



MEMORANDUM

TO: Members of the House Committee on Insurance and Financial Services

FROM: Monique Stanton, President & CEO, Michigan League for Public Policy

DATE: Thursday, June 8, 2023

RE: Support for HB 4619-4623, State Codification of ACA Provisions

The Michigan League for Public Policy is pleased to support HB 4619-4623. These bills will codify specific important provisions from the Affordable Care Act (ACA)—such as mandating coverage for preventive services, extending coverage to dependents up to age 26, prohibiting the denial of coverage due to pre-existing conditions, and ensuring Michiganders are not being discriminated against due to race, sex, gender, LGBTQ+ status, disability or other specified factors—to help ensure continued access to health care. We thank the bill sponsors and the committee for their action on this important legislation.

The League is a nonpartisan research and advocacy organization that promotes economic opportunity for all and analyzes the impact of public policy on the lives of Michiganders who have been systemically left out of prosperity. We work to improve health, educational and economic security well-being for Michiganders with low incomes and persons living in communities of color. The League is also the state's Kids Count organization working as a part of a national effort to measure the well-being of children at the state and local levels and to shape efforts that improve the lives of Michigan children.

With continued and ongoing legal threats being made against the Affordable Care Act, it is necessary for the state to act to protect health care for Michiganders statewide. The ACA has been upheld multiple times in the United States Supreme Court (including 2012 in *National Federation of Independent Business v. Sebelius*, 2015 in *King v. Burwell* and 2020 in *California v. Texas*), which, had the court ruled otherwise, would have meant that each of the protections included in this package would have been eliminated. An ongoing federal court case, *Braidwood Management Inc. v. Becerra*, puts the federal provision to provide no-cost preventive service coverage in doubt. While we were thankful for the swift action by Michigan's insurance companies and the administration to ensure Michiganders did not lose this coverage for the immediate term, the continued assaults on the federal health care provisions show the need for state policymakers to codify these protections in Michigan law.

Using data to educate, advocate and fight for policy solutions that undo historic and systemic racial and economic inequities to lift up Michiganders who have been left out of prosperity.

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The League uses data to drive our policy recommendations. The numbers show the impact the ACA has had on Michigan residents and residents nationwide:

- A drastic reduction in the rate of uninsured Michigan residents:
 - In 2013, the last year before the Affordable Care Act took full effect, 11.1% of Michigan residents lacked insurance. In 2014, that rate had been cut to 8.4%. In 2021, the most recent year that we have data for, the uninsured rate was 5.1%. In less than 10 years, we have cut the rate of Michigan residents lacking insurance by over 50%. This even outpaced national declines in the uninsurance rate, which went from 14.6% in 2013 to 8.6% in 2021.
 - The rate of uninsured Michigan kids, 18 and younger, declined from 4% in 2013 to 3% in 2021. This represented a decline from 104,000 uninsured children to 69,000 by 2021.
 - Additionally, more parents have health insurance coverage. The percent of kids in households where parents lacked health insurance declined from 9% in 2014 to 5% in 2021.
 - Nationally, young adults, aged 18-26, were among the highest uninsured rates before the ACA and are now able to benefit from staying on their parents' insurance plans until age 26.
- Ensuring persons with pre-existing conditions, like certain cancers, pregnancy, heart conditions, and certain mental health issues, maintain their coverage. Prior to 2014, when the ACA's major market reforms took effect, health plans in the individual market could—and did—deny health care coverage or charge exorbitant premiums based on pre-existing conditions. Based on the most recent analysis by the Kaiser Family Foundation, in 2018 about 29% of Michigan's non-elderly adult population had a pre-existing condition that would allow insurers to decline coverage. This was higher than the national average of 27%.¹
- Continuing coverage for persons who need mental health support is vital for kids and adults.
 - Based on a 2021 survey, only about 60% of Michigan adults reported no poor mental health days during the most recent month the survey was conducted. However, nearly 14% of Michigan adults reported at least 14 poor mental health days during the most recent month.
 - Based on 2019 data, only about 40% of Michigan young adults, aged 18 to 24, experienced no poor mental health days during a one-month period.
 - The national Annie E. Casey Foundation KIDS COUNT Data Book notes that, even before COVID, the rate of kids reporting anxiety or depression grew. In Michigan, the percentage of kids aged 3-17 reporting anxiety or depression grew 13.4% between 2016 and 2020, from 11.9% to 13.5%. And the rates of children who attempted suicide are higher for kids of color and LGBTQ+ youth, who often experience increased discrimination and ill treatment due to systemic oppression and barriers.

While being data-driven, we also are an organization rooted in community and know that, beyond the numbers, this legislation will have a profound impact in supporting the needs of and improving the lives of Michigan residents statewide. Research shows that health care access

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<https://www.kff.org/health-reform/issue-brief/pre-existing-condition-prevalence-for-individuals-and-families/>
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has a significant benefit in both health and non-health outcomes. Children in households where the parents have coverage are more likely to be seen for well-child visits and are more likely to see a health care provider for acute care. Children with health care coverage also miss fewer days of school due to illness or injury, do better and stay longer in school, grow up to be healthier adults and earn more as adults. Uninsured individuals are less likely to get preventive services, such as routine vaccinations and health screenings, and are less likely to get treatment for chronic conditions, like diabetes and hypertension. Ensuring coverage helps improve the financial stability of Michigan residents by protecting families from medical debt (a leading cause of bankruptcy) and choosing between medical care and other basic family needs, like housing, groceries or child care. Plus, overall: when Michigan residents can get preventive care or manage chronic conditions earlier, it not only makes them healthier but it also reduces the long-term cost of care on our state's entire health care system.

We cannot leave it to the federal government to continue these protections. We've seen time after time the assault against our health care system, and we expect these challenges to continue. Should these protections fail federally, and the state not have its own provisions in place, it will not just set us back on all the progress we've made toward ensuring all Michiganders have access to health insurance. It will also disproportionately harm children and young adults, persons with pre-existing conditions like cancer, heart issues and behavioral health issues, persons with disabilities, persons of color, the LGBTQ+ community, and those who speak English as a second language. The whims of the Court—or whoever is in power federally—should not dictate whether these protections will stand, and it is within our state policymakers' authority and duty to protect the health, educational, and economic well-being of Michiganders.

We are proud to support HB 4619-4623, codifying these important ACA protections into state law, and urge the Committee's passage.

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