

MiCare: Healthcare for Everyone

State Representative Yousef Rabhi (D- Ann Arbor) has drafted a bill for universal single-payer health coverage in Michigan called MiCare. If passed by the Legislature, MiCare would go into effect only after its funding mechanism was ratified by a vote of the people. Access to health care is a right, and our state will be stronger economically when all Michiganders can live free of the constant threat of medical bankruptcy.

MiCare will:

Cover everyone

All Michigan residents will be eligible for comprehensive coverage including hospitalization, mental health care, dental care, reproductive health, and prescription drug coverage. The MiCare proposal also sets up a feasibility study of including long-term care costs.

Get insurance companies out of Michiganders' medical decisions

MiCare will be publicly administered, not contracted out to insurance companies. This will remove the profit motive that currently incentivizes insurers to deny necessary healthcare. It will also create cost savings; publicly run systems like Medicare spend 2-3% on overhead, while private insurers spend 12-18%.

Preserve provider choice

Doctors and other providers will maintain their autonomy, and patients will remain free to choose among providers who accept MiCare. Most providers will choose to participate because reimbursement rates will be fair and because most of their current patients will be covered by MiCare.

Make Michigan businesses more competitive

MiCare will cover employees so that businesses don't have to bear the administrative hassle and the cost of health insurance. In 2017, the employer contributions for health insurance averaged \$5477 per single employee and \$13,049 for family coverage. For self-insured employers, an unexpected high-cost illness can drive a firm out of business. Without these burdens, Michigan businesses will be better positioned to compete on a national and global scale.

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Rein in prices

Single payer systems give all of us the power to unite in negotiating health care costs. MiCare will supercharge this consumer leverage by pegging prescription drug prices to those negotiated by the federal Veterans Affairs system and setting healthcare prices at Medicare plus 10%. Prices could be adjusted as needed to ensure access to providers in rural and underserved areas.

Save money overall for Michiganders

Based on projections for similar proposals in other states, MiCare is expected to result in a net savings of \$20 billion. By eliminating out-of-pocket costs like co-pays, co-insurance, and deductibles, MiCare will also eliminate the large unexpected medical expenses that even insured families face under the current system.

Be funded through progressive taxation and existing spending

MiCare will re-direct existing healthcare spending into a single payer system. The state will seek to include federal healthcare dollars from Medicaid and the ACA marketplace in the system. Although new state revenue will also be needed, this is expected to displace private healthcare spending, resulting in a direct savings for the vast majority of Michiganders. Sources of revenue would include a graduated income tax, a capital gains tax, and a payroll tax. The employer payroll tax is intended to maintain employers' responsibility to contribute to employees' healthcare as a business expense, but at a level that will be less than they are paying now on average.

Save lives

More than 1,000 Michigan residents die each year because they lack health insurance. Many more are disabled by health conditions they cannot afford to treat. Life expectancies in the U.S. have been falling behind those of our peer countries for more than a generation. We have the resources to fix this injustice; every other industrialized nation provides some form of universal health coverage while spending far less. It is time for the people of Michigan to decide what kind of healthcare system we want for ourselves and our neighbors.

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