



## House Bill 4714 (S-9): Medicaid Expansion and Reform

### OVERVIEW & HISTORY:

The 2010 Affordable Care Act introduced the expansion of Medicaid services as a key component of federal health care reform. By expanding Medicaid coverage to those earning up to 133 percent of the federal poverty level, millions of uninsured would have the opportunity to receive access to health care coverage, including approximately 450,000 in Michigan. The U.S. Supreme Court ruled in June of 2012 that the government could not require states to expand Medicaid, but each state could choose to receive extra funding if they accepted the expansion. According to the health care law, the federal government will pay 100 percent of the state's costs for the first three years and will then pay 90 percent afterwards.

Estimates show that Medicaid reform in Michigan will provide an economic stimulus to the state. Since the federal government will cover expenses for which Michigan pays today, the state's General Fund is expected to save \$206 million in 2014 alone. According to the estimates, Michigan will realize a savings of \$320 million in uncompensated care costs by 2022. Additionally, over \$20 billion in new federal dollars received between 2014 and 2023 will generate millions of new dollars in the state's economy.

### LEGISLATIVE DETAILS:

HB 4714, introduced by Rep. Matt Lori (R-Constantine) and revised by House and Senate committees, would require the Department of Community Health to seek a waiver to extend Medicaid to eligible individuals up to 133 percent of the federal poverty level (FPL), and implement additional reforms:

- Create a health savings account for enrollees, which would receive funding from an enrollee, the enrollee's employer, and private and public entities.
- Require able-bodied enrollees earning up to 133 percent of the FPL to pay up to 5 percent of their income on medical expenses.
- Require able-bodied adults in 49<sup>th</sup> month of Medicaid coverage to purchase private health insurance through a health exchange or contribute more to cost-sharing (7% cap from 5%).
- Allow participants to reduce their premiums/co-pays based on performance of healthy behaviors.
- Include coverage of telemedicine services for those individuals eligible for Medicaid expansion.
- Requires that hospitals participating in Medicaid not charge an uninsured person whose income is up to 250 percent of the FPL more than 115% of what Medicare pays for the same type of care.

### MCC ADVOCACY:

In 1981, the U.S. bishops published a pastoral letter called *Health and Health Care*, which affirmed that health care is a basic fundamental right that flows from the dignity of every human person. House Bill 4714 would be an important step in the right direction towards offering increased health care access to primary care physicians and preventative services for around 450,000 of Michigan's uninsured residents. In May, Michigan Catholic Conference joined with the state's Catholic health care providers to release guiding principles for Medicaid reform and to testify before the House Committee on Michigan Competitiveness in support of this legislation. Michigan Catholic Conference is prepared to continue to work with lawmakers to ensure any policy that is passed is **universal, respectful of the life and conscience of every person, and does not deny care to those who need it.**