



SBs 597-98: Costly, unreliable

HIGHER COSTS

- Michigan Medicaid Health Plans have the *SECOND-WORST* Medical Loss Ratio (MLR) in the country (Milliman study - www.milliman.com/-/media/milliman/pdfs/2021-articles/7-7-21-medicare_managed_care_financial_results.ashx)
- Michigan only spending 79% on actual care; remainder (21%) going to overhead/administration, including 3% profit margin
- By contrast, Michigan's PIHP system has an average of 6% for overhead/administration
- Costs have gone up in other states that have done this, nearly tripling in Iowa; average cost of insuring an Iowan on Medicaid has climbed nearly three times as fast since the state hired private companies to manage the program, when compared to the previous six years, new state figures show (*Des Moines Register*)



LACK OF ACCOUNTABILITY

- Bills eliminate local public accountability and the oversight of dollars
- Health plans are not accountable to residents through county boards of commissioners, as they are under current structure
- Bills would result in *LESS* transparency (no requirement to hold open board meetings or comply with Michigan Freedom of Information Act)
- Eliminates ability to maximize multiple fund sources to support local community partnerships and current collaborations with law enforcement, schools, courts, housing, homeless, hospitals etc. The proposed model under the bills will have multiple providers and payers, some of which could be based out of state and do not have the experience nor interest in working with the law enforcement or other local supports

