

April 19, 2010

Members of the House Appropriations Subcommittee on DCH
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909-7514

Dear Members of the Committee:

Currently more than 150,000 kids in Michigan are uninsured and the numbers are increasing as the economy continues to deteriorate. Covering all kids and removing barriers to access are necessities for the future of our state; therefore, as you discuss the fiscal year 2011 state budget, we, the undersigned Michigan organizations urge you to consider the following priorities in relation to children's health:

- 1) ***Insert language requiring the Department of Community Health (DCH) to implement "Express Lane Eligibility"***: In February 2009, the reauthorization of the Children's Health Insurance Program (CHIPRA) was signed into law. The Act included many new tools to expand outreach and enrollment to cover all of the state's uninsured children and improve access to high quality health care services.

One of the options given to states is to provide children with "express lane eligibility," by allowing financial eligibility requirements for MICHild and Medicaid to be satisfied based on findings by other government agencies. Several states have already begun to take advantage of this tool and have enrolled many eligible but uninsured children.

The Michigan House of Representatives inserted boilerplate language in the fiscal year 2010 DCH budget requiring the automatic enrollment in MICHild of children meeting the income eligibility criteria for free breakfast, lunch, or milk as determined under the National School Lunch Act. This language was not included in the final version of the budget signed by the Governor.

We ask that this language be included in the fiscal year 2011 DCH budget, modified to include enrollments in Medicaid as well. By reaching out to children and families in a place that is trusted, like their schools, we would have the opportunity to reach eligible but uninsured children.

- 2) ***Insert language requiring the DCH to re-determine the mental health portion of MICHild rates and pay CMHSP's a rate sufficient to cover the cost of providing care***: When MICHild was created in Michigan, the rates for mental health coverage were based on questionable encounter data that all parties agreed was only a starting point. These rates have never been updated to reflect the current data that is now available.

As a result, MICHild rates for mental health coverage paid to Community Mental Health Services Programs (CMHSP) are insufficient to cover the cost of service to MICHild enrollees. This forces CMHSP's to supplement MICHild with increasingly reduced general fund dollars. The consequence will be that fewer and fewer MICHild enrollees in need of care will actually receive it. In addition, with the current underfunded rates, the State foregoes nearly 75 percent in federal match on the difference between the cost of the services and the current rates. If the

rates are updated to cover cost, the general fund currently supplemented by the CMHSP's could serve as the match to draw the federal funds.

More accurate data is now available on the actual cost of services. Therefore, we ask that language be included requiring the DCH to recalculate the mental health portion of the MICHild rates based on the most recently available encounter data for MICHild enrollees , providing CMHSP's a rate sufficient to cover the cost of providing care.

The DCH recently received \$3.7 million in CHIPRA performance bonus payments from the federal government for its efforts in enrolling children in MICHild; these funds could be used to help cover costs associated with either of these priorities—ensuring that this money goes back into helping kids rather than simply filling budget holes.

Although federal health reform legislation will benefit all children, state leaders must act now to ensure that all children have access to affordable, high-quality care, because children and families cannot wait. Michigan needs healthy children—our economy and future rests in their hands as the workforce and leaders of tomorrow.

Please do not hesitate to contact any one of our organizations with questions. We look forward to continuing to work with you on issues affecting children and families in Michigan.

Sincerely,

Center for Civil Justice
Early Childhood Investment Corporation
Interfaith Health and Hope Coalition
Michigan Association for Local Public Health
Michigan Association of Health Plans
Michigan Association of United Ways
Michigan Council for Maternal and Child Health
Michigan League for Human Services
Michigan Primary Care Association
Michigan's Children
School-Community Health Alliance of Michigan
YMCA of Greater Grand Rapids