



Testimony Presented to the House Appropriations Human Services Subcommittee for the Department of Health and Human Services

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Good afternoon, Chairman Poleski and members of the Subcommittee. I am Gilda Jacobs, President and CEO of the Michigan League for Public Policy. The League has been advocating for low-income families and children in Michigan for more than 100 years, and I am pleased today to have the opportunity to present our comments about the governor's proposed DHHS budget for the upcoming fiscal year.

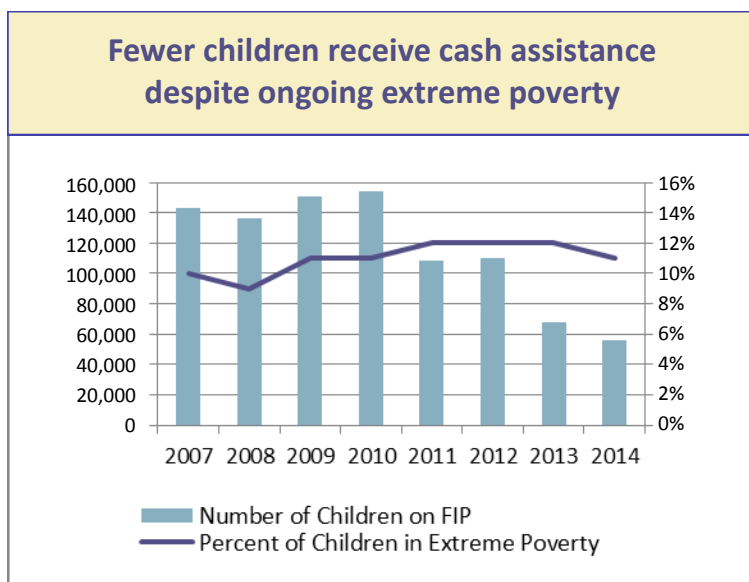
We certainly support the recommended funding and the work being done in Flint to resolve the water crisis. However, we simply cannot continue to bury our heads in the sand when problems are identified claiming the state cannot afford to address them. To date, that strategy has failed our kids, our roads, and most recently our veterans. Crisis management, particularly when avoidable, is not a good way to manage our resources – people or money. We must do better.

Human Services

In the area of human services, *we urge you to support the following:*

- **Expansion of the back-to-school clothing allowance:** The governor recommends that all children receiving FIP be eligible for a clothing allowance of \$200 to ensure that they have proper clothing, shoes and coats to return to school in the fall. Currently, only children who live with grandparents or other caretakers that are not eligible for FIP receive an allowance of \$140, and the governor's proposal will help another 25,000 children as they head to school.
- **Additional funding to prevent child abuse and neglect:** The governor recommends \$10 million in federal funds to expand the Parent Partners and Family Reunification programs. Both programs provide supports to families so children can return and remain at home safely. Almost one in every 100 children in Michigan lives in a family investigated for abuse or neglect, and 34,000 are confirmed victims—up 17% between 2006 and 2013. Michigan has made investments in its child welfare system to comply with the settlement agreement, but that agreement does not address the *prevention* of child abuse and neglect, and more investments are needed.

Overall, we are dismayed by the continued disinvestment in economic security programs despite high levels of poverty, especially among children. In the chart provided in your testimony you will see that that the percentage of children living in *extreme* poverty in Michigan—approximately \$12,000 per year for a family of four—has remained very high, increasing from



9% in 2009 to 11% in 2014, yet the number of children receiving FIP has dropped precipitously. In fact, income assistance caseloads in Michigan are at their lowest point since the Kennedy Administration in 1961.

We recommend changes in the following areas:

Source: Kids Count Data Center

- FIP sanctions and time limits:** While economic improvements might account for some case closures, stricter sanctions, including the sanctioning of an entire family if one child is

truant and the more rigid enforcement of lifetime limits are likely major causes and should be reconsidered.

- Food assistance asset limits:** The number of families receiving federally funded food assistance has declined. This is disturbing given what we know about the importance of nutrition to children’s development, particularly when they are exposed to toxic substances like lead. Michigan should do whatever it can to fully take advantage of available federal dollars for the Food Assistance Program. Unfortunately, Michigan adopted an asset test for food assistance in the face of a national trend against such limits. We urge you to reverse this policy. FAP is 100% federally funded and any increase in access to food for low-income children and families would come at no state cost.
- Retroactive Extended-FIP:** The League was pleased that the Extended-FIP program was eliminated this year. E-FIP provided only \$10 of assistance per month for six months, but those months counted against a family’s lifetime limit for assistance. As a matter of fairness, we believe this should be corrected retroactively so lifetime limits are not affected for families who received E-FIP.
- Sanctions related to work requirements:** Michigan has strict sanctions for failure to fully comply with work requirements, culminating with a lifetime sanction after three incidences of noncompliance. Given the many barriers facing low-income families, including transportation and unstable child care arrangements, these should be reconsidered. The Flint crisis highlights these problems as parents struggle to secure water and ensure their children get adequate health care—all while trying to comply with work requirements.

Medical, Dental and Behavioral Health Services

In terms of the health-related programs in DHHS, *we urge your support of the following:*

- **Final expansion of the Healthy Kids Dental program:** We support the expansion to the remaining kids in Wayne, Oakland and Kent counties. Finally, all Medicaid-eligible children will be covered by this program. We know that tooth decay remains the most prevalent chronic disease in children resulting in lost school days and learning, as well as the potential for long-term negative health consequences. Children cannot learn when they are in pain or not in school. Tooth decay is preventable.
- **Healthy Michigan Plan:** We appreciate continuing support of the Healthy Michigan Plan and inclusion of funds in the Executive Budget to meet the state's new funding requirement beginning January 1, 2017. This program is making a difference in people's lives with its focus on prevention and healthy lifestyle changes. The Healthy Michigan Plan is enabling more than 600,000 individuals to take control of their health by focusing not only on prevention services but on also chronic disease management.
- **Public health services:** We support increased funding, \$2 million, for local public health essential services. The importance of local public health cannot be overstated at this time.
- **Streamlining services:** We support proposed funding to streamline the application and redetermination processes and improve the customer experiences of those served by the Department of Health and Human Services. As Chief Deputy Tim Becker noted in his testimony, "The current application experience is very effective in keeping people out." When he and staff unrolled the current application during his testimony, it was easy to understand why. We are pleased that no administrative savings are assumed with the systems upgrades. Staff continues to be stretched too thin, with unmanageable caseloads –in some areas as high as 800 per worker, and the crisis in Flint is requiring a huge portion of staff time in all areas of the Department.

We are very concerned about the boilerplate requirement in the Executive Budget that mandates the transfer of services funding for Medicaid mental health and substance use disorder services, HMP behavioral health services, and Autism services to the Medicaid health plan services line item by September 30, 2017. In his budget documents, the Governor stated that he is asking "the legislature and the health provider community to engage in an important conversation about integrating physical and behavioral health services into the larger consideration of patient need." This boilerplate presumes the answer before the first question is even asked or the first dialogue takes place. This boilerplate is premature and should be revised to allow a robust stakeholder process and discussion to take place before any funding decisions are made.

Thank you.