medicaid, or they could use health savings accounts in connection with private plans. Those options could be tied into a federal health exchange.

House Republicans say the plan would require 100 percent federal funding – which means, if it were to become law, the Legislature would have to revisit the arrangement within a few years. The federal government has said it would cover the full cost of Medicaid expansion through 2016 before gradually reducing funding to 90 percent by 2020.

The Michigan Catholic Conference and Catholic health care leaders issued a statement Tuesday saying that a Medicaid reform proposal should be “truly universal, does not deny care to those in need, and respects the life and conscience of every person.” The statement said reforming Medicaid in “an acceptable manner” would benefit the state.

Michigan’s National Federation of Independent Business said that “although House Republicans deserve credit for trying to make the best of a bad proposal ... it is still unlikely that Michigan small business owners will support Medicaid expansion.”

The Michigan chapter of Americans for Prosperity issued a statement continuing its opposition to Medicaid expansion – including opposition to House Bill 4714.

“The reforms to Medicaid proposed in HB 4714 may be well intentioned, but please do not be fooled,” AFP’s Scott Hagerstrom wrote to lawmakers “This legislation still represents a huge and costly expansion of a

failed government health insurance system over which the State of Michigan has very little control. Yes, HB 4714 contains some attractive window-dressing, but the view for taxpayers has not changed.”

Email Tim Martin at tmartin4@mlive.com. Follow him on Twitter: [@TimMartinMI](https://twitter.com/TimMartinMI)

© MLive.com. All rights reserved.