



July 24, 2009

Dear Governor Granholm and members of the Michigan Legislature,

Michigan House Speaker Andy Dillon's proposal to pool all state and local government employee health care benefits into a single health insurance plan is an important and timely suggestion. The state is in fiscal crisis. His proposal represents the kind of bold thinking that is needed now. We applaud Speaker Dillon for his imagination and political courage. Likewise, we applaud Senate Majority Leader Mike Bishop for offering to work collaboratively on this proposal.

Dillon's policy proposal recognizes that the cost of health care benefits for public sector employees in Michigan is generally higher than for public sector employees in other states and in Michigan's private sector, and that public sector employees and retirees in Michigan pay a smaller share of those health care costs versus the national average.

With state and local governments facing unprecedented financial stress and a projected state budget deficit nearing \$2 billion, leaders have little choice but to consider serious structural reforms. This proposal qualifies as such a serious reform.

We believe public employees in Michigan deserve good health care coverage. We believe Mr. Dillon and Mr. Bishop want to provide the fairest possible coverage at the fairest possible cost.

Solving Michigan's economic problems will not be easy, but a starting point must be to get our state's financial house in order. This proposal is timely, serious and warrants careful review and consideration.

Sincerely,

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