



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.

As of July 2006, many details remain to be worked out, including approval from the federal government. This information sheet is meant to be used in the meantime. It describes goals and details outlined by the Governor and her staff, as well as recommendations from Health Care for Health Care Workers and others. 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 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
- cannot afford the premiums or copays for their 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 \$19,700 a year for a single person
- Less than \$40,000 a year for a family of four.

Direct-care workers in Michigan earn \$8.91 an hour less than the state average, so we anticipate many workers and their families will qualify for Michigan First coverage.

What Health Care Benefits Will Be Offered?
Important details remain to be decided. However,

How Much Will Michigan First Insurance Cost?

Coverage will be subsidized, meaning that the much of the cost of doctor visits, prescription drugs, and other benefits will be paid by government sources.

There is an ongoing discussion about how much Michigan First recipients will pay, and many believe that everyone should contribute something to the cost of his or her care. Payments might be in the form of monthly premiums, which must be paid regardless of whether any health care services are used that month. They may also take the form of co-payments due whenever the recipient uses a health care service – visiting a doctor or emergency room, filling a prescription, etc.

The key to making health insurance work for low-income individuals is to keep premiums affordable. Health Care for Health Care Workers recommends that premiums be based on the 3 percent rule, under which health insurance premiums total no more than 3 percent of the insured person’s income. 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
<i>450% of poverty level</i> \$44,100 for a single person \$90,000 for a family of four	\$110.25 \$225

state officials report that doctor's office visits, hospital care, diagnostic tests and lab work, and prescription drugs will be covered, both to *treat* and to *prevent* illness. Mental health services will also be covered, and dental services are being considered. Health Care for Health Care Workers urges that physical therapy and occupational therapy benefits also be included, as many direct-care workers suffer occupational injuries and illnesses that require these services.

How Will People Sign Up for Michigan First?

An Exchange will be created to facilitate signing up and to support other goals of the project, including identifying the insurance products available to people who qualify for Michigan First and helping people find other health care coverage options.

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/).

The state legislature will play an important role in figuring out the details of Michigan First, so you may want to talk with your state representative and state senator about the program. For help in identifying your state representative and senator, call Health Care for Health Care Workers 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.hchcw.org.