



# THE ECONOMIC ALLIANCE FOR MICHIGAN

The Statewide Business-Labor Coalition

41700 Gardenbrook Road, Suite 120 • Novi, MI 48375-1320 • Phone (248)-596-1006 • Fax: (248) 596-1012  
Website : [www.eamonline.org](http://www.eamonline.org) • E-mail: [EconomicAlliance@EAMonline.org](mailto:EconomicAlliance@EAMonline.org)

**Co-Chairs:**  
**Cindy Estrada,**  
Vice President  
International Union, UAW  
**Sharon Miller**  
President  
ITH Staffing  
**Jean C. Rose,**  
Executive Director, Human  
Resources, General Motors  
**Karla Swift**  
President  
Michigan State AFL-CIO

**Vice Chairs:**  
**Patrick Devlin**  
CEO, Michigan Building  
Trades Council  
**William Clay Ford, Jr.**  
Executive Chairman  
Ford Motor Company  
**Robert T. King**  
President  
International Union, UAW  
**Gary B. Kushner**  
President  
Kushner & Company  
**Sergio Marchionne**  
CEO,  
Chrysler Group LLC.  
**Daryl Newman**  
Secretary-Treasurer  
Michigan State AFL-CIO

**David Robinson**  
President, Michigan Teamsters  
Joint Council No. 43  
**Edward E. Whitacre, Jr.**  
Chairman  
General Motors Company  
**Dennis E. Williams**  
Secretary-Treasurer  
International Union, UAW

**Secretary:**  
**Ron Bieber**  
Michigan Director  
Community Action Program  
International Union, UAW

**Treasurer:**  
**Gary B. Kushner**  
President  
Kushner & Company

**Founding Co-Chairs:**  
**Irving J. Bluestone**  
Retired Vice President  
International Union, UAW  
(1917-2007)

**Fred G. Secrest**  
Retired Exec. Vice President  
Ford Motor Company

**Co-Founders:**  
**Douglas A. Fraser,**  
President Emeritus  
International Union, UAW  
(1916-2008)  
**James M. Roche,**  
Former Chair & CEO  
General Motors Corporation  
(1906-2004)

**President:**  
**Bret Jackson**

**Vice-President:**  
**Dennis McCafferty**

March 1, 2012

## Written Testimony from The Economic Alliance of Michigan on House Bills 414 and 415 and Senate Bill 981

The Economic Alliance for Michigan is a private non-profit corporation of companies and unions in the for-profit sector. Our organization's objective is to have a forum for working together on those Michigan business and jobs issues on which our members agree. We focus on cooperative, action-oriented endeavors to improve the reality and image of Michigan as a place to do business and be employed. This year we are celebrating 30 years of collaboration.

EAM corporate members are large and small companies from many different economic sectors. Our union members include most major segments of Michigan's labor movement.

For many years we have focused on the rapid escalation of health care costs because it is an increasing burden on Michigan businesses – which generates pressure to reduce jobs, cut benefits or increase costs for workers.

Through EAM business and labor has worked together at the State level to offset some of the major causes of those cost increases, while improving accessibility and quality of health care services. This includes our strong opposition to any state-imposed health insurance mandates.

We have a long standing position opposing state-required health insurance mandates. Our members believe purchasers – whether it is businesses, unions or an individual – should be able to determine what available health care benefits, providers and payment rules best meet their needs for quality, accessible and cost-effective health care.

We believe state government has an important responsibility, through licensure and appropriate regulation to assure the safety and effectiveness of health providers and insurance products. State regulation should not be used to favor certain health services or providers over another, nor dictate to whom or how purchasers pay for services.

State mandates impact only about a third of Michigianians. Over 50% of the insured population is insured through self-insured private employers. Self-insured employers follow federal health care requirements under the Employee Retirement Income Security Act, also known as ERISA. Under this federal law, self-insured employers are exempt from any state-imposed health care mandates.



Individuals covered under Medicaid (and Medicare) are not impacted by mandates, and certainly, those who are uninsured are not impacted.

We realize under the proposed package of bills that the required healthcare services will be paid in FY 2012-13 through a General Fund Appropriation. We believe there are alternatives to a mandate, like setting up a state fund where parents could directly apply for reimbursement of services. We have concerns that in future years claims will exceed the amount of funds appropriated by future legislatures. Priorities in the appropriations process may shift away from Autism coverage, but small businesses and individuals will still be required to bear the cost.

With all health care related challenges The Economic Alliance for Michigan advocates for solutions that don't restrict the purchasers ability to freely determine the benefits that best meet their needs, that doesn't lend to increasing health care costs and that doesn't place the burden on small employers and individuals to pay the costs for a limited coverage of care. We do support comprehensive fair solutions that solve healthcare problems for all Michigianians and that makes health insurance more affordable and accessible.