

Healthcare Summit – Henry Ford Community College, Dearborn Michigan

October 29, 2005

### **Background Information for Deliberation**

Many Michigan citizens are very concerned about healthcare. In April 2005, college students at a Michigan Student Political Issues Conference identified healthcare as a primary concern requiring responses from the community and the government.

Access to healthcare impacts people's lives in ways beyond the specifics of healthcare itself. American's decisions in the course of their lives can be wrapped up by healthcare considerations. For instance, whether or not a person wishes to change jobs, or return to school may be determined solely by healthcare concerns. People who are inspired to further their education may be prevented from doing so, as they may lose their healthcare that might be associated with full-time work.

Conversely, there are young people who attend college, taking classes for the sole purpose of remaining under their parents' healthcare plan. These students are afraid to take a semester off from school and work, and risk the loss of their healthcare coverage, especially, when students have pre-existing conditions that would prevent them from funding their own coverage.

Senior citizens who have worked their entire lives and who were promised health coverage as a benefit when they retired are, in many cases, losing these benefits. Healthcare coverage is a factor that many people consider when saving and planning for retirement. Yet, many corporations and the Michigan Supreme Court have indicated that such benefits are not guaranteed. Therefore, many retired persons in Michigan, are at risk of losing their healthcare coverage. This loss of coverage might mean the difference between a comfortable retirement and poverty.

In our deliberation about local healthcare issues facing our community, we will consider 1. the rise of healthcare costs and its impact on businesses, and present government programs, 2. the concerns of various age groups, from small children through retirement age, and 3. the impact of the uninsured on the present healthcare system.

### **HEALTHCARE IN MICHIGAN: A STATUS REPORT**

According to the U.S. Census Bureau, Michigan is the eighth largest state in the nation with some 9.9 million residents. Nearly, 88.5% of Michigan's population consists of persons under the age of 65. Today, approximately, 12% of Michigan residents are uninsured and have no healthcare coverage. One out of five uninsured residents are under the age of 18. Presently, 70% of all Michigan residents receive health care benefits through their employer. As the economic recession continues with an unemployment rate of 11%, the number of uninsured residents will also continue to increase.

Moreover, the cost increases of healthcare are rising at three times the rate of other sectors of the economy. This increase in cost is hampering the access and affordability of healthcare to all Michigan residents. Future projections indicate a need for an additional 18,000 nurses in the next 10 years in the Detroit-Metropolitan area. This estimated shortage of medical staffing is just one example of future challenges that could crush an already weakened healthcare system. The economic challenges lead to quality challenges as staffing levels fall, so does the quality of care.

Since 2000, the number of residents on Medicaid in Michigan rose 27.4 percent. Medicaid now covers 1 out of every 7 Michigan residents. The impact of Medicaid on the state's budget, along with the cost of non-insured emergency room visits has taken a toll on both government and the hospital sectors. The state government's response has been to slash other programs including education, higher education, and revenue sharing to local communities, while hospital Emergency rooms in southeastern Michigan have continued to close to avoid caring for the uninsured.

### **HEALTHCARE AND BUSINESS IN MICHIGAN**

The rising cost of healthcare is also affecting our state's businesses. Michigan, being one of the strategic centers for heavy industry in the United States, finds itself in a competitive disadvantage as employers struggle to fund healthcare for workers, while competing with countries where no health insurance is available to workers, or where the government provides health insurance. Subsequently, the auto companies find their pension and healthcare programs leading to consistent losses.

Employers are increasingly passing the increased cost of healthcare to their workers, while, workers are provided with pay cuts or stagnant wage increases. As a result, families struggle economically as they are being squeezed by stagnant pay and increasing cost of healthcare.

Retirees with company healthcare as part of their pension fear losing these benefits as companies struggle to keep their obligations in the new global environment. These retirees are persons who often no longer can work, and depend on coverage along with Medicaid to keep their out-of-pocket healthcare costs manageable within their fixed income needs. Similarly, the Michigan Supreme Court ruled in 2005, that healthcare benefits to retired teachers and civil services employees—as part of a state sponsored pension program—are not guaranteed.

### **Solutions to Healthcare**

Each stakeholders group has their favorite solution to solving some of the problems with the healthcare system. Business and industry response in short has been to push the cost to the employees, (increase co-pays and/or deductibles). While this approach does not solve the rising cost directly many experts claim this will push the consumer to be more cost conscious when relying on healthcare. Yet, many studies dispute whether this will keep cost in check, or just shift the rising costs to workers.

Others stakeholders have advocated that government take more of a burden on with healthcare –either by increasing those eligible for programs such as Medicare and Medicaid or by creating some other mechanism including a catastrophic healthcare plan for Americans. Yet, similar to the shifting of cost to the workers, this does not clearly provide a cost control check.

While many recommendations for solutions will be presented by panelist at the Michigan Community Healthcare Summit, there is no single solution that will address all the stakeholders concerns at once. The concerns of costs, access, quality, and the healthcare workers shortage are all problems that need reasonable solutions. Looking at the big picture of healthcare in Michigan and the United States, one might see that an integrate approach needs to be explored to solve the problem as opposed to a piece meal approach that shifts the problem from one stakeholder group to another. Certainly the discourse of the Healthcare Summit at Henry Ford Community College should highlight the diversity of the problem and the opportunities and the challenges that come with any given solution.

Yet, to get effective public policies aimed at solving some of the healthcare concerns the issue must be placed at the top of the political and legislative agendas. Although healthcare concerns are felt by many citizens of Michigan and the United States, the complexity of the issues, the diversity of the stakeholders, and the politics of the day has kept healthcare from having a place at the top of both the political and legislative agendas. Therefore, the healthcare summit hopes to see participants depart after making the collective message that ***effective public policy is required to address the universal concern: that a our healthcare system must be reformed to ensure that quality accessible healthcare is made available that meets the concerns of all of the stakeholder groups without breaking the “banks” of the businesses, the government, or the individual.***