



**Testimony Presented to the House Appropriations Committee  
SB 897 – Medicaid Work Requirements**

**Gilda Z. Jacobs, President/CEO  
May 2, 2018**

Good Morning Chairwoman Cox and members of the House Appropriations Committee. I am Gilda Jacobs, president and CEO of the Michigan League for Public Policy, a nonpartisan research and advocacy organization that promotes economic opportunity for all, regardless of race, place or income and addresses poverty in a comprehensive manner. As a 12-year veteran of the Legislature, I understand what it means to be on both sides of the table. You have to balance the politics of the day with the needs of your constituents and the residents of our great state. I understand the careful line you have to walk because I've been in your shoes.

Today, we join numerous advocates in opposing Senate Bill 897, which would require the Department of Health and Human Services to seek a waiver from the federal government imposing work requirements on Medicaid recipients. While we appreciate Senator Shirkey's willingness to make changes to this bill, any changes to the bill—including lowering the hour threshold or adding exemptions—will not fix the underlying flaws in the legislation that will ultimately be harmful to Michigan families.

Research shows that a majority of Medicaid recipients who can work are already working and that work requirements will result in the loss of coverage for individuals, create an increased and undue burden on physicians and employers unable to complete cumbersome paperwork, come at a significant financial cost to both state and federal government, and may result in legal action.

Data from the University of Michigan shows that those on the Healthy Michigan plan are already working and if they are not, they are retired, students or suffering from a chronic health condition that may make it difficult to work. It is also very clear from a similar study done at the university that having access to health insurance through the Healthy Michigan Plan has improved individuals' abilities to go out and find a job or keep a job. Medicaid is indeed a work support, not a work program.

We also have concerns regarding the administrative burden and additional red tape. The Senate Fiscal Agency states that it would cost the state between \$20-30 million annually to administer work requirements, but in comparing these costs to other states, this appears to be on the low end. And while the bill carves out a number of populations, there is cause for concern as to the amount of

*(over)*

paperwork that those looking for an exemption may have to fill out, including potentially needing sign off from physicians or employers. It is not beyond the realm of possibility that people will lose access to health coverage because they are unable to qualify for a limited exemption, may not understand the process of qualifying for an exemption or that they may even qualify for one, or struggle to provide the necessary documentation to prove they qualify. Failure to comply with work requirements will result in a one year lockout from coverage.

The bill calls for the department to direct individuals trying to comply with requirements to existing resources for work training, transportation and child care, but provides no additional funding to these programs. These are vital support services for anyone trying to get or keep a job and challenges in accessing them may be exacerbated in rural parts of our state. The state would need to invest heavily in these programs to actually make it possible for people to meet these stringent work requirements. And this is true whether the person is working 29 hours, 20 hours or even 10 or 15 hours.

We also have concerns about how work requirements will hurt those that are working in industries with unstable work hours including retail, food services or in our state's extensive tourism industry. As you continue to look at this proposal we urge you to look more closely at the realities of the labor market, where jobs and supports are available, and what skills are needed for them.

The Michigan League for Public Policy was a strong advocate for the Healthy Michigan Plan when it passed in 2013. Nearly 670,000 people have received health insurance through the program and while many said that the program is "over-enrolled," perhaps it is more a reality of what many Michiganders are facing. Healthy Michigan has cut uncompensated care to our Michigan hospitals in half; it is likely that this progress would be reversed with implementation of work requirements. Work requirements will likely lead to huge coverage losses and just because someone loses health coverage, doesn't mean they won't still need care—they likely will return to hospitals for any and all care. This is especially worrisome for hospitals in rural areas.

Attempting to impose these harsh requirements will be detrimental to many Michigan populations, including Medicaid recipients, small business owners, doctors and medical staff, and state caseworkers. When it comes to our state Medicaid program, which is helping people and employers in every district in the state, I urge lawmakers to look for ways to improve the services, not haphazardly eliminate them.

Thank you for your time and consideration.