

State Budget Invests in MAFP Priorities Aimed at Increasing Access to Care, Recruiting and Retaining Primary Care Physicians

Fiscal Year 2024 Budget Headed to Governor After Passing Legislature

Late in the evening of June 28, the Michigan Legislature approved a [state budget for Fiscal Year 2024](#) (effective Oct. 1, 2023-Sept. 30, 2024), sending it to Gov. Whitmer for approval.

The final budget was months in the making, with negotiations culminating between the Governor's office and Senate and House leadership over the past several weeks. Their discussions were framed by the May Consensus Revenue Estimating Conference's assessment that state revenues are trending down. Thus, allocations for many House and Senate priorities had to be reduced, bringing the FY 2024 budget to \$81 billion.

"Michigan Academy of Family Physicians applauds the Legislature for passing a balanced, bi-partisan budget that invests in the state's healthcare infrastructure, attesting its commitment to the health of Michiganders and the state as a whole," said **MAFP President Glenn Dregansky, DO, FAAFP**.

"We are especially pleased that funding is included for initiatives aimed at increasing access to primary care and addressing the primary care physician shortage, namely the MIDOCs residency program and Michigan State Loan Repayment Program. Both are vital to recruiting and retaining healthcare professionals practicing urgent-need specialties, such as family medicine, in underserved communities of our state. We need to keep the best and the brightest here in Michigan, to ensure we have the healthcare workforce necessary to meet the growing demand for care.

"Michigan Academy of Family Physicians is equally pleased the budget includes funding for maintaining a Medicaid physician payment increase, first put into place through last year's state budget. More closely aligning Medicaid and Medicare payment rates helps physicians care for Medicaid beneficiaries and keep their doors open.

"The state's family physicians look forward to continuing to work with the Governor and Legislature on further increasing access to care for all Michiganders and addressing the primary care physician shortage."

Budget Includes Three of MAFP's Priorities

Below are specific healthcare funding highlights within the FY 2024 state budget; the first three meet MAFP's primary budget priorities:

- \$6.4 million for **MIDOCs**, established in 2017 to expand residency positions in primary care and other urgent-need specialties and retain physicians in underserved areas of the state
- \$15 million for the **Michigan State Loan Repayment Program**, which helps employers recruit and retain primary medical, dental, and mental healthcare professionals by providing loan repayment assistance
- \$15 million for retaining **Medicaid physician payment increase for certain primary care and child wellness services**, initially funded in the FY 2023 state budget
- \$55.4 million for an **additional Medicaid payment increase for physician and non-physician professional services**; Gov. Whitmer's initial recommendation of \$73.8 million funding was reduced to meet budget constraints, ultimately providing for a 7.5% payment increase
- \$398.4 million for **Medicaid cost adjustments**
- \$55.8 for **Healthy Michigan Plan** cost adjustments
- \$120.2 million for a \$0.85 per hour **direct care wage increase**
- \$19.9 million for a \$0.85 per hour **long-term care non-clinical staff wage increase**
- \$4.5 million in Coronavirus State Fiscal Recovery Funds for **recruitment and retention**

programs for behavioral health professionals

- \$279.7 million to add 19 **Certified Community Behavioral Health Clinics (CCBHC)** provider organizations/sites
- \$25 million for **local public health departments** for ongoing support of essential local public health services
- \$17 million for **Children's Special Health Care Services** and to expand the age of eligibility to 26
- \$36.1 million in unexpended American Rescue Plan Funds for support of **immunization and vaccine efforts to address COVID-19**
- \$61.4 million one-time funding for drinking water projects to **replace lead-reducing filters, lead-containing faucets, and other plumbing**
- \$32.1 million to support **elimination of a Medicaid 5-year eligibility waiting period for legal residents**
- \$10 million for grants to support **Centering Pregnancy sites**
- \$10 million for **hospital maternal health incentives**
- \$6.2 million to **expand eligibility for Plan First! family-planning services** to 200% of the Federal Poverty Level
- \$2 million for a **statewide stroke and STEMI system of care for time-sensitive emergencies**
- \$11.2 million to establish **Medication Assisted Treatment** at three prison sites, providing opioid use disorder treatment to an additional 1,200 prisoners
- \$11.3 million in state restricted Michigan Opioid Healing and Recovery Fund revenue to s

upplement opioid-related programs and services,
and to reimburse the department for legal costs incurred

- \$33 million for **adolescent health care centers**

The Michigan House and Senate ended their legislative business on June 28 by adopting [Senate Concurrent Resolution 9](#)

, which prescribes the upcoming legislative agenda as members are now working in their districts for the remainder of the summer. Per SCR 9, we can expect the House and Senate to return to Lansing for session days July 18-20 and August 22-24. The Legislature will resume a more normal schedule beginning Sept. 5.