CENTER *for* CIVIL JUSTICE

Fighting Poverty Through Advocacy.

Testimony in Favor of a Michigan Health Insurance Exchange

January 19, 2012

Chairperson Gaines and Members of the Health Policy Committee, my name is Jackie Doig. I am a senior staff attorney with the Center for Civil Justice (CCJ), a non-profit law firm with offices in Saginaw and Flint. We represent low income clients in mid-Michigan and the Thumb.

CCJ advocates for people in Michigan who need help meeting their basic needs. CCJ uses legal expertise, informed by the experiences of low income people, to monitor and improve public policy and access to governmental programs and services.

CCJ works closely with private, non-profit human services providers throughout our service area, including faith-based organizations, non-profit health clinics, and the myriad of agencies that attempt to fill the gaps when low income individuals are uninsured or cannot access necessary medical care. We also receive a local grant to provide direct advocacy for low income clients in Genesee County who need help with access to governmental health programs.

****

The Center for Civil Justice strongly supports the establishment of a Michigan Health Insurance Exchange that will help private insurers compete for business in the individual and small group market and will enable Michigan citizens to shop for affordable health insurance options . Immediate action is necessary to ensure that Michigan does not fall behind the rest of the country and does not end up with a one-size-fits-all Exchange imposed by the federal government.

A Michigan Health Insurance Exchange or Marketplace will allow Michigan consumers to make educated choices about their health insurance coverage and will help make private insurance more affordable for both small employers and individuals. Empowering Michigan consumers in the individual and small group market to purchase affordable health insurance helps contain the cost of healthcare for everyone. A well-designed, well-run Michigan health insurance exchange can help Michigan consumers take personal responsibility for purchasing insurance that not only helps them receive timely access to care, but also protects others from paying more when the costs of the uninsured are shifted to those who have insurance.

320 South Washington 2nd Floor Saginaw Michigan 48607 Phone 989-755-3120

January 12, 2012

To all concerned about health insurance for the uninsured at the state level, and for setting up Michigan's new health care exchange:
We talk about prevention, and I support that, but let's talk now about how we can prevent health problems from occurring to folks.
First, let's go through this scenario. Bob and his wife are making $10 an hour but they cannot afford health insurance. The other night, they both said, "ya know something, I feel terrible." But they then said to each other, "The heck with going to the doctor, we can't afford it, if we go we will pay the bill and be in debt for it." Now folks, that's not a far cry from reality across the state. This is not right. This is immoral. We want folks who have no insurance to have health insurance, and it should also pay for vitamins or any other supplements that doctors recommend. Every day, we here through the media certain things or kinds of food that people can take to prevent cancer, heart disease, stroke, you name it. So we have 2 problems here:
1. People need to be covered that aren't currently covered
2. The coverage needs to cover preventative kinds of medicines, vitamins and supplements, and any other prevention programs to prevent folks from getting sick, and also, to cover those who are sick.
Did you know that people should spend no more than 5.555555555% of their monthly budget on medical expenses? And how much are they actually spending? Try 30 to 35%. This is 25% to 30% over their budgeted amounts.
I now want to give some guidance as to how the state health insurance program should be run as far as prevention is concerned because as a user of this insurance, I can help. In the past, health insurance plans haven't done much for prevention purposes. They usually don't kick in, in some cases till the person gets sick, and we know that the state could save allot of money if the plan would pay for preventive care.
1. I would urge that for our state health insurance plan, we expand the Medicaid program to cover all people who have no health insurance coverage at the moment. We *DON'T* need a new department, we just need to expand the current Medicaid program, and the coverage should be the same coverage it currently provides.
You and I know people at this moment who are uninsured. The system should be a pay system. This coverage would be 100% with no deductible, just like Medicaid is now. This would not be basic coverage like some are suggesting. There would be no co pays. Now, if we decide to go with no co pays, because they'd be covered by Medicaid as well, then, the monthly premium would be 2.25% of a persons or family's monthly spendable after tax or tax free income. If vitamins and supplements and any over the counter meds are covered by Medicaid (whether prescription or nonprescription), the monthly premium would then go up to 3.375% of a persons or family's monthly spendable after tax or tax free income. If we want Medicaid to cover chiropractic visits as well, the monthly premium would then go up to 5.555555555% of a person or family's monthly spendable after tax or tax free income.
Remember, we want to keep people well and take care of those who aren't, so this would cover preventative things, and also of course, care for those who are sick, as the plan currently does.
Now even though I don't have a paid job, I have done volunteer financial counseling in the past. I know from budgeting that a person should pay *no more* than 1.125% for health insurance premiums, that's if co pays, vitamins and supplements, over the counter meds (whether prescription or not), chiropractic treatments, and dental expenses aren't covered by Medicaid. If they are covered, then a person can pay 5.555555555% because they can afford the 5.555555555%, but no higher.
Remember, we want to keep folks well, and care for them if they're not. I have told folks who I counseled in the past that if they are paying more than 5.555555555% of their monthly budget for a health insurance premium for health insurance in the private sector, to cancel their insurance and find

a policy that is cheaper. Remember, I said people can afford 1.125% up to no more than 5.555555555% of their monthly after tax income for health insurance premiums in a plan and no more? Why only charge no more than 1.125% to 5.555555555% for coverage per month? Well, let's look at where the other 98.875% of the budget goes, that's if a person would be paying no more than 1.125%. Now, let's add more things to that monthly budget other than health insurance. We'll add 50% divided up into 2 things, 25% for saving an emergency fund in case things break down or an emergency comes up, and 25% to give away and help others, because we want folks to help those in need in our communities, so now, we're up to 51.125% and we only have 48.875% left to spend with 8 categories remaining, spending 6.109375% per category.
category 1. Housing, now, let's add 6.109375% the percentage for housing expenses including:
1. Rent
2. If you live in a condo there's condo association fees.
3. Property taxes for the township or city, and also county, if you own your own home, condo, townhouse, or mobile home.
4. Renters, home owners, mobile home, condo or townhouse insurance
5. Trash pickup
6. Utilities such as:
A. Electric
B. Gas
C. Water
D. A home telephone
E. A cell phone, to use in emergencies to get help.
F. Monthly internet service which is a *MUST*
So now you're up to 57.234375% of the budget being already spent with 7 categories remaining.
category 2. Now, we need food, so we'll add 6.109375% for food costs so we're up to 63.109375%, and we have 6 categories remaining.
category 3. Now, we have transportation costs of 6.109375% so we've now spent 69.5625% of our budget, and we have 5 categories remaining.
category 4. Now, we have allowance of 6.109375%, so we're up to 75.45% which we've spent in our budget, with 4 categories remaining.
category 5. Now, we have to pay for life insurance if a man has a wife he wants to provide an income for in case he dies and the monthly premium is 6.109375%, so now we've spent 81.3375% with 3 categories remaining.
category6. Now, we have child care expenses which cost 6.109375%, so we've now spent 87.225%, with 2 categories remaining.
category 7. Now we need disability insurance in case this man cannot work because he is disabled so we'll add 6.109375%, so we've now spent 93.1125% with 1 category remaining.
category 8. Lastly, people need excess liability insurance so they can grow their wealth and protect against lawsuits, so we'll add 6.109375%, for the monthly premium, so we're now up to 99% of the budget, which has been spent, including the monthly health insurance premium of 1.125%.
3. Another thing is the Medicaid program only covers disabled and low income folks who are currently working which is good and they should be covered. "The current eligibility criteria for continued coverage under Medicaid as the law is now written, is below:
"A. The individual is determined to be disabled under the federal supplemental security income (SSI), or social security disability insurance (SSDI program), or would be found to be disabled, if not for excess earnings above federal guidelines, approximately $9600 for SSI 2003.
B. The individual is between the ages of 16 and 64.
C. The individual's unearned income does not exceed the federal poverty guidelines currently $8980 annually

D. The individual is currently a Medicaid recipient or is Medicaid eligible.
E. The individual is employed.
An individual who meets all of these above conditions would not lose his or her Medicaid coverage."
However, folks, the Medicaid program needs to be expanded. The program would cover 2 groups of people:
group 1. Any *legal* Michigan resident who has no health insurance because they can't afford it in the private sector.
group 2. Any person who has been paying for health insurance in the private sector, but their premium is higher than the Medicaid premium is.
Along with the right to life, is the dignity of each person, able bodied and non-able bodied. Now, I'm a pretty conservative person politically, but every *LEGAL* Michigan resident should have the right to life and health care.
4. In the new Medicaid state health insurance plan, assets such as money being saved will *NOT* be counted. Only interest income will be counted. We don't want to punish people for saving money, we want to encourage saving, so people can have income coming from their savings, so they *WON'T* have to have unemployment in the future, and so they won't *NEED* food stamps in the future. People will also be able to save for emergencies, such as cars and other things that break down.
We don't want to see folks go into debt to get health care, and that's what's happening all over the State.
The system currently punishes folks for saving money. Medicaid says, "you can get Medicaid but don't have any more than $2000 or else we'll take your health insurance from you."
This is completely backwards from what we should be encouraging folks to do.
Also, the $2000 asset limit is from 1970, and this limitation figure is 42 years old, and way out of date. We need to increase that asset limit, or, not count assets at all.
5. The monthly Medicaid premium percentage will only be figured totaling up actual income, such as interest, take home pay, social security, dividends, etc., and multiplying that figure by the 1.125% Medicaid premium. So, let's say someone's income from the above mentioned sources of income is $2000. That's what you'd times by the Medicaid premium percentage of 1.125%, so $2000, times 1.125% equals a Medicaid monthly premium of $22.50.
6. I have talked with a wonderful lady in Senator George's office, and I will offer this as well. I've been told that the feds will not let people pay in who wish to pay to get their Medicaid. The state should sue the federal government in order to allow folks who would like to pay a low monthly premium (which I specified above), and also allow for Medicaid recipients to not be punished because they have savings because assets should not be counted. Or, instead of suing the federal government, we'll just put these rules in our Michigan Medicaid exchange.
conclusion: As a citizen of Michigan, I want a state health insurance program that will cover the uninsured, make all recipients pay a monthly premium, and help folks to prevent health problems from occurring through getting annual physicals, testing, taking supplements, etc. This exchange also will cover those who are sick, or get sick. This Michigan Medicaid exchange *WILL NOT* punish folks for saving money, which it does today.
Now some of you might be saying, "Harry, we can't afford this new program." Now folks, let's remember this one fact. This program will bring money into Medicaid, because folks will have to pay a very small premium monthly, and not take something for nothing, like Medicaid has forced folks to do. This new Medicaid system will not let folks have something for nothing. It will make folks pay in like folks have *WANTED* to do for years as long as they could get coverage. This plan is different than the Massachusetts plan, because their plan doesn't require a premium payment, and that's just wrong.
This plan will give people incentive to take care of themselves and never again ask the state for any income including food stamps, or unemployment benefits.

Medicaid will no longer punish folks because they'll have savings, which the new Michigan Medicaid program will *NOT* punish folks for having. Because of their savings, food stamps, and unemployment benefits, will no longer be needed!
This plan will not discriminate against folks with preexisting conditions. They will be able to get this insurance as well.
I look forward to leading in this area statewide to make *OUR* Medicaid system the world's best and a roll model health care program. Now folks, when this program is approved to get started, don't let a bureaucrat who isn't a participant in the program, or who already has health insurance different than this program, run this program. Those that aren't recipients or who are already covered by health insurance have no idea what people with no health insurance and people who are on Medicaid go through. So, make darn sure the people who run this new state health insurance program are, recipients of the plan themselves. This way, the program will be ran by someone who knows what it's like and not some bureaucrat who has no idea what it is like to be without health insurance or on Medicaid.
I will also say this to whoever reads this letter, that I currently receive $1506 per month on survivors benefits. If the monthly premium for the state insurance program is more than 1.125 to 5.555555555% of my monthly income (depending on what is covered in the new program, see above), I will be forced off the plan since I *CANNOT* afford more than 1.125% to 5.555555555% of my monthly income for a premium. I'll have to pay the full amount of doctors visits, ect. I will be forced to eat at the soup kitchen, and get only 2 meals per day and I need to eat 4 meals per day including a very important snack before going to bed because of low blood sugar. If I don't I will pass out and die from low blood sugar.
So, what kind of state do we want to live in anyway? Let's take a bold step in prevention and access to affordable health insurance which doesn't force folks to use their savings to pay for health care, and that doesn't punish folks for saving and investing.
Keep me involved in this process as we work together to help people take care of themselves and prevent health problems, and as we care for those who have no insurance by giving them insurance at a low monthly premium.
Take care and God bless you as we become the *FIRST STATE* that leads the nation in health care reform.

sincerely,

Harry Brown
2631 Krafft Rd
apt 211
Port Huron, Mi. 48060

Malika Abdul-Basir

From: Kathie Gilginas <kgilginas@comcast.net>
Sent: Thursday, January 19, 2012 1:19 AM
To: Rep. Gail Haines (District 43); Rep. Mike Callton; Rep. Opsommer's Office (District 93); Rep. Kenneth Kurtz (District 58); Rep. Wayne Schmidt (District 104); Rep. Mike Shirkey (District 65); Rep. Thomas Hooker; Rep. Matt Huuki; Rep. Paul Muxlow; Rep. Ken Yonker; Rep. Thomas Stallworth; Rep. Lesia Liss (District 28); Rep. George T. Darany; Rep. Kate Segal (District 62); Rep. Jimmy Womack (District 7); Rep. Marcia Hovey-Wright; Malika Abdul-Basir
Subject: Stop SB 693

Importance: High

Chairwomen Haines, members of the committee, and clerk;

We must fight Obmacare on every front. I think Obamacare illegally mandates Americans to purchase insurance which violates our constitutional rights. Socialized medicine will take away our rights and freedoms.

Our Attorney General has added Michigan to the list of states opposing this oppressive mandate. I spoke to him personally and he vowed to fight this every way possible.

I presumed all the new Republican elected officials shared the same sentiment. With the formation of HB 5014, I'm not so sure.

Other states have refused, or are fighting the creation of their state's Health Care Exchange, we should also.

Stop Obmacare by not implementing the Health Exchanges. Michiganders need to stand up for their rights.

Committee Clerk, please enter this e-mail into public testimony.

Sincerely,
Kathie Gilginas
Macomb County Delegate

Malika Abdul-Basir

From: RKRLBURNETT@aol.com
Sent: Wednesday, January 18, 2012 11:37 PM
To: Malika Abdul-Basir
Subject: SB-0693 Sub-Committee Hearing

Dear Ladies & Gentlmen! I would like for this message to serve as my contribution to the sub-committee meeting regarding the Michigan House of Representatives hearing on SB-0693: State of Michigan Health Care Exchange.

In observing the past several month's the republican candidates debates, and candidates response to the matter of the National Health Care ("ACA") implementation of the provision regarding the individual State Health Care Exchanges,... it appears that the candidate mainly running the lead happens to be a former Governor in the only State where a successful Statewide Health Care plan has been implemented has chosen, and enacted the plan closest to what can be described as the "Active Purchaser Model".

I believe it should be the intention for the State of Michigan to select and support the Active Purchaser Model as a plan that gives insurance a strong position in the matter of implementing the Federal act, and in a way most beneficial to them, providers, and Michigan consumers together.

Thank you for the opportunity to provide my contribution to the issue! R. K. Burnett: Livonia, Michigan

Malika Abdul-Basir

From: Iler & Biggs <biggs2@wildblue.net>
Sent: Wednesday, January 18, 2012 5:09 PM
To: Malika Abdul-Basir
Cc: Rep. Gail Haines (District 43); Rep. Mike Callton; Rep. Opsommer's Office (District 93); Rep. Kenneth Kurtz (District 58); Rep. Wayne Schmidt (District 104); Rep. Mike Shirkey (District 65); Rep. Thomas Hooker; Rep. Matt Huuki; Rep. Paul Muxlow; Rep. Ken Yonker; Rep. Thomas Stallworth; Rep. Lesia Liss (District 28); georgetdarney@house.mi.gov; Rep. Kate Segal (District 62)
Subject: Health Care Policy Committee

Malika Abdul-Basir & Health Care Committee Members

From: Dr. Thomas Biggs, biggs2@wildblue.net
To: mabdul@house.mi.gov
Date: 2/18/2012
Subject: Health Care Policy Committee Members

To: House Health Care Committee Members

Please enter my e-mail into the record, and give each member of the committee a copy of my e-mail. I am strongly opposed to the implementation of the proposed Health Care Exchange in Michigan. I feel the Affordable Care and Patient Protection Act is not only an unconstitutional use of federal power, but will destroy our system of health care while adding trillions to our already unsustainable debt. I urge the Committee members to explore other options such as an Interstate Heath Care Compact which would allow common sense market solutions to lower our state's health care costs.

Respectfully,

Dr. Thomas E. Biggs
3033 Little River Rd.
Manistee, MI 49660

Malika Abdul-Basir

From: joan jacobson <jacobson012@hotmail.com>
Sent: Wednesday, January 18, 2012 7:01 PM
To: Malika Abdul-Basir
Subject: health care exchanges

Dear Committee clerk:
I am opposed to H.B. 5014 the establishment of Michigan Health Care Exchanges and to funding Obamacare. Exchanges will be bureaucratic nightmares regardless of which entity sets up the exchanges, the Department of Health and Human Services in the end has complete control. If the insurance industry thinks it's a good idea, let them set up the exchanges themselves with their own money. Michigan does not need its government involved in health care.
I wish my e-mail entered into public testimony. Thank you, Sincerely, Mrs. Joan Jacobson, 5776 W. Musgrove Hwy., Lake Odessa, Mi. 48849 jacobson012@hotmail.com

Malika Abdul-Basir

From: Stephenie Jacobson <stepheniejacobson@yahoo.com>
Sent: Wednesday, January 18, 2012 9:49 PM
To: Malika Abdul-Basir
Cc: Rep. Gail Haines (District 43); Rep. Mike Callton; Rep. Opsommer's Office (District 93); Rep. Kenneth Kurtz (District 58); Rep. Wayne Schmidt (District 104); Rep. Mike Shirkey (District 65); Rep. Thomas Hooker; Rep. Matt Huuki; Rep. Paul Muxlow; Rep. Ken Yonker; Rep. Thomas Stallworth; Rep. Lesia Liss (District 28); Rep. George T. Darany; Rep. Kate Segal (District 62); Rep. Greg MacMaster; Rep. Frank Foster; Rep. Peter Pettalia
Subject: Health Care policy committee members hearing 1/19

Please enter my email into the record and provide a copy to each committee member.
Thank you.

Dear Rep. Haines and Health Care policy committee members:

I oppose ANY implementation of the PPACA (Obamacare) exchange in Michigan. Obamacare is neither protective nor affordable for individuals or states. Top down government solutions never result in success. Set the market free to work!

For Liberty,
Stephenie Jacobson
Leader, Cheboygan Tea Party Patriots
7950 Golf View Drive
Cheboygan, MI 49721
231-627-2608

Malika Abdul-Basir

From: chuck@r3pm.com
Sent: Thursday, January 19, 2012 9:26 AM
To: Malika Abdul-Basir
Cc: Rep. Gail Haines (District 43); Rep. Mike Callton; Rep. Opsommer's Office (District 93); Rep. Kenneth Kurtz (District 58); Rep. Wayne Schmidt (District 104); Rep. Mike Shirkey (District 65); Rep. Thomas Hooker; Rep. Matt Huuki; Rep. Paul Muxlow; Rep. Ken Yonker; Rep. Thomas Stallworth; Rep. Lesia Liss (District 28); Rep. George T. Darany; Rep. Kate Segal (District 62); Rep. Jimmy Womack (District 7); Rep. Marcia Hovey-Wright
Subject: House Care Policy Committee Members

TO: HOUSE CARE POLICY COMMITTEE MEMBERS

I am opposed to ANY proposal or proponent of Health Care Exchange in Michigan or ANY facet of Obamacare. Please enter my email into the record and provide each member of the Committee a copy of my email.

Chuck Kilanski
3160 W. US-23
Cheboygan, MI 49721
chuck@r3pm.com

Malika Abdul-Basir

From: Sue and John Jazdzk <jazdzyk1@yahoo.com>
Sent: Thursday, January 19, 2012 11:54 AM
To: Malika Abdul-Basir
Subject: Fw: Establishment of Health Care Exchanges in MI

In the copy of our former email below, I failed to request that this be entered into the record and a copy be given to each committee member. Thanks Sue and John

--- On **Thu, 1/19/12, Sue and John Jazdzk <*jazdzyk1@yahoo.com*>** wrote:

From: Sue and John Jazdzk <jazdzyk1@yahoo.com>
Subject: Establishment of Health Care Exchanges in MI
To: mabdul@house.mi.gov
Date: Thursday, January 19, 2012, 11:51 AM

My wife and I, Susan and John Jazdzyk are in the First District in Michigan. We are adamantly opposed to the establishment of Health Care Exchanges in Michigan. We have a constitutional challenge to this law and we need to wait until the case is decided before we proceed with the implementation. Once these Exchanges are established, they will not be dismantled. President Obama has already stated that even if the Supreme Court rules against the Healthcare Mandate, the law will still be implemented by means of Executive Order as he has done in the past. This is a waste of money that should be used to help Michigan solve its number 1 Problem JOBS. We will be watching the results closely and will be actively working to remove anyone from office who votes to promote this activity. Sincerely: John and Sue Jazdzyk