



Michigan Council for Maternal and Child Health

MEMBER ORGANIZATIONS

SUSTAINING

William Beaumont Hospitals

Detroit Medical Center,
Children's Hospital of
Michigan

Henry Ford Health System

Hurley Medical Center

University of Michigan C.S.
Mott Children's Hospital and
Von Voigtlander Women's
Hospital

CONTRIBUTING

Michigan Chapter, American
Congress of Obstetrics and
Gynecology

Mott Children's Health
Center

PARTNER ORGANIZATIONS

Comprehensive School
Health Coordinators'
Association

College of Health & Human
Services, Eastern Michigan
University

Detroit Department of
Health and Wellness
Promotion

Genesee County Health
Department

Healthy Mothers Healthy
Babies of Michigan

Inter-Tribal Council of
Michigan

Michigan Association for
Infant Mental Health

Northwest Michigan
Community Health Agency

School-Community Health
Alliance of Michigan

The Arc Michigan

Tomorrow's Child/Michigan
SIDS

Executive Director

Amy Zaagman
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June 23, 2011

Dear Honorable Members of the Michigan Legislature

The Michigan Council for Maternal and Child Health supports the health care claims assessment in Senate Bill 348 sponsored by Senate Appropriations Chair Roger Kahn.

As you know, passage of such a claims tax is an assumption in the 2011-12 Department of Community Health budget signed by Governor Snyder. If a replacement source for the presumed loss of federal funding on the current use tax paid by Medicaid health maintenance organizations and pre-paid inpatient health plans is not passed, the ramifications will be huge. The administration has identified reductions in Medicaid provider rates as the most likely place the shortfall would be recouped if SB 348 is not enacted.

The \$1.2 billion hole created would equate to 20% cuts to Medicaid provider rates. Medicaid provider rates are already perilously low, resulting in limited access to services as detailed in the Cover Michigan 2011 report issued this week by the Center for Healthcare Research and Transformation (www.chrt.org). Any further decline in rates will only contribute to this problem.

Specifically in maternal and child health, low Medicaid provider rates contribute to a lack of access to quality prenatal care, resulting in more pre-term delivery. Premature birth is the most prevalent indicator of health complications for children as well as for infant mortality. Family practice physicians, obstetricians/gynecologists and pediatricians providing basic care in maternal and child health have very high percentages of Medicaid patients. A significant drop in the provider rates will jeopardize their operations and can result in loss of access to that provider for the entire community.

Please be willing to look beyond the "tax" in this discussion. Please talk with medical providers in your district and understand the impact Medicaid provider rate reductions would have not only on Medicaid patients but on the accessibility of our health care system. Some may criticize SB 348 as an imperfect solution to the Department of Community Health budget, but it is the proposed solution and we strongly encourage you to support it.

Sincerely,

Amy U. Zaagman
Executive Director