

Michigan First Health Care Plan: *Impact on Direct Care Workers*

In her 2006 State of the State speech, Governor Jennifer Granholm introduced the **Michigan First Health Care Plan** to make quality health care coverage affordable and accessible for all Michigan citizens.

While the overall goals of the plan include strengthening the health insurance offered by businesses to their employees and reducing the cost of health care, the first step is to extend health care coverage to half of the state's estimated 1.1 million uninsured.

Thousands of frontline caregivers who serve people who are living with disabilities or long-term illnesses are among Michigan's uninsured workers. Some work for employers who do not offer health insurance or they do not qualify because they work part-time. For others, the premiums are too high.

The Governor is still in negotiations with the Centers for Medicare and Medicaid Services. A final decision is expected Spring 2007. This information sheet provides the most recent information available on the proposed program. It describes the goals and details outlined by the Governor and her staff, and recommendations from the Health Care for Health Care Workers Campaign. Michigan First is one possible solution to providing good coverage for these caregivers

Who Will be Covered Under Michigan First?

Michigan First will begin by offering a health insurance policy to 550,000 people currently without access to health care coverage. While details of this part of the plan remain to be worked out, this may include direct-care workers and others who:

- do not have access to employer-sponsored health insurance
- are ineligible for employer-sponsored insurance because they do not work full-time.

To be eligible, people must have a yearly household income below 200 percent of federal poverty standards. That translates to

- Less than \$20,420 a year for a single person
- Less than \$41,300 a year for a family of four.

Direct-care workers in Michigan earn on average \$9.43 per hour less than the state average. We anticipate approximately 30,000 workers will qualify for Michigan First coverage.

How Much Will Michigan First Coverage Cost?

Initial descriptions of Michigan First describe the monthly premium for the program is estimated to be under \$200. Individuals with incomes below 100% FPL - \$10,120 for a single person and \$20,650 for family of four – will not have to pay any premium. Those with incomes above this level will be required to pay a monthly premium of not more than 5% of their income.

In addition to a monthly premium, all enrollees in Michigan First will likely have to pay co-payments at the time they receive health care services. The co-payment amount or which services would be subject to it has not been determined.

Health insurance for low-income individuals must be affordable. Health Care for Health Care Workers recommends that premiums be based on the 5 percent rule, meaning health insurance premiums and co-payments total no more than 5 percent of the person’s income. We have recommended that individuals with incomes less than 150% FPL not be subject to any premium. The table below shows a sampling of our suggested premiums.

**HCHCW Suggested Premiums
For Michigan First Recipients**

<i>Monthly Family Income</i>	<i>Monthly Premium</i>
<i>Less than 150% of poverty level</i> Less than \$1,225 for a single person Less than \$2,500 for a family of four	None
<i>150-185% of poverty level</i> \$1,225 - \$1,511 for a single person \$2,500 - \$3,083 for a family of four	\$15
<i>185-200% of poverty level</i> \$1,511 - \$1,633 for a single person \$3,083 - \$3,333 for a family of four	\$35

What Health Care Benefits Will Be Offered?

Important details remain to be decided. However, state officials report that doctor’s office visits, hospital care, emergency room services, mental health services and prescription drugs will be

covered, both to *treat* and to *prevent* illness. All services will be covered with annual limit up to \$35,000 to \$50,000; once an individual’s health care costs exceed that amount, they will no longer be eligible. Health Care for Health Care Workers has recommended that physical therapy and occupational therapy services also be included, as many direct-care workers suffer occupational injuries and illnesses that require these services. In addition, we have advised that a system be established to monitor individuals as they reach the annual cap and screen them for enrollment in the Medicaid program.

How Will People Sign Up for Michigan First?

An “exchange” will be created to implement Michigan First will identify the insurance products available to people who qualify for Michigan First and help people find other health care coverage options. Legislation has been introduced in the State Senate, S.B. 278, to create the “exchange”.

How Can I Stay Informed and Involved?

Information will likely be posted to the Michigan Department of Community Health’s website (www.michigan.gov/mdch/) and the Governor’s website (www.michigan.gov/gov/).

Since the State legislature will play an important role in figuring out the details of Michigan First, we encourage individuals to talk with their elected officials about the program. For help in identifying your state representative and senator, call Health Care for Health Care Workers Campaign or your city or township clerk.

You can also continue to learn about Michigan First and help us make it a successful program by joining our *Health Care for Health Care Workers Campaign*.

Health Care for Health Care Workers is an initiative of the Paraprofessional Healthcare Institute. For more information, call 517-372-8317 or visit www.coverageiscritical.org.