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**Testimony on Medicaid Expansion Legislation before the  
Senate Government Operations Committee  
Tuesday, July 30, 2013**

My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for Michigan small businesses owners since 1943. We are here today to discuss the issue of Medicaid expansion under the Affordable Care Act (ACA) – often referred to as “Obamacare”.

We have testified previously in the House Competitiveness Committee in opposition to HB 4714 that would expand Medicaid in Michigan under the Affordable Care Act and we direct this testimony to the Senate substitute for HB 4714 that was developed by the special Senate workgroup and is the subject of this hearing.

Although both Senate and House Republicans deserve credit for trying to make the best of a bad situation, our small business members have made it clear that they do not support Medicaid expansion. Earlier in the year, a majority of small business owners surveyed by NFIB opposed expanding Medicaid coverage under the Affordable Care Act as was proposed by Governor Snyder in his original budget proposal.

While House Bill 4714 as passed by the House, and the Senate substitute being discussed here today, seek to make improvement and reforms to any Medicaid expansion in the state – small business owners remain opposed to Medicaid expansion in Michigan. There are a number of reasons for this that are not addressed by these changes and probably cannot be addressed at the state level:

- Small business owners have little confidence in the federal government keeping any promises made concerning Medicaid funding commitments in the outlying years.
- As regards the well intended concept of banking early Medicaid savings to fund later reductions in federal funding, our members are skeptical of assumptions that depend on the discipline of future lawmakers and governors to keep their hands off fund reserves when another budget shortfall looms or some other politically popular purpose presents itself.
- Assuming that federal waivers are granted for all of the reforms proposed in HB 4714, these changes still depend on future lawmakers to hold to the timelines for specific provisions to take effect years from the effective date of the legislation. Lawmakers in office when some of

these provisions take effect will be unlikely to expend political capital to maintain them when they had no part in the original legislation.

- NFIB members believe that, in the long run, expanding entitlement programs like Medicaid create more dependency and discourage people from seeking better jobs and opportunities.
- Finally, they feel strongly that Medicaid expansion enables further entrenchment of a poorly written law that is inherently unstable, unwieldy in implementation and delivers very little of what was promised in health care reform. As such, they still hold out hope that the Affordable Care Act will be significantly reformed or repealed in the near future as it proves impossible to implement or enforce – as we have seen from recent developments on delays and confusion in this regard.

Indeed, on this last point, it is worth noting that some of the Affordable Care Acts strongest supporters, including organized labor, government employees and Members of Congress that originally voted for the law, are all expressing regret and misgivings about the Act. As these former supporters are finally figuring out “what is in it” after it passed, they are realizing what a mistake this law has become. Michigan should be cautious about making long term commitments through Medicaid expansion given these current circumstances.

To conclude, we do not support Medicaid expansion in Michigan and we urge the Committee not to report the HB 4714 substitute to the Senate floor for further action.

We thank you for the opportunity to present these views and thank you for your support of small business.

Attachment: MIRS article reprint.

To view the NFIB member survey question on Medicaid expansion go to <http://bit.ly/15WKB6x>  
For more information about NFIB, please visit [www.nfib.com/michigan](http://www.nfib.com/michigan).  
To download a copy of this testimony: <http://bit.ly/13jQef9>

MIRS CAPITOL CAPSULE, THURSDAY, JULY 18, 2013

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**MI Small Biz Opposition To Expansion Moderated By Snyder Plan**

Nearly seven out of 10 small business owners in Michigan are opposed to expanding the state's Medicaid program. But according to Charles **OWENS**, the head of the National Federation of Independent Business of Michigan (NFIB) Gov. Rick **SNYDER**'s proposal to set aside savings for future costs helped his cause.

At 67 percent, small business opposition in Michigan was the lowest of 22 NFIB states that asked their members about extending Medicaid benefits to the working poor. Not all states asked the question, as it may have been resolved before the survey was ready.

The states with the next highest opposition to expansion were Utah and New Hampshire with 69 percent opposed.

The highest percentage of small business opposition was recorded in South Carolina and Georgia where 87 percent of NFIB members gave a thumbs down to expansion. On average, the 22 states that tested the question found nine percent of business owners supporting expansion, 80 percent opposed and 11 percent undecided.

NFIB, unlike other business groups determines support or opposition to legislative proposals from the results of member company surveys.

Owens noted that opposition could have been worse.

"The Governor and his team deserve credit for trying to structure the expansion to anticipate and address future funding reductions by the federal government," said Owens. "But our members are skeptical of budget assumptions that depend on the discipline of future lawmakers and governors to keep their hands off those funds when another budget shortfall looms or for some other politically popular purpose presents itself."

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