



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GRETCHEN WHITMER
GOVERNOR

GARLIN GILCHRIST II
LT. GOVERNOR

September 23, 2019

Michigan Senate
State Capitol
Lansing, MI 48909-7536

Senators,

Today I sign Enrolled Senate Bill 362.

The Healthy Michigan Plan was a landmark bipartisan accomplishment, extending coverage to more than 680,000 people, increasing primary care usage, reducing emergency room reliance, and bolstering our economy.

The “work requirements” added to the Healthy Michigan Plan in 2018, before I became governor, undermine this progress. We know from other states that many people lose health care simply because they struggle to navigate complex and unduly burdensome requirements. Moreover, while the supposed rationale is to promote employment, the result is a loss of health care coverage, and that itself is an obstacle to employment.

The legislation I sign today is an important step in addressing work requirements’ shortcomings. This bill gives the beneficiary time to verify compliance with the law and exempts the beneficiary from reporting workforce engagement if the state can verify compliance through other available data. These changes will reduce the number of people who must jump hurdles to provide proof of what they are already doing. Many thanks to the bipartisan cosponsors of this legislation, Senate Majority Leader Mike Shirkey and Senator Curtis Hertel, Jr.

My administration is doing everything in its power to facilitate compliance with the work requirements. The Michigan Department of Health and Human Services is partnering closely with health plans, providers, and community organizations to communicate with program participants wherever they are. The Department has also revamped its approach to written correspondence to speak as plainly and clearly as possible. With the encouragement of numerous stakeholders, the Department will defer implementation of new healthy behavior and premium requirements until October 1, 2020, in order to focus on successful implementation of the work requirements.

At the same time, we must recognize realities. The loss of health benefits caused by work requirements creates another employment barrier for many people who are trying to work, but find it difficult to do so because of a lack of support and opportunity. It's not difficult to see why. Sickness is a barrier to finding and retaining work: you need health care to find a job and to keep one. Adding complicated reporting and compliance requirements to maintain a vital component of employability – access to health care – will not promote employment. As the first major study to examine Medicaid work requirements recently concluded, these requirements are associated with a loss of coverage and no significant change in employment. (N. Eng. J. of Med., 9/12/19).

We also must pay attention to the troubling experience with work requirements from around the country. Arkansas saw 18,000 people lose health insurance in 3 months due to work requirements. In New Hampshire, the number of people on track to lose coverage was so large that a governor who had previously supported work requirements – Gov. Chris Sununu (R) – agreed to suspend implementation. Seeing results elsewhere, Indiana Gov. Eric Holcomb (R) is now implementing work requirements with significantly less severe reporting and more exemptions than in Michigan.

Even with the improvement in the bill I sign today, Michigan has the most onerous work requirements in the nation. Earlier this year, independent analysis based on Arkansas' experience suggested that as many as 183,000 people would lose coverage from Michigan's requirements. While SB 362 meaningfully reduces the potential impact, the likely coverage loss under this legislation remains enormous.

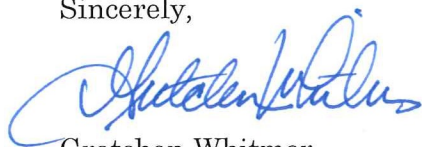
Additionally, the legislature's planned budget makes a bad situation worse. I requested \$10 million this year for the Michigan Department of Health and Human Services to implement work requirements. One key use of these funds, among others, was to be a public information campaign about these requirements. As noted above, experience in Arkansas and New Hampshire shows that individuals often fail to comply with work requirements because they do not know about them or do not know how to comply with them. My budget would also have funded training and referral services to help individuals who need jobs get them. Yet the pending budget bill provides none of the new resources I requested, and in fact does not even adequately fund the basic administration costs for the Healthy Michigan Plan. At the same time, the bill funds dozens of legislators' earmarks totaling tens of millions of dollars.

Accordingly, it now appears that Republican legislative leaders are less interested in giving Michiganders the facts and tools to comply with work requirements than in taking away Michiganders' health insurance. As a result, tens of thousands of Michiganders stand to lose needed health care and suffer medical and economic harms that responsible leaders could easily have avoided.

It is not too late to change course. I urge the legislature to put health care for hard-working Michiganders ahead of rigid ideology. The legislature should appropriate the funding I requested. And it should enact a provision that automatically suspends work requirements if data early in 2020 show that significant numbers of Michiganders are on track to lose their health care due to the new compliance requirements.

I believe in the values of hard work and responsibility. But imposing complex, inadequately funded, bureaucratic rules that cause thousands of Michiganders to lose health insurance and face new obstacles to work runs headlong against these values and undermines the very goal these rules aim to achieve. I ask the legislature to work with me to prevent this outcome.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gretchen Whitmer", with a stylized flourish at the end.

Gretchen Whitmer
Governor