



**March 13, 2024**

Senator Kevin Hertel, Chair  
Senate Committee on Health Policy

**RE: 3/13 Committee Hearing and Support for SB 633**

Dear Chair Hertel and Members of the Committee,

Thank you for the opportunity to provide comments in support of Senate Bill 633, which will establish Michigan's state-based health insurance exchange. [United States of Care](#) (USofCare) is a non-partisan, non-profit organization working to ensure everyone has access to quality, affordable health care, regardless of health status, social need, or income. We work in states across the country to help advance pragmatic policy solutions that are designed to respond to the needs of people. Last year, we provided [testimony](#) to this Committee on a package of bills aimed at codifying ACA protections, including ensuring that Michiganders can access free preventative services regardless of any potential elimination at the federal level resulting from the [Braidwood v. Becerra court case](#). Our efforts to create state-based marketplaces (SBM) [in other states](#) have demonstrated the clear [benefits they provide](#), and we applaud this Committee seeking to create a SBM in Michigan to bring these benefits to the [more than 418,000](#) people currently enrolled in coverage through the Federally Facilitated Marketplace (FFM), known as Healthcare.gov. The Committee's **continued work to promote access to affordable, quality healthcare, including through the creation of a SBM, is laudable, and we appreciate the opportunity to submit testimony in support of this legislation.**

The FFM presents several challenges for states because the federal platform cannot easily be tailored to the unique needs of each of the 29 states that currently utilize it in the same way a SBM can for their own state. **While Healthcare.gov provides an [easy and streamlined pathway](#) to coverage, it is a one-size-fits-all model that does not always fit all; a SBM provides Michigan the needed flexibility to develop tailored eligibility and enrollment systems and processes, allow for new and innovative healthcare policies, and tailor customer assistance for the unique needs of residents.**

SB 633 will help to ensure Michiganders are able to more easily enroll in and retain coverage, including by allowing more direct and effective communication between the marketplace and Medicaid and the Children's Health Insurance Program (CHIP). A SBM allows the marketplace to share eligibility and enrollment information with Michigan Department of Health and Human Services (MDHHS), which runs those other affordability programs, in a more streamlined way. Like Michigan's legislation proposed, [other states' SBMs](#) have created one eligibility and enrollment platform for all affordability programs so that people enrolling in either Medicaid, CHIP, or qualified health plans through the marketplace will have "no wrong door" for enrolling in those coverage options. Because the SBM can be built with MDHSS's unique infrastructure and technology needs in mind, people enrolling in coverage will not

experience the back-and-forth some [currently experience](#) when they enroll through healthcare.gov. For people who are churning between Medicaid and marketplace coverage, for example, when their incomes and subsequent eligibility fluctuate, SB 633 will create a much easier pathway to enrollment. Additionally, a SBM can provide a platform for states to pursue additional innovative policies to improve affordability, such as state subsidies or federal 1332 innovation waivers that can bring the state additional federal funding, currently used in Michigan to fund reinsurance. **SB 633 will provide Michigan with the necessary infrastructure, tools, and flexibility required to pursue other innovative approaches to continue driving down healthcare costs and [make enrollment easier for consumers](#).**

Currently, [19 states](#) and the District of Columbia operate their own SBMs. In 2022, Kentucky, New Mexico, Maine, Illinois, and Oregon all successfully launched their SBMs, with many states seeing savings, new insurers entering the market, and [increased enrollments](#). Many states that have transitioned to SBMs in recent years have facilitated a smooth and successful transition due to the wide array of software options available from vendors that have been developed over the past decade. These “off-the-shelf” SBMs are available for states to tailor to their needs rather than build wholly from scratch, limiting the risk to the state. As more states have recently implemented SBMs, they have [identified lessons learned and key considerations](#) that other states, including Michigan, can take into account to successfully implement a SBM, as well.

We applaud the Michigan legislature for its commitment to improving health care for Michiganders. United States of Care supports Senate Bill 633 and asks the committee to vote in favor of advancing this bill. Please consider the experts at United States of Care a resource; if you have any questions regarding our comments, please don't hesitate to reach out.

Sincerely,

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