



Michigan League FOR Human Services

Testimony before Senate Health Policy Committee

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Good afternoon Chairman Marleau and members of the Committees. My name is Jan Hudson. I am a senior policy analyst for the Michigan League for Human Services. The League is a founding member of the Michigan Consumers for Healthcare Coalition, so I am here today wearing both hats. Thank you for the opportunity to speak with you today.

The Affordable Care Act has the potential to do enormous good for the residents and businesses of the state of Michigan. A key component of the federal law is the establishment of a health insurance exchange, a marketplace for obtaining affordable, accessible, quality healthcare coverage, both private and public. We believe the state should develop and implement its own exchange to address the needs and priorities of Michigan residents, and to address issues unique to Michigan. We believe this is a better alternative to partnering with another state(s) or deferring, some say abdicating, to the federal government to develop and operate Michigan's exchange. Who knows better than Michiganders what is good for Michigan? Each of you has the opportunity to influence the design and implementation of Michigan's exchange, which will be implemented so long as the ACA is the "law of the land." SB 693 provides a good basis for developing Michigan's exchange, and we support Don's comments applauding positive changes in terms of the governance structure and consumer representation, as well as his recommendations for further consumer-friendly enhancements.

To give you a little context for the importance and urgency of proceeding, let me share some statistics. Over the period 2001-2009, Michigan had the distinction of being No. 1 in the nation in the number of people who lost employer-sponsored coverage - at nearly 1 million. Many of those people became and remain uninsured.

The most recent American Community Survey indicates Michigan had about 1.3 million uninsured in 2010. The number continues to grow each year. Many people lost their

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federal poverty level, and about half would qualify for the federal subsidies provided through the exchange. The value of the federal subsidies to Michigan families in 2014 is projected to be \$1.3 billion, providing both healthcare coverage to those who are currently uninsured and an infusion of dollars to Michigan's economy. A win-win situation.

To be successful, the exchange will need to effectively coordinate commercial and public coverage, and seamlessly accommodate those who move between public and private coverage due to changes in income. Continuity of coverage for those who move between public and private coverage will be essential.

A robust outreach component is critical, including culturally and linguistically appropriate materials, to reach underserved populations. Trained Navigators to assist families and individuals understand their options and help them to make the best decisions for their families will be key to providing a "1st class, 21st century consumer experience" as called for in the law.

Due to the complexity of this effort, it will take our best Michigan minds working together to determine the most effective, consumer-friendly way to implement a state exchange, meeting both the requirements of the Affordable Care Act and addressing the opportunities and challenges that are unique to Michigan. SB 693, with modification, provides a good basis for establishing Michigan's exchange.

There is much work ahead, and while we need to be thoughtful in how we proceed, the time frames are tight. We look forward to working with you to implement a successful, consumer-friendly exchange in Michigan.
Thank you.