

**Testimony to the Michigan Senate Health Policy Committee
Senate Bill 693 - Establishment of a MiHealth Marketplace
November 3, 2011**

Good afternoon Senator Marleau and Committee members. Thank you for the opportunity to provide comments on SB 683, establishing the MI Health Marketplace. We are very pleased to see the State moving forward with the implementation of the Patient Protection and Affordable Care Act. By setting up the MI Health Marketplace, SB 693 will move Michigan towards expanding options for affordable accessible coverage for many direct-care workers across state who are currently uninsured.

My name is Tameshia Bridges and I am the Michigan Senior Workforce Advocate for PHI – formerly Paraprofessional Healthcare Institute. PHI is a national not-for-profit organization that works to strengthen the direct-care workforce within Michigan’s long-term supports and services system in order to improve the quality of supports and services delivered. A key component of strengthening this workforce is making sure they have access to health insurance coverage.

Michigan’s direct-care workforce is comprised of approximately 156,000 direct-care workers – employed by over 6,500 long-term care employers - who provide hands on care and support to senior citizens and individuals living with disabilities. This workforce is uninsured at a level that is almost three times of the general population of Michigan – 32% of Michigan’s direct-care workers are uninsured. 50,000 individuals who provide health care services and supports to our state’s most vulnerable citizens go without health insurance.

The reason this workforce is uninsured at such a high level is similar to that of many other low-wage workers across the state. They are stuck in a catch-22 situation where they earn too much to qualify for Medicaid, or have wages that are too low to afford the insurance that their employers offer, if it is offered at all. And, buying good insurance on the individual market is even more expensive. Simply put: the current health insurance market does not work for this workforce.

It is for this reason that PHI supports Michigan creating the MiHealth Marketplace and sees it as an important step in moving the state towards expanding options for quality, affordable, accessible health insurance for many direct-care workers. We support moving quickly and thoughtfully in passing SB693 and allowing the state to access further federal funding to facilitate this process.

Areas of Support

Overall, we are supportive of SB 693 and see establishing our own state Exchange through the MiHealth Marketplace as the best way to make sure that the unique, specific needs of Michigan’s citizens are met. We are pleased to see the following provisions in SB 693:

- We agree that health insurers, brokers and providers should not be granted a voting seat on the Marketplace Board, but recognize the value of their perspective by calling on their expertise through advisory committees established by the Board.
- We support requiring the Marketplace to contract with Navigators and have a toll-free phone number. These two provisions recognize that it takes more than an internet portal (“Orbitz for Healthcare”) to get newly eligible people insured. I think we can all agree that buying health insurance coverage is much more complicated and the consequences much greater than choosing a flight or hotel package for your next vacation.

The final bill must ensure that uninsured individuals who do not have access to the internet or have low computer literacy, can get the coverage that is right for them. Equally important, these two provisions ensure that people without any understanding of the health care system can fully participate and make informed decisions in the selection of their own health insurance.

- We agree with the use of carrier assessments to fund the Marketplace. The Marketplace will potentially bring several hundred thousand new customers to health insurance companies that would otherwise not be buying their insurance products. We see such fees as the cost for participating in this new marketplace.

Areas of Concern

Though there are broad areas that we support in SB693, we also have questions and areas of concern. We raise the following issues as ones that need greater attention or detail to make sure that the needs of uninsured direct-care workers and other uninsured citizens and their employers are fully represented within the operations of the MI Health Marketplace.

- Clearer delineation of consumer/uninsured representation on the Marketplace Board (Sec. 201). Although the SB 693 designates who cannot serve on the Board, it does not clearly state who can. PHI would support language that would designate a specific number of slots on the board going to consumers who are uninsured or underinsured and/or groups that represent their interest. We would also support increasing the Marketplace Board to 8 members and include the Director of the Department of Community Health or a senior member of the Medical Services Administration as an ex-officio member. With the expansion of Medicaid to 133% of FPL and the likelihood that individuals will “churn” between private and public coverage, seamless integration of these two coverage options will be critical. Having DCH represented on the Board will help facilitate that process.
- Stronger emphasis of the role of community-based organizations as Navigators (Sec. 211(r)). As stated above, we support the requirement to contract with Navigators to help people access coverage that will be available starting in 2014. However, we feel that there should be stronger language defining who can serve as a Navigator by specifically allowing community-based organizations to serve in that function to provide outreach and enrollment. Based on our experience with health care expansion efforts in other states, we know that both direct-care workers and their employers value receiving information on health care options from trusted sources.

While agents can provide these services, we believe community-based organizations – non-profits, schools, churches, health care centers – can also provide this critical outreach and enrollment function. Community based organizations will be vital in getting accurate and reliable information to a variety of consumers – particularly to those who are currently uninsured and/or have little experience with the health insurance market. These entities often have trusted relationships in communities and are often looked to by consumers for information and support. The Navigator function is an opportunity to capitalize on those relationships and provide these entities with the information and resources to connect people with the health insurance option that best meets their needs.

We recognize that community-based organizations may need some support to build their expertise in health insurance. We see the grants available for Navigators as an opportunity to build this knowledge and capacity among community-based organizations. PHI supports adding language that specifically instructs the Office of Financial and Insurance Regulation (OFIR) Community Assistance Program and Ombudsman to provide resources and information to community-based organizations to assist them in their Navigator role.

- Establishment of seamless enrollment in Medicaid through the Marketplace (Sec. 211(i)). The ACA assumes a “no wrong door” approach to Medicaid enrollment and eligibility, allowing for automatic enrollment in Medicaid. As written, consumers will have to “opt-in” to Medicaid if found eligible through the Marketplace, raising concerns that enrollment in Medicaid will not be automatic. Based on our data, almost half of all direct-care workers in Michigan (46%) have income below 200% of FPL. Many of these workers will be eligible for Medicaid when it is expanded to 133% of FPL. PHI supports establishing presumptive eligibility and enrollment for Medicaid through the Exchange.
- Authority of the Marketplace to certify health plans (Sec.215). As written, the MI Health Marketplace would be required to contract with OFIR for the certification of qualified health plans. PHI is concerned that contracting this work outside of the Marketplace removes a significant power and authority of the Exchanges as intended by the ACA.

We look forward to working with members of the Committee as this process moves forward to design an Exchange that will fully meet the needs of direct-care workers and other consumers in Michigan.

I am happy to talk with you further about this testimony. I can be reached at (517) 643-1049 or by email at tbridges@phinational.org.