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EO Medicaid Cuts Would Harm People

Health Care for All Michigan Residents Will Suffer

LANSING, Mich. — As the recession sends record numbers of Michigan residents onto the Medicaid rolls or into hospital emergency rooms with no health insurance, any mid-year cuts to Medicaid would harm people across the state, health care leaders warned today.

Physicians, hospital executives, long-term-care and mental health providers implored the governor and Legislature to abandon any plans to cut Medicaid from the governor's Executive Order spending reductions to be announced tomorrow.

"We do understand that the state is in dire financial straits, but cuts to Medicaid harm people and we are certain neither the governor nor legislators want to further destabilize the state's fragile health care system," said Spencer Johnson, president of the Michigan Health & Hospital Association (MHA), which represents all 144 nonprofit hospitals in Michigan.

The health care leaders have been told the governor may recommend another 4 percent cut to Medicaid provider rates, which are already grossly inadequate. A 4 percent cut would reduce Medicaid patient care payments by nearly \$53 million (this includes federal matching dollars) to save \$16 million in general funds between July 1 and Sept. 30. Since 1996, Medicaid hospital patient care funding in Michigan has been slashed by more than \$850 million. Currently, Medicaid pays for the health care of nearly 1.7 million Michigan residents, an all-time record high. Most people who rely on Medicaid are children, young families, the elderly and the disabled.

Also straining the health care safety net in Michigan are the rising numbers of people with no health insurance who are seeking care — for which they cannot pay — in hospital emergency rooms. According to the U.S. Census Bureau, since 1999, more than 727,000 Michigan residents who had private health insurance, most often provided by an employer, have lost their coverage. The number of Michigan residents with no health insurance now stands at 1.2 million.

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Michael A. Sandler, MD, immediate past president, Michigan State Medical Society, said Medicaid cuts in recent years have caused a significant increase in the number of physicians who are being forced to reduce the number of Medicaid patients they can accept. “More cuts to Medicaid would make it even harder for Michigan children, the elderly, and the disabled to see a doctor in our state,” Sandler said. “The human toll of cuts, at this time of the year, to an already grossly underfunded Medicaid budget would be significant.”

The governor recently noted that cuts to the “important” must be made to “fund the essential.” Funding to protect health care is essential, the health care leaders said.

“For generations, Michigan’s not-for-profit providers of senior services have been funding programs and services to Michigan’s most vulnerable that the state fails to see as essential,” said Dave Herbel, president/CEO, Aging Services of Michigan. “When will the administration consider long-term-care programs and services as essential?”

Long-term-care providers in Michigan said more Medicaid cuts will also harm the state’s growing population of elderly and disabled residents who need 24-hour skilled health care services.

“The government has a core responsibility to care for Michigan’s most frail citizens. Seventy percent of the elderly and disabled residents in nursing facilities are Medicaid beneficiaries,” said David LaLumia, president/CEO, Health Care Association of Michigan. “These cuts will result in a loss of jobs, which compromises our ability to provide care at the level they deserve.”

“Further Medicaid cuts will close the door to health care, not just for our state’s most vulnerable populations, but to everyone,” said Dennis Paradis, executive director, Michigan Osteopathic Association. “Our physicians are asking state leaders to protect health care access for *all* patients.”

Within 10 days of the governor proposing Executive Order cuts, the Appropriations Committees of both the House and Senate must approve the cuts or they cannot be implemented.

“Access to behavioral health care is especially essential in times of extraordinary stress and uncertainty for the citizens of Michigan,” said Michael Vizena, executive director of the Michigan Association of Community Mental Health Boards. “As we struggle together through this difficult economic downturn, it is not the time to reduce access to supportive mental health and substance use disorder treatment services.”

“The Legislature must understand that Medicaid cuts will cause pain and suffering in every one of the state’s 110 House districts and in every one of the state’s 38 Senate districts,” the MHA’s Johnson said. “Difficult choices must be made and cuts that do not cause human pain are required. Health care cuts will cause human pain and we urge the governor to abandon those cuts, and we urge the Legislature to reject these cuts if they come before the House and Senate Appropriations Committees.”

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