



April 10, 2023

The Honorable Christine Morse
Chair, Appropriations Subcommittee on Health and Human Services
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909

Dear Chair Morse:

On behalf of Michigan Academy of Family Physicians (MAFP), the state's largest specialty physician organization which represents over 4,300 family physicians, family medicine resident physicians, and medical students training to become family physicians, we are pleased that Governor Whitmer's 2023-2024 executive budget recommendation included programs aimed at increasing access to quality, affordable, person-centered healthcare within a family physician-led medical home.

As the Appropriations Subcommittee on Health and Human Services deliberates its budget priorities, I respectfully request support of the following recommendations of the Governor:

- Allocate \$73 million for increasing certain Medicaid primary care payment rates
- Maintain \$6.4 million GF/GP funding for MIDOCs residency programs
- Maintain \$1.5 million GF/GP funding for the highly successful Michigan State Loan Repayment Program

Medicaid Primary Care Payment Rates

The FY 2023 state budget included a \$15 million increase for boosting Medicaid payment for certain primary care services to a minimum 95% of Medicare rates.

According to a *New England Journal of Medicine* report of a 10-state study, increased availability of primary care appointments in the Medicaid population was found directly attributed to increased Medicaid payments for primary care services. Studies have also shown that U.S. adults with a primary care physician for routine care and chronic care management have 33% lower healthcare costs.¹ The body of evidence linking primary care with lower costs and improved health outcomes is extensive.

REQUEST: To expand access to equitable primary and preventive care for Michigan's Medicaid beneficiaries, MAFP requests the FY 2024 state budget include \$129 million, with \$73 million allocated for physician and non-physician provider payment for professional services. This funding is essential for ensuring primary care practices, which are local small businesses, can remain financially viable and, thus, able to care for Medicaid beneficiaries.

¹ The Commonwealth Fund, "Health Reform & You – Primary Care: Our First Line of Defense." 12 June 2013. Available at http://www.commonwealthfund.org/~media/files/publications/health-reform-and-you/health-reform_primary-care_612.pdf.

MIDOCs & The Michigan State Loan Repayment Program

It is well-documented that Michigan desperately needs more and equitably distributed primary care physicians, especially in rural and urban underserved areas—key factors for ensuring Michiganders have access to the healthcare services they need, where and when they need them. Thus, another key strategy for increasing access to care is investing in primary care workforce initiatives, such as MIDOCs and the Michigan State Loan Repayment Program (MSLRP).

During residency, primary care physicians build relationships with their patients and the communities in which they train, making them more likely to remain in these communities to practice medicine post-residency. According to the American Medical Association Physician Masterfile data, the majority of family medicine residents practice within 100 miles of their residency training location.

MAFP strongly supports MIDOCs, a state-funded program established per section 1870 of Michigan's FY 2015 state budget that draws Medicaid matching dollars, which expands and supports graduate medical education residency positions in select specialties of high need: family medicine, internal medicine, pediatrics, obstetrics/gynecology, psychiatry, and general surgery. MIDOCs resident physicians train in ambulatory, community-based settings in medically underserved areas of the state. Not only does this program increase the primary care workforce in Michigan, it also increases access to care in rural and urban communities.

Since its inception in 2019, MIDOCs has successfully opened 75 additional residency positions in Michigan through programs at Central Michigan University College of Medicine, Michigan State University College of Human Medicine, Western Michigan University Homer Stryker M.D. School of Medicine, and Wayne State University School of Medicine.

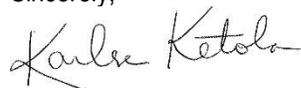
REQUEST: To improve health outcomes by ensuring Michiganders have access to primary care physicians, MAFP requests the FY 2024 state budget include \$6.4 million GF/GP, as proposed in the Governor's Executive Budget Recommendation, for the continuation of MIDOCs to ensure its current resident positions are funded throughout the full resident training cycle.

The MSLRP is another primary care workforce initiative of importance, for which ongoing state investment is vital. Through a federal/state/local funding partnership, the MSLRP provides medical education loan repayment assistance to primary care providers who commit to practicing in medically underserved areas of the state. While the volume of MSLRP applications has grown exponentially in recent years, state funding has not kept pace with demand. As a result, highly qualified applicants dedicated to caring for patients in medically underserved Michigan communities have been turned away.

REQUEST: MAFP requests that the FY 2024 state budget maintain \$1.5 million GF/GP funding for the MSLRP, as proposed in the Governor's Executive Budget Recommendation. This investment will continue drawing the maximum federal match.

In closing, MAFP and our members strongly believe these funding requests reflect the Academy's and state's shared goals of improving healthcare outcomes and access to quality primary and preventive care for all Michigan citizens. We appreciate your thoughtful consideration of these important issues.

Sincerely,



Karlene Ketola, MSA, CAE
Chief Executive Officer