



Michigan Association for Medical Education 2010 State Budget February 24, 2010



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- FY 2011 deficit projected at \$1.6 billion, \$1.2 billion GF
- FY 11 GF equivalent to 1965 (real dollars)
- \$8.2 billion below Headlee cap
- No way to “grow” out of structural deficit
- 2010—major election year

FY 11 Executive Budget Recommendation

- General Fund budget balanced with reductions/reforms
 - Physician quality assurance assessment program
- School Aid Fund balanced with lower sales tax, tax on services, phase-out of MBT surcharge
 - \$554 million for SAF

FY 11 DCH Recommendation

- No cut proposed to Graduate Medical Education
- Assumes enhanced matching rate for two additional quarters (\$514 million)
- Assumes 3% physician tax and \$133 million state retention
- One-time GF related to GM pension contribution
- One-time GF related to Medicare Part D
- \$39 million in reductions

Proposed Savings in Community Health Budget

- Eliminate transitional medical assistance
- Eliminate funding for human growth hormone (Children's Special Health Care Services)
- Recognize savings from Office of Medicaid Inspector General
- \$2.7 million reduction for local health department operations

Other Proposed Savings

- \$98 mil—pension reform
- \$140 mil—Correction reforms to reduce prison population
- \$39 mil—eliminate Tuition Grant program
- \$39 mil—Department of Human Services
- \$60 mil—reductions in other state agencies

- Eliminate optional Medicaid services
 - \$160-500 mil
- Pension and health care savings
 - \$615 mil
- K-12 spending reforms
 - \$363-\$663 mil

- Wednesday, March 10
- State Capitol Building—Room 424
- Day begins @ 8:15 am
- Legislative meetings until \approx 2 pm
- Continental breakfast and full lunch provided