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3 **RESOLUTION 88-09A**  
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5 **Title: Medicaid Reimbursement**  
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7 **Introduced by: Domenic R. Federico, MD, for the Kent County Delegation**  
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9 **Original Author: Donald P. Condit, MD**  
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11 **Referred to: Reference Committee B**  
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13 **House Action: Disapproved**  
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16 **Whereas, current Medicaid reimbursement fails to cover the overhead**  
17 **expenses of Michigan physicians who provide care to citizens insured by**  
18 **Medicaid, and**  
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20 **Whereas, over the past decade, Medicaid physician reimbursements have**  
21 **effectively increased just once and still cover only 61 percent of costs (*The***  
22 ***Partnership for Michigan’s Health www.msms.org*), and**  
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24 **Whereas, inadequate reimbursement creates barriers to access to**  
25 **preventive and ongoing health care, and**  
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27 **Whereas, Medicaid patients over-utilize emergency rooms, which results**  
28 **in more expensive care and which requires cost-shifting to other patients, and**  
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30 **Whereas, on February 4, 2009, President Obama signed into law H.R. 2,**  
31 **the State Children’s Health Insurance Program (SCHIP) for four-and-a-half years**  
32 **through Fiscal Year 2013, and expanded coverage to approximately four million**  
33 **children beyond the seven million children currently covered under the**  
34 **program, providing additional funding of \$32.8 billion for Medicaid patients**  
35 **(www.ama-assn.org), and**  
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37 **Whereas, federal funding creates the opportunity for patients to leave**  
38 **private insurance and enroll in Medicaid, Massachusetts Institute of Technology**  
39 **economist Jonathan Gruber who found that SCHIP coverage replaces private**  
40 **health insurance 60 percent of the time, and the rate can be much higher**  
41 **depending on how a state’s plan is structured, (www.nber.org/papers/212858),**  
42 **and**  
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44 **Whereas, hospitals unable to cover the cost of emergency room indigent**  
45 **care have to restrict access or face insolvency, and**

46           Whereas, though the Medicaid caseload continues to increase, funding to  
47 Michigan hospitals has been cut by more than \$850 million since 1999 (*The*  
48 *Partnership for Michigan's Health www.msms.org*), and

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50           Whereas, MSMS 2009 Legislative Agenda seeks to achieve Medicaid  
51 funding parity with Medicare; therefore be it

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53           **RESOLVED:** That MSMS seek legislative policy improving  
54 reimbursement to currently enrolled Medicaid patients using additional state  
55 allocation of State Children's Health Insurance Program (SCHIP) funds before  
56 expanding Medicaid enrollment to include those already covered under private  
57 insurance.

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60   **WAYS AND MEANS COMMITTEE FISCAL NOTE:   NONE**