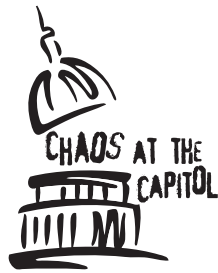


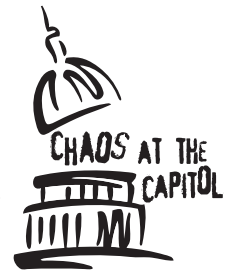
Mandatory Health Care Plan Messages–House Bill 5345



MEA strongly opposes HB 5345, which proposes a mandatory state-run health plan for all public employees, including school employees. Any public employer – like school districts, universities, community colleges, counties, cities, townships and other local governmental entities – could only offer insurance from a limited number of plans chosen by the state. The so-called Michigan Health Benefits Program is currently being considered by the Public Employee Health Care Reform Committee, a special committee set up solely to consider this legislation by House Speaker Andy Dillon (D-Redford).

- Other states that have tried such a scheme have left taxpayers on the hook to bail out the health care plans.
 1. North Carolina taxpayers will have to pay \$250 million to bail out the state's plan. In two years, that number will rise to \$678 million because of cost overruns and little oversight.
 2. In New Jersey, a state commission approved a 25 percent increase in health insurance premiums for public school employees.
 3. The West Virginia plan is so over budget that the state is proposing to cut off all retirees from any health insurance coverage in order to balance its books.
- Michigan will have to shift the cost of any unfunded liabilities to school districts, universities, community colleges, cities, townships and other local governmental entities. Who will be billed for the \$28 billion MPSERS liability?
- The plan places the state between patients and their doctors. A politically appointed Control Board will determine which doctors are acceptable and what treatments are necessary.
- House Bill 5345 is an unnecessary major expansion of state government that takes away local control. Considering the failure of the state government to pay for and run existing programs, there is no way it can effectively administer a massive health care plan.
- Under this plan, savings are estimated to be \$900 million, but proponents offer no evidence to substantiate this claim. Expert testimony by actuaries at the Health Care Reform Committee hearings has questioned the likelihood of such savings.
- In order to realize any savings, health benefits will be gutted and greater costs will be shifted to employees in the plan.
- This is not a solution for those who currently aren't covered by a health insurance plan. They are not eligible for insurance under this bill.

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