

# Michigan House Republicans introduce broad Medicaid plan with time limits, expanded coverage



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**UPDATE:** This article has been updated with reaction from Gov. Rick Snyder's administration and Democrats.

LANSING, MI - Michigan's House Republicans are proposing sweeping changes to the Medicaid system – including a four-year time limit for able-bodied adults – which if allowed by the federal government would also result in more people being eligible for the health coverage.

House Republicans introduced proposals Thursday that are sure to rekindle the debate over the scope of Medicaid coverage in Michigan. The bottom line, under the House GOP proposal: The state would allow Medicaid coverage for an expanded population only if the Obama administration would agree to certain personal responsibility and personal control measures that would affect the entire Medicaid population.

"This is groundbreaking reform," House Speaker Jase Bolger, R-Marshall, told MLive.com on Thursday. "This redefines the Medicaid system to be focused on improving peoples' individual health, and it provides long-term savings for Michigan's taxpayers."

Bolger acknowledged that already the federal government has expressed "skepticism, concern, reticence" about some elements of the plan – particularly the proposed time limits on Medicaid assistance. House Republicans say Michigan could be the first state to implement such a plan. But Bolger said he would build a case that other government assistance programs – such as welfare cash assistance – already have time limits, so the approach is consistent. If the federal government doesn't grant waivers for the Michigan plan, it basically would be scrapped and the state would stick with its current system.

The plan is significantly different and has many more conditions attached than a Medicaid expansion **proposed by Republican Gov. Rick Snyder** through the federal Affordable Care Act, also called Obamacare. House Democrats also came out strongly against the plan, with their leader -- Rep. Tim Greimel of Auburn Hills -- calling the proposal "heartless, irresponsible and an insult to the people of Michigan."

The plan might require some Democratic votes to pass the House, unless the vast majority of Republicans get on board with the proposal.

Snyder also has concerns with the House Republican plan.

"We do have to review it closely and assess potential unintended ramifications and consequences and determine if this is the right direction and can work for Michigan," Snyder spokeswoman Sara Wurfel said in an email.

Wurfel said "we do have some strong concerns and reservations about the 48-month cap and the lack of a health savings fund, which we believe was a smart, financially responsible solution that protected both Medicaid patients and taxpayers."

Some details of the plan detailed by House Republicans:

--A four-year time limit on Medicaid assistance would affect able-bodied adults. It would not apply to children, the disabled or the elderly. The time limit would not apply retroactively. "We believe that government assistance should not be a lifestyle if you're able-bodied," Bolger said. "Instead, it should be a temporary hand-up." Greimel countered that chronic conditions such as diabetes and emphysema "don't magically disappear after four years, but the 'help' being offered by Republicans does."

--Able-bodied adults also would be charged premiums and co-pays, with the premiums charged on a sliding scale based on income. The premium would top out at 5 percent of income. Health assessments or physicals also would be part of the deal. Premiums would be lowered if people take steps to improve their help – such as quitting smoking or losing weight under a doctor's supervision. Republicans say preventative care would be handled at "little or no cost" to recipients.

--Recipients could go through Medicaid, or they could use health savings accounts in connection with private plans. Those options could be tied into a federal health exchange.

--Republicans say the plan would require 100 percent federal funding. If all conditions outlined in the proposal were accepted by the federal government, the state would accept federal money and expand coverage in line with Snyder's original proposal. Expanding Medicaid coverage to adults who earn up to 133 percent of the poverty level could help cover 320,000 more residents in the first year alone, according to Snyder's administration.

It's not clear exactly what that might mean for the future. The federal government has said it would cover the full cost of expansion through 2016 before gradually reducing funding to 90 percent by 2020.

At least initially, the plan could save the state millions of dollars a year in general fund spending for Michigan. Snyder's plan calls for putting half the cash into a savings account to offset future costs.

Reps. Matt Lori, R-Constantine, and Al Pscholka, R-Stevensville have been key in crafting the plan – looking at states such as Indiana, Arkansas and others. Senate Republicans also have had two members in on the discussions related to the plan.

Senate Republicans discussed the plan Thursday, spokeswoman Amber McCann said. She said it remains at the "discussion" stage at this point.

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