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Title: Michigan Health Savings Account
Introduced by: Domenic R. Federico, MD, for the Kent County Delegation
Original Author: Phillip G. Wise, MD
Referred to: Reference Committee A
House Action: Referred to the Board for Study.

Whereas, society is searching for a solution to the rising cost of medical care, and attempts at solutions have included more government intervention in the market with experiments such as the Affordable Care Act, TennCare, and the Massachusetts model. These eventually result in what amounts to medical wage and price controls of the providers, and

Whereas, these interventions have cost more than anticipated, and have led to long waiting times for needed care, and contributed to reducing the actual number or lives covered, and

Whereas, in Indiana, where a consumer-directed health insurance option was introduced, more lives were covered at less cost to the state and consumer. The Indiana model has the state depositing \$2,750 per year into an account controlled by the employee, out of which he pays his health bills. The state covers the premium for the plan. Unused funds, about \$30 million, are the worker’s permanent property. Over 70% of state employees are covered under this plan. The state has saved over \$200 million in 2010. Only 3% of workers using a Health Savings Account (HSA) have switched back to the traditional coverage, and

Whereas, there was a significant change in behavior, as HSA plan participants visited emergency rooms 67% less frequently than participants in traditional health care plans and were more likely to use generic drugs at a savings of \$18 per prescription¹, and

Whereas, there was no evidence that HSA participants were more likely to deny themselves needed care or common sense preventative measures; therefore be it

RESOLVED: That MSMS work with Blue Cross Blue Shield of Michigan and other interested insurance carriers to develop a competitive Health Savings Account product to be made available for the general public; and be it further

RESOLVED: That MSMS educate the influential members of the Michigan Legislature and Administration to offer a competitive Health Savings Account product to all government employees who qualify.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE

¹ Wall Street Journal – Op Ed by Mitch Daniels, Governor of Indiana. “Hoosiers and Health Savings Accounts”