



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
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## **MDHHS Director Hertel issues statement on Governor Whitmer's FY2027 budget proposal and its commitment to health care**

LANSING, Mich. – Michigan Department of Health and Human Services (MDHHS) Director Elizabeth Hertel issued the following statement on Gov. Gretchen Whitmer's recently released fiscal year 2027 budget proposal.

"Governor Whitmer's proposed fiscal year 2027 budget ensures access to vital health care services for Michigan families while addressing funding gaps as a result of new federal H.R. 1 requirements," said Hertel. "It prioritizes investments in Michigan's behavioral health system; provides strategies to strengthen Michigan's health care workforce; and addresses the rising costs of health care while ensuring access to Medicaid, a vital program that one in four residents depend on. The governor's budget will allow our dedicated staff to continue its critical work of protecting the health, safety and prosperity of Michigan families."

Key items in Gov. Whitmer's budget proposal include:

- \$780.4 million to stabilize Medicaid funding through revenue measures, including taxes on gambling, tobacco, vapes and non-tobacco nicotine products.
- \$91.9 million to support changes to Medicaid and the Supplemental Nutrition Assistance Program to comply with federal H.R. 1 requirements.
- \$72.2 million to begin operating the new Southeast Michigan State Psychiatric Hospital, bringing 264 new beds online and increasing total statewide capacity by 54 beds (32 adult beds and 22 pediatric beds).
- \$8.3 million in federal authorization for new psychiatric residential treatment facilities (PRTFs) in Grand Rapids, Lansing and Livonia that are expected to bring 50 new transitional beds online. PRTFs provide short-term, focused mental health treatment to promote successful integration into the community.
- \$258.4 million to support 2025 and 2026 direct care worker minimum wage increases, which preserves \$3.40 per hour in increased wages received by workers over the past two years.
- \$69.5 million to support the 2027 direct care worker minimum wage increase of \$1.27 per hour.
- \$6.6 million for community violence prevention services including implementation of the Gun Violence Prevention Task Force recommendations.

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