



AN ISSUES PRIMER FOR MICHIGAN'S 2011 LEADERS

FROM CRADLE TO CAREER: CHILDREN'S HEALTH	ENSURING HEALTHY LEARNERS	ECONOMIC IMPACT: ASTRONOMICAL
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WHERE MICHIGAN STANDS

The number of uninsured children in Michigan is growing. Although Michigan's rate traditionally has been lower than the national average, the number of uninsured children in Michigan is rising as parents lose jobs and health coverage. Between 2006 and 2007, the number of uninsured Michigan kids under age 18 jumped more than 30 percent from 4.7 to 6.2 percent. The rate of uninsured children rose almost 70 percent over the same time period for those ages 0 to 5. Last year, approximately 150,000 Michigan children had no health insurance at all, with children of color and children from poor and working poor families among the least likely to be insured.

Michigan's Medicaid caseloads have increased significantly over the past decade and continue to rise. In fiscal year 2009, approximately 1 million children, or 45 percent of all children in the state, were enrolled at some time in Medicaid or MICHild (Michigan's Children's Health Insurance Program). More than half (54%) of all Medicaid enrollees in Michigan are children. Medicaid caseloads for children in Michigan are growing faster than the national average: 55 percent compared to a 31 percent nationally. There were 43,354 children enrolled in MICHild in June 2008. Many of Michigan's uninsured children are believed to be eligible for Medicaid or Medicaid, but are not enrolled.

<p><u>Key Stats</u></p> <p>150,000 – Michigan kids uninsured</p> <p>45% - Of all Michigan kids on Medicaid or MICHILD</p> <p>88% to 64% - Drop from 1999 to 2005 in percentage of Michigan physicians accepting Medicaid patients</p> <p>\$100 million – Federal money Michigan turned away in 2010 to expand health care for children</p>

CAUSES & CHALLENGES

Rising unemployment and loss of employer-based insurance has left many uninsured. Michigan has suffered through the bankruptcy of two of the Big Three automobile companies, one of the highest unemployment rates in the country, and the loss of approximately one quarter of the state's jobs. The rapid and devastating losses have left many uninsured and turning to government-subsidized insurance. Approximately, 162,000 people in Michigan are expected to lose health insurance coverage between 2008 and 2010, including children who have traditionally been covered by a parent's employer-based insurance.

Provider rate cuts have led to fewer physicians in Michigan willing to provide care to kids enrolled in Medicaid. Between 1999 and 2005, physician reimbursement rates for Medicaid remained flat. In 2005, they were cut by 4 percent despite rising health costs. Over this time period, the number of physicians participating in the Medicaid program dropped from 88 percent to 64 percent. In 2010, physicians took another 8 percent cut to their payment rates.

Lack of outreach funding has hampered the enrollment of eligible children in public programs. It's believed that many of the state's uninsured children are eligible for either MICHild or Medicaid—up to two-thirds is common belief—but are not enrolled. In fact, since funding for MICHild outreach services was cut from the state budget in 2002, MICHild caseloads have remained relatively flat. Without the necessary community outreach, the number of uninsured children will likely increase, especially as need grows.

BUDGET IMPACT

Despite deep cuts to programs for children and families, MICHild and Healthy Kids have been spared. Although no cuts were made to either public insurance program for kids, other health programs were severely impacted. The state also chose not to expand MICHild based on new tools provided through the reauthorization of the Children's Health Insurance Program (CHIPRA), which gave states the option to cover kids up to 300 percent of the federal poverty level.

Michigan tax dollars that could be spent on Michigan children are going to other states. In the current budget year, Michigan turned away approximately \$100 million in potential new federal funding because it chose not to provide the 25-cent match for every \$1 of federal funds to expand health care coverage for low-income children. Those funds instead are going to other states while the need rises in Michigan.

VOTER VOICE

Voters overwhelmingly support health care coverage for children. A nationwide poll conducted in January of 2010 by Opinion Research Corporation revealed that 89 percent of respondents either strongly supported (75 percent) or supported (14 percent) ensuring that all children have health care coverage as a part of reforming our nation's health care system.

WHAT CAN WE DO?

- Help guarantee access to affordable, quality care by holding the line on further cuts to provider reimbursement rates.
- Ensure that all children are covered and families entering the public system for the first time can navigate it by supporting the expansion of MICHild and providing funding for outreach services.
- Give Michigan more flexibility and options with potential cost-saving mechanisms by supporting the implementation of new tools provided under CHIPRA, such as “express lane” enrollment and simplified re-determination processes.