

...for Michigan's Direct-Care Workforce

Michigan has the option of accepting federal funds to expand Medicaid coverage to **over half a million**¹ Michigan residents currently without health insurance and access to health care.

Not only will this have a positive impact on the health of thousands of working people and families, expansion of Medicaid reduces uncompensated care, saves taxpayer dollars, and is good for the state's economy. And, investment in the state's fastest-growing and largest health care workforce—direct-care jobs—is warranted.

- ➔ Today there are approximately 160,000 direct-care workers in Michigan and by 2020 our economy will add another 32,000.²
- ➔ The state's economy is increasingly dependent on health care jobs, and the fastest-growing health job sector in Michigan is in eldercare and disability services. Direct-care workers play a critical role in maintaining the health and quality of life of Michigan seniors and people living with disabilities.
- ➔ One-third of these workers are uninsured for the same reasons over a million of their neighbors are uninsured. If Michigan accepts federal funds for the Medicaid program, an estimated 49,904 direct-care workers would be eligible for health care.
- ➔ Health care coverage for these health care workers will benefit their clients, employers, and most importantly these frontline caregivers.

We urge the Michigan Legislature to consider the following:

- ➔ **The benefits far outweigh the costs:** The federal government will pay 100 percent of the costs in the first three years; the state share begins in 2017, grows to 10 percent by 2020 and is capped thereafter. The Governor has called for putting the savings generated from Medicaid expansion into a Health Savings Account to pay for future state costs related to expansion.
- ➔ **Expansion helps small businesses avoid penalties:** Many long-term care employers currently rely largely on Medicaid reimbursement for their revenue and cannot afford to provide health care insurance to their employees. Without expanded coverage provided by Medicaid, their employees will be required to go to the Exchange to get health insurance, triggering costly employer penalties. By increasing Medicaid eligibility to 138 percent of federal poverty level, Michigan's long-term care employers will have assistance in meeting their obligations to ensure access to coverage for their employees.
- ➔ **Peace of mind for consumers and workers:** Individuals who rely on the very intimate services provided by direct-care workers will know that their own caregiver's health needs are taken care of. Direct-care workers will be able to stay on the job rather than being sidelined by illness or injury.
- ➔ **Coverage reduces costly turnover:** Studies show that health insurance coverage for direct-care workers reduces turnover, which now costs the state tens of thousands of dollars annually in these Medicaid-funded services.

The bottom-line:

Medicaid expansion is a cost effective investment for our state, our employers, and our caregiving workforce.

Endnotes:

- 1 Estimates provided by the Urban Institute, July 2012.
<http://www.urban.org/UploadedPDF/412607-Opting-Out-of-the-Medicaid-Expansion-Under-the-ACA.pdf>
- 2 Michigan Labor Market Information. Occupational Employment Forecasts, 2010 – 2020. Available on-line: http://milmi.org/admin/uploadedPublications/1440_occ_2016.htm

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Learn more by going to the PHI Michigan website (www.PHInational.org/michigan).

Medicaid Matters is a series of fact sheets concerning how state and federal proposals to change the Medicaid program will directly affect eldercare and disability services employers, consumers and their families, and the direct-care workforce.

Medicaid is a public health insurance program for low- and modest-income individuals and families that covers acute care and long-term services and supports. It is jointly funded by state and federal governments, and is managed by the states.

Medicare is an insurance program administered by the federal government, providing health coverage to people who are aged 65 and over or who are living with disabilities. Medicare covers only short-term nursing home and home health services as opposed to on-going assistance.



PHI Michigan is a regional program of PHI (www.PHInational.org). PHI works to improve the lives of people who need home and residential care — and the lives of the workers who provide that care. Using our workplace and policy expertise, we help consumers, workers, employers, and policymakers improve eldercare/disability services by creating quality direct-care jobs. Our goal is to ensure caring, stable relationships between consumers and workers, so that both may live with dignity, respect, and independence.

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