

Remarks of Don Hazaert
Director, MCHA
Testimony before Joint Senate Health Policy and Insurance Committees
Wednesday, July 13, 2011

Good afternoon Mr. Chairman,

My name is Don Hazaert and I am Director of Michigan Consumers for Healthcare Advancement (MCHA). Joining me today is Jan Hudson of the Michigan League of Human Services and Policy Advisor to MCHA. Jan is also one of our coalition representatives who participated in the MI Health Insurance Exchange Planning program (MHIEP) and would be happy to share her first-hand evaluation of the process.

The MCHA coalition is Michigan's first statewide coordinating body focused solely on healthcare advocacy from the consumer perspective. Our new coalition is seizing upon the historic opportunity that the Affordable Care Act provides to improve healthcare delivery in this state and to provide consumers with the level of access, transparency, affordability and quality of care that they demand and deserve.

First, let me share a little about our new organization. MCHA is a non-partisan 401(c)3 organization that is funded exclusively by state and national foundations that share our consumer focus. We receive no funding or support from political parties or partisan organizations and our only agenda is that of improving healthcare for Michigan consumers.

Our new coalition stands at roughly sixty organizations statewide and continues to grow. As you might expect, MCHA includes traditional statewide healthcare advocacy organizations such as AARP, American Cancer Society, United Cerebral Palsy of Michigan, and Michigan Disability Rights Coalition. We also include many of your local and county health plans and public health organizations including the Michigan County Health Plan Association, Detroit Wayne County Health Authority and Washtenaw County Health Plan.

As I mentioned earlier, several MCHA coalition member organizations participated in the initial state exchange planning process that Mr. Pratt discussed. While MCHA does not support some of the recommendations that came out of those initial planning meetings- and will voice those objections if necessary at the appropriate time- we certainly thank Director Dazzo and her staff for their leadership in getting the ball rolling on the planning and implementation process. We would also like to publicly commend the Snyder Administration for adopting the position early on that the Affordable Care Act is the law of the land and that planning must proceed immediately.

While there is always a degree of uncertainty in implementing such sweeping changes as prescribed under ACA, we are fortunate in that there is a similar exchange model already in place in Massachusetts. Thanks to former Governor Romney's leadership, less than 2% of the citizens of Massachusetts last year were without health insurance, compared to a national average of 15.4%. According to analysis done by MIT, 60 percent of those gaining coverage under the Massachusetts plan had been previously uninsured. The 1.9% who remained uninsured were predominantly undocumented immigrants or persons provided with an affordability waiver.

The Massachusetts model also provides state policymakers some guidance as far as costs. Despite some hyper-partisan rhetoric regarding runaway program costs bankrupting its state's treasury, the non-partisan 410(c)3 group FactCheck.org determined that costs stemming from the Massachusetts health care reform initiative were in line with initial expectations. The conservative watchdog group the Massachusetts Taxpayers Foundation concluded in their own analysis that the net added cost to Massachusetts taxpayers was \$353 million in 2010, or roughly 1.2 percent of the state budget. Much of this cost was due to the fact that the initial Massachusetts legislation did not attempt to tackle the critical cost-control issue, something the federal legislation emphasizes.

I would like to add one final point regarding the Massachusetts model. The program is and always has been popular with the public. Boston Globe polling, conducted when the legislation was first enacted, placed public support at 61 percent. Three years later public support remained steady at 59 percent with opposition at only 28 percent. Additionally, a New England Journal of Medicine poll found 85 percent of practicing physicians in the state believed the law either had no impact or had a net positive impact on the quality of care being delivered.

I share this data on the Massachusetts exchange model simply to make the point that "what one state can do, another can do." By working together as stakeholders and policymakers we can develop an effective and competitive healthcare marketplace that works for all consumers. I would add we also have the decided advantage of being able to learn from Massachusetts mistakes- such as a lack of cost control efforts and effective planning for the small business market- as we work together to build a state exchange that works for all consumers.

MCHA looks forward to being a partner in that critical process.

Mr. Chairman, I would like to now turn things over to my colleague, Jan Hudson for final remarks

Testimony before Joint Meeting of Senate Committee on Health Policy and Senate Committee on Insurance

Jan Hudson
Policy Advisor, MCHA

Good afternoon Chairman Marleau and Chairman Hune, and members of the Committees. My name is Jan Hudson, I am a senior policy analyst for the Michigan League for Human Services. The League is a founding member of the Michigan Consumers for Healthcare Advancement Coalition and served as convener until the funding was secured and staff hired. I am here wearing both hats today – representing the League and as a member of the Coalition – and am pleased to have the opportunity to speak to you in support of the state developing its own Health Insurance Exchange to meet the requirements of the Affordable Care Act. As you know, under the federal law all states will have an Exchange, and it is up to the state to determine how it will be implemented.

The Michigan Consumers for Healthcare Advancement is a new statewide consumer voice coalition focused on implementation of the Affordable Care Act to secure affordable, accessible, quality health care for all in Michigan. Earlier this year, the Coalition developed a set of principles to guide our work on the development of an Exchange. Our first principle is that Michigan should develop its own exchange to address the needs and priorities of Michigan residents, and to address issues unique to Michigan. We believe this is a better alternative to partnering with another state(s) or deferring to the federal government to operate Michigan's exchange.

The Exchange Planning Work Group process began the dialogue and as a Coalition, we were very pleased to have several representatives on each of the workgroups. I participated in the Finance, Reporting and Evaluation Workgroup. It is going to be very complicated to design a system and process to combine public health care coverage and commercial insurance in a way that works well to provide quality, affordable, accessible coverage to all Michigan residents.

It will take our best Michigan minds working together to determine the best way to implement a state Exchange, meeting both the requirements of the Affordable Care Act and addressing the opportunities and challenges that are unique to Michigan.

There is much work ahead, the time frames are tight, and we look forward to working with you to implement a successful, consumer-friendly Exchange in Michigan.
Thank you.