

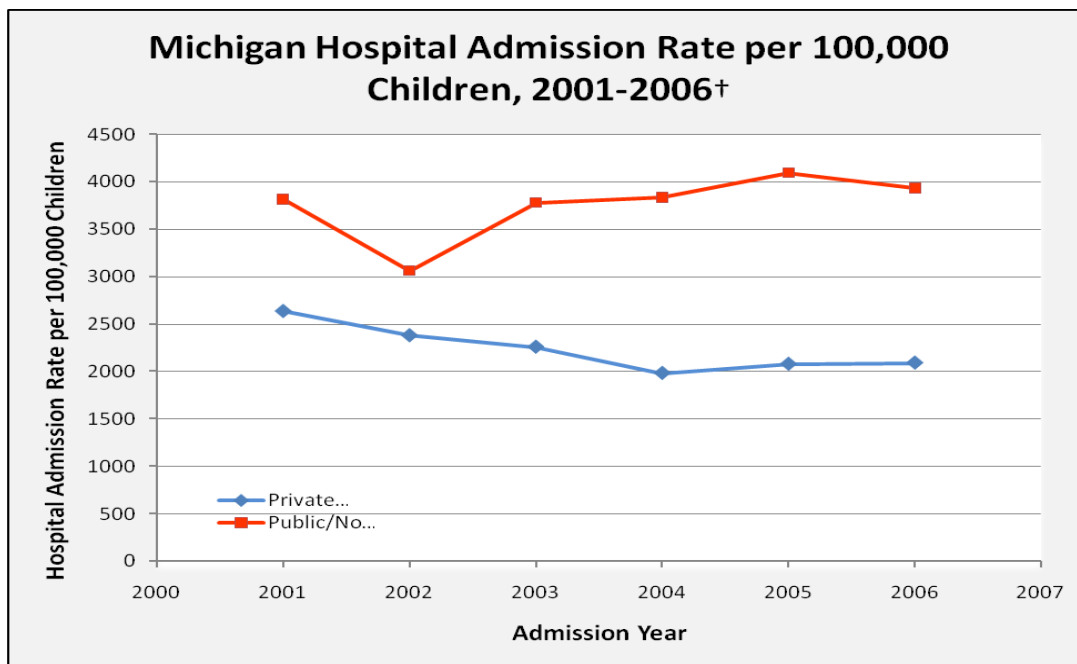


THE COMMUNITY NEED

Background

- Approximately 1 in 3 children in Michigan (33.0%) is receiving Medicaid at any given time. The numbers are almost identical in Kent County (32.1%) (2006 Kids Count Michigan)
- Throughout the course of the year, many more children go in and out the Medicaid system. In 2007, approximately 44% of children in Michigan and 42% of children in Kent County enrolled in Medicaid for some period of time. (Michigan Department of Community Health)
- Michigan has the lowest percentage of uninsured children of any state in the nation, according to a study by the Commonwealth Fund. In 2007, 5% of Michigan children were uninsured. Nationally, 11% of children were uninsured. (Commonwealth Fund based on U.S. Census Bureau Current Population Survey).

Hospitalization Rate for Michigan Children

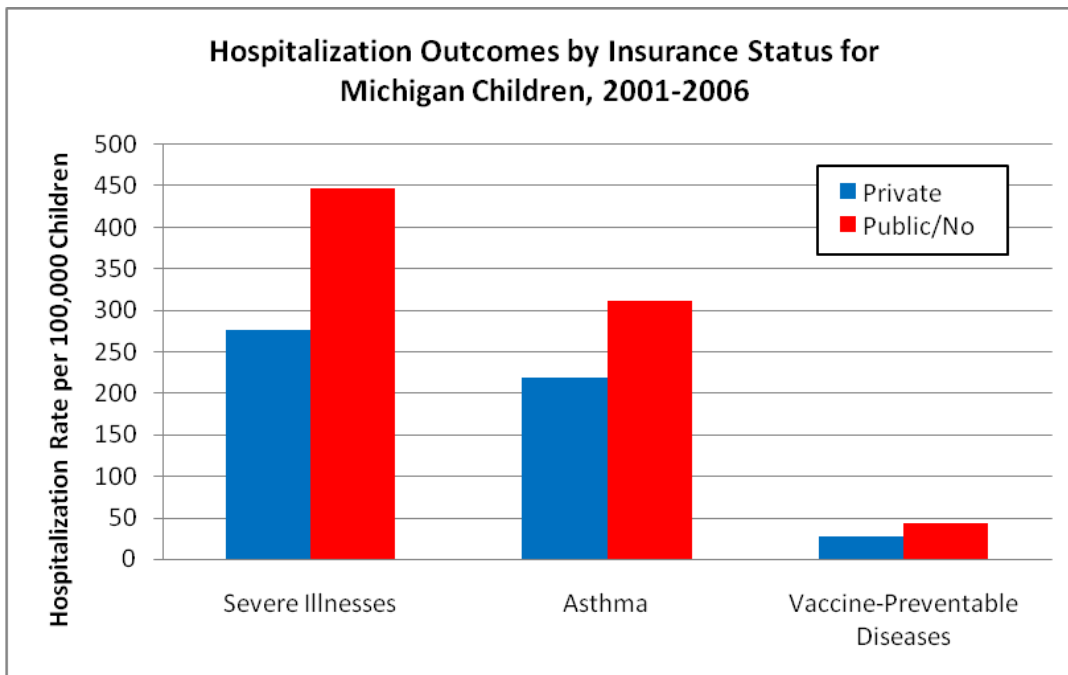


Michigan children with public (primarily Medicaid) or no insurance have a significantly higher hospitalization rate than children with private insurance. The hospitalization rate for privately insured children has decreased since 2000, while the rate for publicly insured or uninsured children has increased slightly. Children with public or no insurance are far more likely to be hospitalized for high-severity illnesses and for conditions that may have been preventable with access to primary medical care.

(continued)

Hospitalization Outcomes for Michigan Children

- Hospitalized children in Michigan with public or no insurance are far more likely to have **severe levels of illness** than children with private insurance (at least 62% higher)
- Michigan children with public or no insurance have a significantly higher hospitalization rate for **respiratory illnesses**, such as asthma (at least 42% higher)
- Michigan children with public or no insurance have a significantly higher hospitalization rate for **vaccine preventable diseases**, such as whooping cough or chicken pox (at least 59% higher)
- The statistics are similar in Kent County and, in some cases, there is an even greater disparity between privately insured children and publicly insured children



Health Concerns for Michigan Newborns

- Newborns with public or no insurance are 24% more likely to be **readmitted to the hospital** within the first month of life than newborns with private insurance
- Newborns with public or no insurance have a 54% higher **infant death rate**
- Newborns with public or no insurance are 50% more likely to have a **very low birth weight**

Potential Savings Statewide

- The potential charge savings range from **\$309 million to \$401 million annually** if children and newborns with public or no insurance have the same hospitalization rate as children with private insurance
- In actual cost savings, we can estimate that would translate to **between \$150 and \$200 million per year** statewide

Unless otherwise noted, data is from First Steps research study, "Insurance-associated Disparities in Hospitalization Outcomes of Michigan Children," pending publication. Authors: Thomas Peterson, BS, Tom Peterson, MD, Carl Armon, MSPH, James Todd, MD.