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Center for Healthcare Research & Transformation releases *Cover Michigan* – a report on healthcare coverage and access

Report shows a downward trend in health coverage and destabilization of Michigan’s health care delivery system. Health care reform must be part of economic stimulus package.

ANN ARBOR, MI – ***Cover Michigan***, a report on healthcare coverage released today by the Center for Healthcare Research & Transformation (CHRT) shows that while Michigan compares well to the country as a whole, the state is losing ground in critical areas, including the number of Michigan’s children and adults who are uninsured and the percentage of the population covered by private insurance.

“*Cover Michigan* shows a state under stress,” said CHRT director Marianne Udow-Phillips. “More and more Michigan residents – especially our most vulnerable populations – are facing hardships in obtaining and affording health care. Our health care delivery system is destabilizing as more people are underinsured and uninsured.”

“Access to health care coverage that is funded at an appropriate level is a national issue,” Udow-Phillips said. “We must advocate for national health policy that will shore up the health care safety net, expand coverage, and strengthen the viability of public programs. It is imperative that health care reform be part of President Obama’s economic stimulus package.”

Cover Michigan is designed to provide the public and policy makers with access to Michigan’s health coverage data in a single place as efforts intensify to tackle healthcare reform.

Cover Michigan comprises data from multiple state and national sources, in three major categories:

- (1) Health care coverage – including the uninsured, publicly insured, and privately insured.
- (2) Premiums and cost sharing – including premiums, deductibles, and copays.
- (3) Uncompensated care and the safety net, including hospital uncompensated care and federally qualified health centers (FQHCs).

Because of its strong union history, Michigan's rate of healthcare coverage has historically been higher than the country as a whole. In 2007, Michigan had the 18th lowest percentage of uninsured residents compared to other states, and the percentage of uninsured children in Michigan was especially low: Michigan ranked ninth in the nation on this important measure.

But even in areas where Michigan does well historically, **Cover Michigan** reveals that coverage deteriorated in 2007. Approximately 11.6 percent of Michigan's total population – 1.1 million people – lacked health coverage, up from 10.5 percent in 2006. In 2006, only 4.7 percent of Michigan's children were uninsured, but in 2007, that percentage increased to 6.2. Average family premiums for those with private health insurance increased 68 percent from 2000 to 2006; average family deductibles increased 25 percent since 2002.

The stress on the healthcare system itself is reflected in the data on hospital uncompensated care and the safety net. The report shows an increase of more than 68 percent in the uncompensated care (charity care and bad debt) provided by hospitals in Michigan from 2004 to 2007.

“Unless there are major changes in the way we finance and deliver health care in our country, more and more of our citizens will face increasing difficulties in obtaining health coverage, leaving them vulnerable to devastating medical tragedies,” said Udow-Phillips. “This report can be a critical decision-making tool for the public and our policy makers as they work together to develop the kind of healthcare security necessary for our state – and our country – to grow and thrive.”

The report also shows that:

- Fewer Michigan employers are providing coverage.
- The uninsured are distributed disproportionately across Michigan's population. More than 23 percent of the uninsured children and adults under 65 were African American, although African Americans represented only 15 percent of the overall state population.
- The uninsured are lower wage earners and have lower education levels than insured individuals.
- More than one in four Michigan residents (27 percent) – had some form of public health coverage (Medicaid, State Children's Health Insurance Program, and Medicare).
- Michigan's Medicaid spending as a percentage of total state expenditures is trending up, growing from 18.9 percent in 1999 to 21.4 percent in 2007.
- 48 percent of Michigan's federally-designated “medically underserved areas” still lack an FQHC.

For an electronic copy of **Cover Michigan**, visit the CHRT website: www.chrt.org or send an email to chrt-info@umich.edu with “Cover Michigan” in the subject line.

The Center for Healthcare Research & Transformation (CHRT) was formed by the University of Michigan and Blue Cross Blue Shield of Michigan (BCBSM) to promote evidence-based care delivery, improve population health, and expand access to health care.

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