Michigan Gov. Rick Snyder 'making the rounds' to sell Medicaid, road proposals to wary lawmakers



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LANSING, MI -- Michigan Gov. Rick Snyder plans to step up his push to **increase road funding and expand Medicaid** despite early opposition within his own party and initial budget bills that do not reflect either policy proposal.

Snyder said this week that roads and Medicaid -- in that order -- remain his top priorities as lawmakers work to complete a budget by June. The first-term Republican has established his public sales pitch, but he acknowledged that a personal touch may be key to winning votes.

"We've been making the rounds and we're going to continue making the rounds," Snyder said when asked what more he could do to convince reluctant lawmakers on the benefits of expanding Medicaid. "I think you'll see an increased activity from what we've had, though. We are going to step up activity in terms of having those discussions, because Medicaid expansion is a good thing for Michiganders."

Medicaid and roads may be two of Snyder's biggest legislative challenges since since his failed attempt to win approval for a new international bridge connecting Detroit and Windsor. In that case, he ultimately bypassed the legislature to strike a deal with Canada, but he does not have that option now.

As behind-the-scenes discussions continue, Snyder said he willing to look at tying Medicaid expansion to increased patient copays, which could help convince some conservatives fearful of growing entitlement programs without promoting personal responsibility.

Supporters say that expanding Medicaid eligibility to 133 percent of the federal poverty level as intended under the Affordable Care Act will **benefit the state and its most vulnerable residents**. The governor's executive budget proposal indicates that the expansion would help 320,000 uninsured residents in the first year alone.

The federal government has pledged to cover the full costs of expansion through 2016 before gradually reducing funding to 90 percent by 2020. As a result, the state could reduce Medicaid general fund spending by \$206 million next year, according to Snyder, who wants to deposit half of that amount into a health care savings fund to mitigate future risk.

Democrats favor the expansion, but many Republicans remain wary of any association with "Obamacare." State Sen. Patrick Colbeck of Canton, who also opposed the governor's proposal to partner with the federal government on an **online health insurance marketplace**, does not trust the long-term cost assumptions of the federal health care law.

"We've done a really good job of being disciplined with finances in Michigan, but Medicaid expansion would take all of the problems the feds have with entitlement programs and give them to the states to handle," he said. "I don't think it's sustainable. It's a bait and switch with the federal government -- they give you a couple carrots up front and then pull them away."

The governor also remains open to various road funding ideas, but he said this week that there is no leading alternative to **his original proposal** to increase fuel taxes and registration fees.

Snyder is seeking \$1.2 billion a year in additional funding for Michigan roads. By spending \$12 billion over the next decade, he has said, the state can create jobs while avoiding a precipitous decline in road quality that would result in a \$25 billion repair bill.

Republican lawmakers have proposed **various funding options**, including a sales tax increase, but have yet to rally around a single plan. Some have expressed a reluctance to raise taxes but believe the state could find savings in other areas of the budget.

Democrats also have signaled opposition to any "regressive" tax increase, and their support could be critical for any road funding plan. **MIRS reports** that Snyder met last month with Rep. Marilyn Lane of Roseville, the lead Democrat on the House Transportation Committee, to hear her funding ideas.

"I've never been known as being a great horse trader," the governor said when asked about the potential for a legislative trade-off with Democrats. "I wouldn't call it horse trading. How broad is the package?"

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