

MiCare: Health Care forAll

MiCare is a state-based, single-payer health care system that would provide universal coverage to all Michiganders without deductibles, co-insurance, co pays, or caps on coverage amounts.

Mission

MiCare is established to provide, as a public good, comprehensive affordable, high-quality, publicly financed, and publicly administered health care coverage for all residents of this state in a seamless and equitable manner regardless of income, assets, health status, or availability of other health coverage.

Bill Details

The Board

The bill creates an independent, autonomous board housed within the Michigan Department of Health and Human Services (MDHHS) that develops, implements, and evaluates the effectiveness of the MiCare system. They are tasked with controlling the rate of growth of health services and costs, while maintaining a high quality. The board will be bipartisan, consisting of 13 members nominated by the Speaker and Minority Leader of the House and selected by the Governor. No more than 7 members can be selected by the same political party.

Some of the board's duties include: creating recommendations for the program's benefits package and 3-year budget, developing an evaluation for systemwide performance, and determining what would be fair and competitive rates for health care services.

What Does MiCare Cover?

MiCare includes coverage for medically necessary benefits, including, but not limited to, all of the following:

- Primary care
- Preventative care
- Chronic care
- Acute episodic care
- Hospital services
- Mental Health Services
- Prescription drugs
- Medical devices
- Dental care
- Vision care
- Hearing care
- Care for substance use disorder
- Reproductive health care and obstetrical care
- Long-term care, including in-home care
- Laboratory services, including blood lead testing for a child who is not 7 years of age, in accordance with Centers for Disease Control guidelines
- Gender transition
- Organ donation and transplantation
- Treatment of autism spectrum disorders
- Ambulance services
- Hospice care

In addition, the price for medical devices and prescription drugs will use the rates negotiated by the Veterans' Administration.

What Needs to Happen for MiCare to Go into Effect?

Upon passage of MiCare, a fund will be created in the state treasury as the single source to finance health care coverage for the program.

MiCare will redirect existing health care spending into a single payer system.

The state will then seek to include federal health care dollars from Medicaid and the ACA marketplace into the system. MDHHS will do this by requesting waivers from the Centers for Medicare & Medicaid Services (CMS) to transfer the state's allocation of funding for Medicare, Medicaid, MICHild, and the exchange. Other funding from transfers and appropriations, grants, donations, contributions, and taxes can also be added to the fund.

The Employee Retirement Income Security Act of 1974 (ERISA) would need to be amended, or an exception would need to be created, which would allow plan holders' funding to be added into the MiCare fund.

The state's taxation structure would also need to change to be progressive, having the wealthiest among us finally pay their fair share of taxes. This would likely take a constitutional amendment to overturn the Headlee amendment passed in 1978.

Although new state revenue will be needed, this is expected to displace private health care spending, resulting in direct savings for the vast majority of Michiganders.

Funding would also come from a graduated health care assessment on payroll and other types of income such as capital gains. Income of up to \$25,000 would be exempt. In order to maintain employers' responsibility to contribute to employees' health care as a business expense, employers would pay 80% of the payroll assessment. However, employers should also on average see a savings compared to what they are currently paying.

MiCare: Relevant Statistics

As of last year, 47% of American adults said that it was very or somewhat difficult to afford their health care costs. 23% of American adults said that they or a family member in their household did not fill a prescription, cut their pills in half, or skipped doses of medication in the last year due to cost (1).

For the average Michigander, health care costs were nearly \$10,000 per year as of 2020 (2).

Roughly 500,000 Michiganders do not currently have health insurance, with that number likely to rise as many Michiganders are set to lose Medicaid coverage with the ending of the public health emergency (3).

In 2022, the employer contributions for health insurance averaged \$7,911 per single employee and \$22,463 for family coverage nationally (4).

In 2021, the employer contributions for health insurance averaged \$5,590 per single employee and \$16,070 for family coverage in the state of Michigan (5).

In 2021, total spending on Medicare Part A and/or Part B payments was \$11,141,909,988 in Michigan (6). Total Medicaid spending in Michigan that year was \$20,852,822,220 (7).

Sources

1. Kaiser Family Foundation. *Americans' Challenges with Health Care Costs* <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>
2. Kaiser Family Foundation. *Health Care Expenditures per Capita by State of Residence* <https://www.kff.org/other/state-indicator/health-spending-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D> 3.
- United States Census Bureau. *2021: ACS 1-Year Estimates Data Profiles* <https://data.census.gov/table?q=DP03&t=Health+Insurance&g=040XX00US26>
4. Kaiser Family Foundation. *2022 Employer Health Benefits Survey* <https://www.kff.org/report-section/ehbs-2022-summary-of-findings/>
5. Kaiser Family Foundation. *Average Annual Single Premium per Enrolled Employee For Employer-Based Health Insurance* <https://www.kff.org/other/state-indicator/single-coverage/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22michigan%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>
6. Kaiser Family Foundation. *Total Medicare Spending* <https://www.kff.org/medicare/state-indicator/medicare-spending-by-residence/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22michigan%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>
7. Kaiser Family Foundation. *Total Medicaid Spending* <https://www.kff.org/medicaid/state-indicator/total-medicaid-spending/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22michigan%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>