



# Affordable Care Act Funding:

## An Analysis of Grant Programs under Health Care Reform – FY2010-FY2013

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The Patient Protection and Affordable Care Act (ACA) is a comprehensive law that aims to expand health insurance coverage and introduce health care delivery reforms that improve quality and lower costs. The ACA is designed to reduce the number of uninsured Americans by expanding eligibility for Medicaid and offering tax credits for the purchase of private insurance.<sup>1</sup> In addition, the ACA makes investments to expand access to care, implement broad private insurance reforms, and enhance the public health infrastructure.

Many of these reforms and investments are paid for through direct spending included in the law. Specifically, the ACA included much of the funding necessary for creating the state-based health insurance exchanges (also known as marketplaces) as well as the federally-facilitated exchanges, growing the health care workforce, expanding community health centers and several other initiatives.

This issue brief updates an earlier CHRT brief and focuses on ACA grants that were awarded from when the law was signed (March 23, 2010) until the end of fiscal year 2013 (September 30, 2013).<sup>2</sup> This brief examines grant programs funded by the ACA, how funds have been distributed to states and local organizations, and the effects of budget sequestration on future ACA funding. This brief also includes an analysis of ACA funding in Michigan during fiscal years 2012 and 2013.

<sup>1</sup> Beginning in 2014, the ACA expands coverage through Medicaid expansion (in states that have approved expansion), tax credits for individuals and families to purchase private insurance, and small business tax credits. According to the Congressional Budget Office's July 2013 report, the estimated gross cost of this coverage expansion is \$1.8 trillion from FY2014 to FY2023. Since these provisions are funded outside the federal budget process, they are not included in the non-discretionary appropriations that are the focus of this brief. Congressional Budget Office. June 30, 2013. Analysis of the Administration's Announced Delay of Certain Requirements Under the Affordable Care Act. <http://www.cbo.gov/publication/44465> (accessed 11/1/2013)

<sup>2</sup> The earlier CHRT brief examined ACA awards from March 23, 2010, through September 30, 2011 (fiscal years 2010 and 2011). J. Fangmeier, P. Tommasulo, P. Eller, M. Udow-Phillips. Affordable Care Act Funding: An Analysis of Grant Programs under Health Care Reform (Ann Arbor, MI: CHRT). <http://www.chrt.org/publications/price-of-care/affordable-care-act-funding-an-analysis-of-grant-programs-under-health-care-reform/>

The Center for Healthcare Research & Transformation (CHRT) illuminates best practices and opportunities for improving health policy and practice. Based at the University of Michigan, CHRT is a non-profit partnership between U-M and Blue Cross Blue Shield of Michigan to promote evidence-based care delivery, improve population health, and expand access to care.

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# Spending Provisions

There are two types of federal spending, discretionary and mandatory (also known as non-discretionary). For both types, Congress must authorize an entity of the federal government to spend money for a specific purpose.

Appropriations for mandatory spending are included in the original authorizing law and thus exempted from the annual budget process. On the other hand, Congress must appropriate funds for discretionary spending during the budget process. It is important to note that Congress is not required to appropriate the full amounts authorized for discretionary programs. Therefore, discretionary programs could receive less funding than was originally authorized in legislation.

The ACA includes both discretionary and mandatory spending to fund its programs, but many ACA initiatives (see *Appendix 1, page 13*) are funded through mandatory spending that does not require further Congressional approval. In total, the ACA included approximately \$105 billion<sup>3</sup> in mandatory spending from fiscal years 2010 through 2019, including \$40.2 billion to fund the Children's Health Insurance Program (CHIP) for two years (FY 2014-FY2015).<sup>4</sup> By the end of fiscal year 2013, the U.S. Department of Health and Human Services (HHS) had awarded nearly \$15.1 billion in grants under the ACA.<sup>5</sup> Most grant programs under the ACA have been funded through mandatory spending.

In order to administer new grant programs, the ACA created a number of new funding sources in the following categories:

- **Community-based prevention:** Includes a series of programs to increase investment in the public health infrastructure. The primary source of funding for these programs is from the Prevention and Public Health Fund (PPHF) (§ 4002), though the PPHF was also used to fund health workforce programs in FY2010. PPHF was originally appropriated \$15 billion over 10 years, but was cut to \$9.75 billion as part of the Middle Class Tax Relief and Job Creation Act of 2012.
- **Health Centers & National Health Service Corps:** Includes funding for federally qualified health centers (FQHCs), the National Health Service Corps (NHSC), and school-based health centers. FQHCs are federally-funded clinics (also called community health centers), which focus on providing primary care in underserved areas. The ACA created the Community Health Center Fund (CHCF) which provides \$11 billion to FQHCs over five years for patient services, construction, and renovation (§ 10503). The National Health Service Corps, which brings health professionals to underserved areas, was appropriated \$1.5 billion over five years (§ 10503). School-based health centers, which connect medical services to students directly in schools, were appropriated \$200 million over four years (§ 4101).
- **Health workforce:** Includes a series of programs to enhance the capacity of the primary care workforce. In FY2010, many workforce programs were funded by the Prevention and Public Health Fund (PPHF). But in FY2011, workforce programs were funded largely through direct ACA appropriations; for example, health workforce demonstration grants, with \$425 million in funding over five years (§ 5507).
- **Long-term care:** Includes grant programs to support coordinated long-term care services. This includes an extension of the existing Medicaid "Money Follows the Person" demonstration for \$2.7 billion over six years (§ 2403). Another example of funding includes grants to state Aging and Disability Resource Centers for \$50 million over five years (§ 2405).
- **Market reform:** Includes a series of grants to help states reform their private insurance markets and prepare for the 2014 coverage expansion. These grants were directly funded by the ACA to establish insurance exchanges, review health insurance premium rates, and provide insurance information to consumers. The rate review program was appropriated \$250 million (§ 1003); the consumer information program was appropriated \$30 million (§ 1002); and the secretary of HHS has discretion to appropriate the amounts necessary for insurance exchange grants prior to January 2015 (§ 1311). By the end of fiscal year 2013, approximately \$4.1 billion had been awarded to states through exchange grants.

<sup>3</sup> This number differs from CHRT's September 2012 brief on ACA grant funding due to additional exchange grant spending.

<sup>4</sup> CHRT calculations based on Congressional Research Service findings. This total includes nearly \$4.1 billion in grants for health insurance exchange planning and implementation that have been awarded as of September 30, 2013.

<sup>5</sup> C.S. Redhead. May 31, 2013. Appropriations and Fund Transfers in the Patient Protection and Affordable Care Act (ACA). (Washington, D.C.: Congressional Research Service).

## Spending Provisions *(continued)*

- **Maternal & child health:** Includes multiple grant programs targeted to serve at-risk families and prevent teenage pregnancy. Examples include the Maternal, Infant and Early Childhood Home Visitation Program (§ 2951) and the Personal Responsibility Education Program (§ 2953). The home visitation program provides \$1.5 billion in grants over five years for states and tribal organizations to implement an evidence-based program where nurses, social workers, and other health care professionals meet with low-income and at-risk families in their homes and provide evaluation, counseling, and health care services. The Personal Responsibility Education Program is a grant program to fund teen pregnancy prevention programs and related initiatives. This provision was appropriated \$375 million over five years.
- **Medicaid & CHIP:** Includes grants programs focused on the health of enrollees in Medicaid and the Children's Health Insurance Program (CHIP). Examples of ACA-funded programs include Medicaid Prevention and Wellness Incentives for \$100 million over five years (§ 4108) and the CHIP Childhood Obesity Demonstration for \$25 million over five years (§ 4306).
- **Medicare:** Includes a series of programs funded by the ACA to boost the effectiveness and efficiency of the Medicare program. This includes the creation of the Center for Medicare and Medicaid Innovation (CMI), which is intended to conduct research and demonstration projects to improve efficiency and quality in Medicare, Medicaid and CHIP. CMI was appropriated approximately \$10 billion over 10 years (§ 3021). The ACA also funds other Medicare programs, including the Medicare Independence at Home Demonstration for \$30 million over six years (§ 3024).

*For a list of funding sources for select ACA programs by fiscal year, see Appendix 1, page 13.*

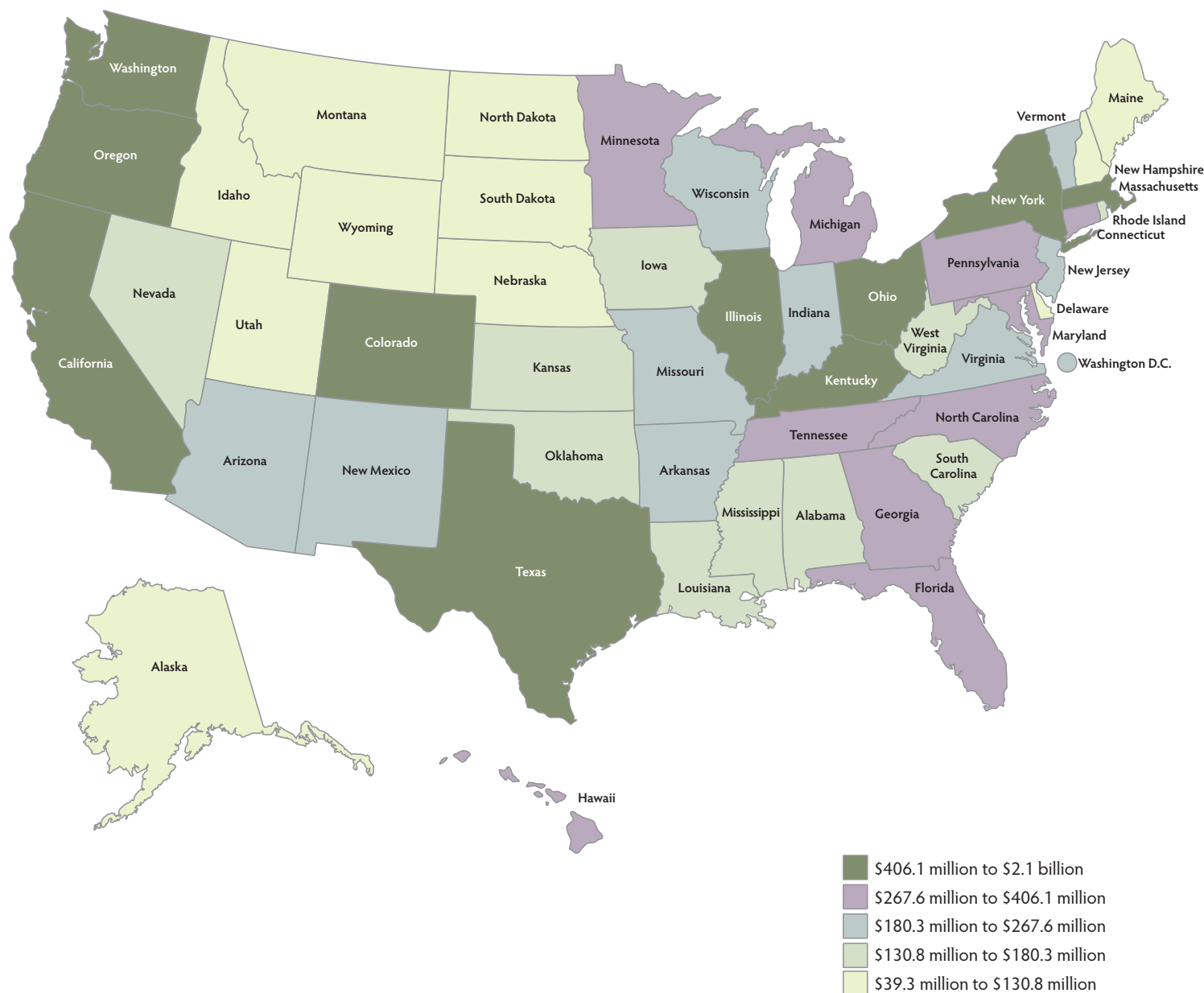
# ACA Funding From March 2010 through September 2013 (FY2010-FY2013)

Since the ACA was signed into law in March 2010 through the end of September 2013, HHS awarded nearly \$15.1 billion in grants to agencies and organizations across all states and the District of Columbia. During this period, HHS administered 87 grant programs that were actively funded by the ACA.

As expected, states with large populations, like California and New York, received the most awarded funding, with approximately \$2.1 billion and \$1.1 billion, respectively. **FIGURE 1**

Colorado, Kentucky, and Oregon (ranked 22nd, 26th, and 27th in population, respectively) also all ranked in the top 10 in total awarded funding. All three of these states established their own state-based health insurance exchanges, while both Florida and Georgia (ranked 4th and 8th in population, respectively) finished outside the top 10 in funding. Vermont received the most funding per capita with \$375.75. See Appendix 2, page 14, for full details of state-level funding.

**FIGURE 1**  
**FY2010-FY2013 ACA Grant Funding, by State**

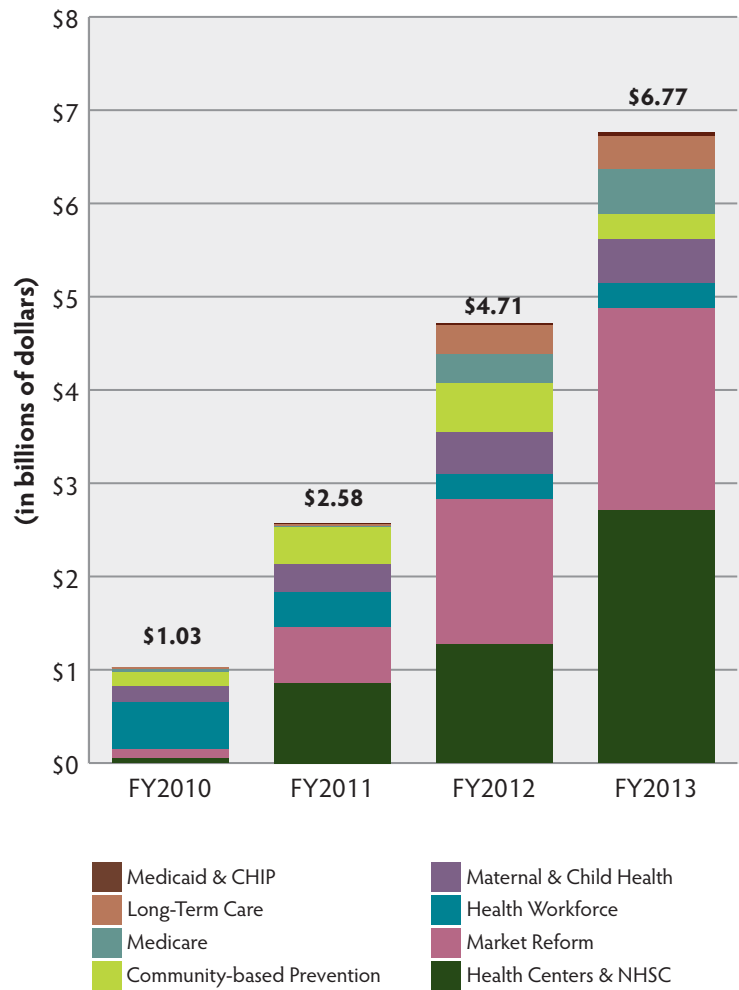




# ACA Funding From March 2010 through September 2013 (FY2010-FY2013) *(continued)*

The amount of funding awarded under the Affordable Care Act has increased every fiscal year since the law was signed in 2010, totaling nearly \$15.1 billion. The priorities of funding have also changed over this period. In the short FY2010 funding period (March to September 2010), HHS awarded nearly half (48.9 percent) of ACA funding to health workforce development programs, mostly from the Prevention and Public Health Fund, in anticipation of increased primary care demand in 2014. **FIGURE 2** However, workforce spending has decreased each year since FY2010, while health center and market reforms programs have been the most funded ACA programs with \$4.9 billion (32.4 percent) and \$4.4 billion (29.2 percent) in total funding, respectively. Another prominent category of funding was for maternal and child health programs with \$1.4 billion (9.3 percent). Much of this funding was to support the Maternal, Infant, and Early Childhood Home Visitation Program (\$976.5 million).

**FIGURE 2**  
**FY2010-FY2013 ACA Grant Funding, by Funding Category**  
**(in billions of dollars)**

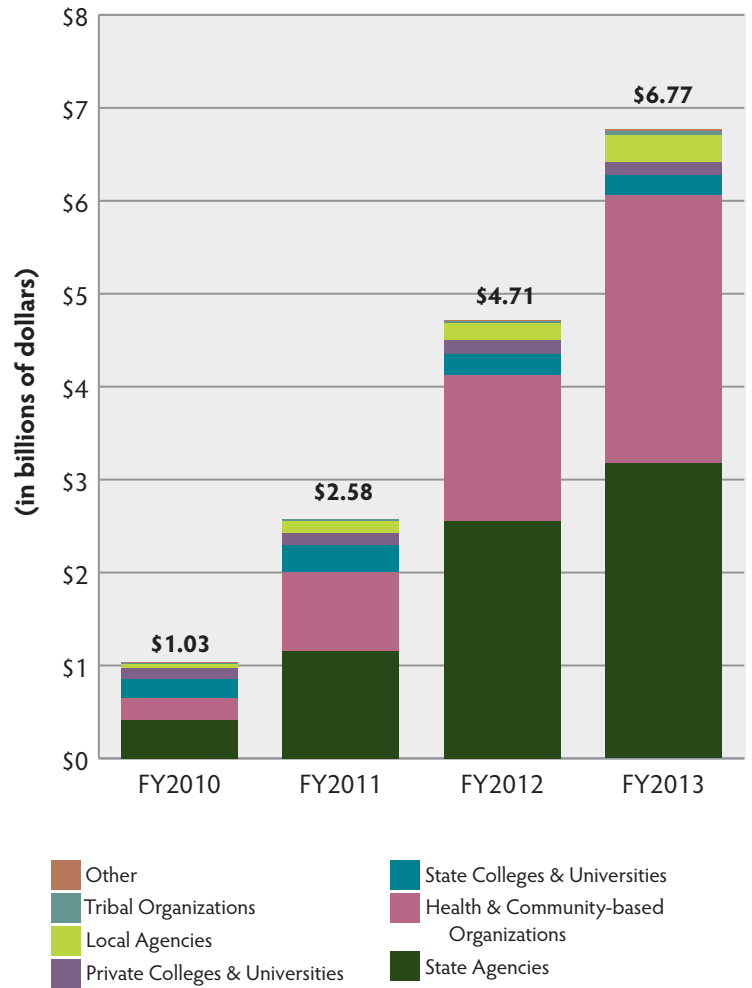


Funding Category	FY2010		FY2011		FY2012		FY2013		Total	
	Funding	%	Funding	%	Funding	%	Funding	%	Funding	%
Health Centers & NHSC	\$52,282,684	5.1%	\$858,050,478	33.3%	\$1,273,393,018	27.0%	\$2,712,182,031	40.1%	\$4,895,908,211	32.4%
Market Reform	\$94,788,294	9.2%	\$595,098,762	23.1%	\$1,550,466,832	32.9%	\$2,161,432,590	31.9%	\$4,401,786,478	29.2%
Health Workforce	\$503,257,248	48.9%	\$376,267,609	14.6%	\$278,087,601	5.9%	\$269,014,212	4.0%	\$1,426,626,670	9.5%
Maternal & Child Health	\$170,198,900	16.5%	\$307,913,334	11.9%	\$444,115,436	9.4%	\$476,106,240	7.0%	\$1,398,333,910	9.3%
Community-based Prevention	\$154,699,443	15.0%	\$393,864,014	15.3%	\$531,320,052	11.3%	\$266,567,948	3.9%	\$1,346,451,457	8.9%
Medicare	\$29,957,268	2.9%	\$2,490,094	0.1%	\$309,219,772	6.6%	\$483,057,010	7.1%	\$824,724,144	5.5%
Long-Term Care	\$23,724,075	2.3%	\$24,446,503	0.9%	\$304,561,646	6.5%	\$346,783,780	5.1%	\$699,516,004	4.6%
Medicaid & CHIP	\$0	0.0%	\$20,042,057	0.8%	\$22,392,267	0.5%	\$52,566,928	0.8%	\$95,001,252	0.6%
<b>Total</b>	<b>\$1,028,907,912</b>	<b>100.0%</b>	<b>\$2,578,172,851</b>	<b>100.0%</b>	<b>\$4,713,556,624</b>	<b>100.0%</b>	<b>\$6,767,710,739</b>	<b>100.0%</b>	<b>\$15,088,348,126</b>	<b>100.0%</b>

# ACA Funding From March 2010 through September 2013 (FY2010-FY2013) *(continued)*

In terms of organizations receiving ACA funding awards, state agencies were the leading recipients over the four fiscal years, receiving nearly half (48.4 percent) of total funding. **FIGURE 3** These funds were used to support a variety of activities, including health insurance exchange implementation (\$3.9 billion), Early Childhood Home Visitation programs (\$886.7 million), and long-term care demonstrations (\$628.8 million). Health and community-based organizations also received a large share of funding with 36.7 percent. This includes many community health centers who were awarded funding to support service expansion and facility improvements, allowing them to serve a larger number of patients. College and universities were prominent recipients in FY2010 with 31.7 percent, but their share fell significantly to 5.1 percent in FY2013, as funding priorities shifted away from workforce training.

**FIGURE 3**  
**FY2010-FY2013 ACA Grant Funding, by Recipient Type**  
**(in billions of dollars)**



Recipient Type	FY2010		FY2011		FY2012		FY2013		Total	
	Funding	%	Funding	%	Funding	%	Funding	%	Funding	%
State Agencies	\$413,566,073	40.2%	\$1,156,079,315	44.8%	\$2,556,842,691	54.2%	\$3,173,665,145	46.9%	\$7,300,153,224	48.4%
Health & Community-based Organizations	\$227,237,982	22.1%	\$845,777,732	32.8%	\$1,569,968,810	33.3%	\$2,890,813,698	42.7%	\$5,533,798,222	36.7%
State Colleges & Universities	\$214,741,842	20.9%	\$295,074,140	11.4%	\$221,325,706	4.7%	\$204,629,115	3.0%	\$935,770,803	6.2%
Private Colleges & Universities	\$111,447,387	10.8%	\$125,811,491	4.9%	\$149,172,323	3.2%	\$140,951,843	2.1%	\$527,383,044	3.5%
Local Agencies	\$51,739,532	5.0%	\$131,209,562	5.1%	\$186,403,814	4.0%	\$296,984,029	4.4%	\$666,336,937	4.4%
Tribal Organizations	\$6,947,621	0.7%	\$20,061,733	0.8%	\$21,198,266	0.4%	\$39,325,988	0.6%	\$87,533,608	0.6%
Other	\$3,227,475	0.3%	\$4,158,878	0.2%	\$8,645,014	0.2%	\$21,340,921	0.3%	\$37,372,288	0.2%
<b>Total</b>	<b>\$1,028,907,912</b>	<b>100.0%</b>	<b>\$2,578,172,851</b>	<b>100.0%</b>	<b>\$4,713,556,624</b>	<b>100.0%</b>	<b>\$6,767,710,739</b>	<b>100.0%</b>	<b>\$15,088,348,126</b>	<b>100.0%</b>

# ACA Funding and the Effects of Budget Sequestration

Since the ACA was signed into law, its spending provisions have been modified on multiple occasions through subsequent legislation. These legislative changes include the Middle Class Tax Relief and Job Creation Act of 2012, which reduced funding for the Prevention and Public Health Fund by \$6.25 billion from FY2013-FY2021, and the American Taxpayer Relief Act of 2012, which rescinded 90 percent of unobligated funds for the law's CO-OP insurance program.<sup>6</sup> However, some of the largest changes to ACA funding come as a result of the Budget Control Act of 2011 and the sequestration process it ultimately launched to reduce the deficit over the next decade.

Initially, the Budget Control Act (BCA) created the Joint Select Committee on Deficit Reduction (so-called "super committee") to propose legislation to achieve \$1.5 trillion in deficit reduction over the next decade. When the committee failed to reach an agreement, sequestration—cancellation of budgetary resources—took effect, beginning in March 2013.<sup>7</sup> From FY2013 to FY2021, the sequester reduces federal spending by \$1.2 trillion, including \$216 billion in federal debt interest payments. The remaining \$984 billion in cuts is split across nine years (\$109 billion per year) and divided between defense and nondefense programs. Several nondefense entitlement programs—such as Social Security, veterans' benefits, and Medicaid—are exempt from the sequester, but Medicare is subject to a 2 percent provider rate cut.<sup>8</sup>

The effects of sequestration on the ACA are mixed.

**FIGURE 4** Funding for major components of the ACA's coverage expansion (Medicaid expansion and premium tax credits) are exempt from the sequester. However, cost-sharing subsidies, which help reduce out-of-pocket costs for lower income private insurance enrollees, are subject to the sequester. Mandatory funding for the ACA's other programs (the focus of this brief) are generally subject to the sequester, with notable exceptions. For example, the \$40.2 billion for the Children's Health Insurance Program is exempt and funding cuts for community health centers is capped at 2 percent. Also, programs that are funded through a multi-year appropriation are exempt. For example, the Center for Medicare and Medicaid Innovation (CMI) is funded from FY2011 to FY2019 with \$10 billion that is not obligated for specific years. Therefore, CMI and other similarly funded programs are exempt from the sequester.<sup>9</sup> Overall, less than half of the \$105 billion in mandatory spending described in this brief is subject to sequestration.

**FIGURE 4**  
**Effects of Budget Sequestration, by ACA Program<sup>10</sup>**

ACA Funding Program	Estimated Program Cost, FY2014-FY2023 (billions)	BCA Sequestration Effects
Medicaid and the Children's Health Insurance Program	\$710	Exempt from sequestration
Premium Tax Credits	\$920	Exempt from sequestration
Cost-sharing Reduction Subsidies	\$149	Subject to full sequestration
Other Mandatory Spending	Approximately \$105 <sup>11</sup>	Generally subject to full sequestration with notable exceptions: <ul style="list-style-type: none"> <li>• Programs funded with multi-year appropriations are exempt from sequestration</li> <li>• Community health center sequestration is capped at 2 percent</li> </ul>
Discretionary Spending	Approximately \$100 <sup>12</sup>	Subject to full sequestration

<sup>6</sup> C.S. Redhead. May 31, 2013. Appropriations and Fund Transfers in the Patient Protection and Affordable Care Act (ACA). (Washington, D.C.: Congressional Research Service).

<sup>7</sup> Budget sequestration was originally scheduled to begin in January 2013, but was delayed two months by the American Taxpayer Relief Act of 2012.

<sup>8</sup> Bipartisan Policy Center. June 2012. Indefensible: The Sequester's Mechanics and Adverse Effects on National and Economic Security. (Washington, D.C.) <http://bipartisanpolicy.org/sites/default/files/BPC%20Sequester%20Paper.pdf> (accessed 11/1/2013).

<sup>9</sup> C.S. Redhead. May 31, 2013. Budget Control Act: Potential Impact of Sequestration on Health Reform Spending. (Washington, D.C.: Congressional Research Service).

<sup>10</sup> Adapted from Congressional Research Service report (Ibid).

<sup>11</sup> This estimate is actually for FY2010-FY2019. It not possible to precisely estimate the amount of funding appropriated by the ACA, since certain programs are authorized to appropriate funds as necessary.

<sup>12</sup> This estimate assumes that all ACA discretionary programs are fully funded by Congress.

# The ACA in Michigan

The Affordable Care Act funds many of its programs through grants to state governments, community-based organizations, colleges, and local agencies. In Michigan, several organizations have been active in applying for and receiving grant funding to implement insurance reforms, improve health care access, and invest in public health infrastructure.

Since the ACA became law in March 2010 through the most recent fiscal year ending in September 2013, Michigan has been awarded a total of \$305.4 million in funding. The largest category of funding was for health centers (\$124.3 million) with funding for market reform programs a distant second (\$44.5 million).

The State of Michigan, including the Department of Community Health, received the most funding over this period with \$114.8 million; more than eight times more than the University of Michigan, the second highest recipient. **FIGURE 5**

**FIGURE 5**  
**Top 10 Michigan Institutions Receiving ACA Grant Funding (FY2010-FY2013)**

Recipient	Funding Total
State of Michigan	\$114,758,645
University of Michigan	\$13,791,245
Cherry Street Services, Inc.	\$12,976,478
Family Health Center, Inc.	\$11,228,852
Wayne State University	\$8,900,771
Michigan Public Health Institute	\$8,050,537
Family Medical Center of Michigan, Inc.	\$6,545,795
Family Health Center of Battle Creek	\$6,282,251
Lakeland Immediate Care Center	\$5,609,116
Detroit Community Health Connection	\$5,460,729





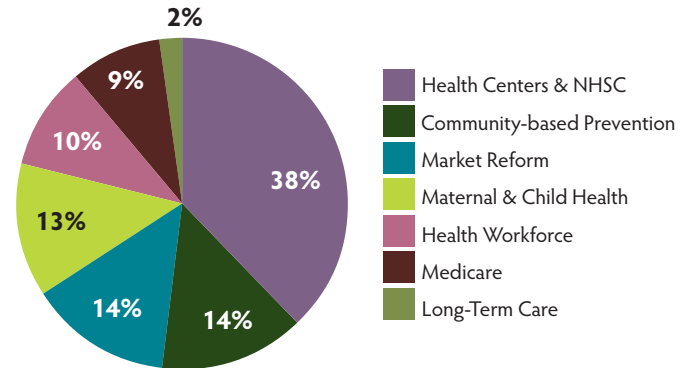
# ACA Funding in Michigan, Fiscal Year 2012

Michigan received more than \$76 million in ACA grants in FY2012, ranking 24th in total state awards. On a per-person basis, however, Michigan ranked 39th. (see Appendix 2, page 14)

Funding in Michigan differed from the pattern at the national level to some degree. Nationally, market reform programs comprised about a third of total funding, but these programs only comprised 14 percent of Michigan funding in FY2012. **FIGURE 6** On the other hand, funding for health centers was the largest category with 38 percent (\$29.5 million), significantly more than the national rate.

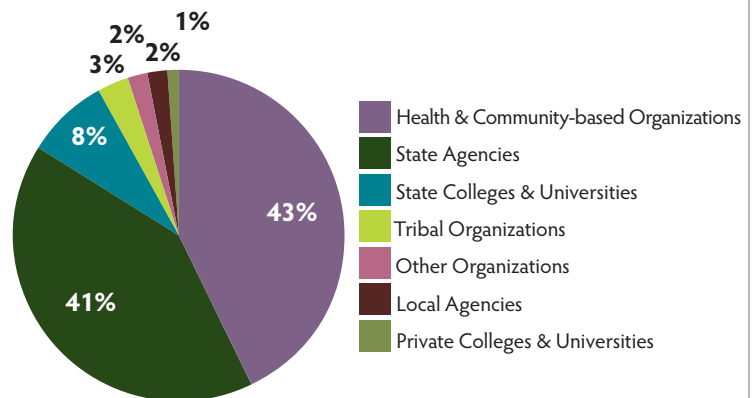
State agencies and health and community-based organizations were the leading types of recipients, receiving similar levels of ACA funding in Michigan in FY2012. **FIGURE 7** For example, the Michigan Department of Community Health received \$18.8 million for a variety of programs, including early childhood home visitation, public health infrastructure, and long-term care demonstrations. Twenty-nine community health centers received nearly \$28.2 million in funding to expand services and/or make capital improvements.

**FIGURE:6**  
**Michigan FY2012 Grant Funding, by Funding Category**



Funding Category	Total Funding
Health Centers & NHSC	\$29,488,496
Community-based Prevention	\$10,987,219
Market Reform	\$10,855,572
Maternal & Child Health	\$10,250,010
Health Workforce	\$7,523,864
Medicare	\$6,440,664
Long-Term Care	\$1,336,133
Total	\$76,881,958

**FIGURE:7**  
**Michigan FY2012 Grant Funding, by Recipient Category**



Recipient Type	Total Funding
Health & Community-based Organizations	\$33,491,349
State Agencies	\$31,603,580
State Colleges & Universities	\$6,216,946
Tribal Organizations	\$2,044,531
Other Organizations	\$1,643,798
Local Agencies	\$1,313,333
Private Colleges & Universities	\$568,421
Total	\$76,881,958

# ACA Funding in Michigan, Fiscal Year 2012 *(continued)*

## Michigan award highlights in FY2012 include:

### ■ Health Centers

- *Capital Development:* Family Medical Center of Michigan, Inc. and nine other community health centers received funds to make immediate improvements and expand their facilities. In total, these centers received \$19.6 million in funding from this program.
- *New and Expanded Services:* In addition to the capital funding, 26 community health centers were awarded funding to expand the existing set of services that they provide to their patients. Individual awards ranged from \$55,000 to more than \$900,000, and totaled \$8.6 million across all facilities.

### ■ Community-based Prevention

- *Public Health:* The Michigan Department of Community Health received nine awards for public health infrastructure investment. Programs included laboratory capacity, immunizations, disease surveillance, and chronic disease prevention.

### ■ Maternal and Child Health

- *Early Childhood Home Visitation:* For the second consecutive year, the Michigan Department of Community Health received more than \$5 million for its nurse visitation program.
- *Teen Pregnancy Prevention:* The Michigan Department of Community Health and the Inter-Tribal Council of Michigan were awarded approximately \$1.7 million and \$200,000, respectively to administer Personal Responsibility Education programs to educate youth and prevent pregnancy and sexually transmitted infections.

### ■ Medicare and Medicaid

- *Health Care Innovation:* Altarum Institute, Henry Ford Health System, and Michigan Public Health Institute were awarded \$6.4 million in total to support new care delivery and payment models that achieve better health, improved care, and lower costs.

### ■ Market Reform

- *Consumer Assistance:* The Michigan Office of Financial and Insurance Regulation received approximately \$1 million to support consumers with insurance enrollment, appeals, and knowing their rights and responsibilities.
- *Exchange Planning and Establishment:* The State of Michigan was awarded a \$9.8 million Level One grant to help its exchange planning efforts. However, this grant was not appropriated by the state Legislature and was ultimately returned to the federal government.<sup>13</sup>

## Top 10 recipients of ACA grants in FY2012 were:

1. State of Michigan - \$30,830,497 (20 awards)
  - a. Market Reform - \$10,855,572
    - i. Level One Exchange Grant - \$9,849,305 (returned to federal government during FY2013)
    - ii. Consumer Assistance Grant - \$1,006,267
  - b. Maternal and Child Health - \$9,170,757
  - c. Community-based Prevention - \$7,779,975
  - d. Long-term Care - \$1,336,133
  - e. Health Workforce - \$1,123,072
  - f. Health Centers - \$565,000
2. Family Medical Center of Michigan, Inc. - \$5,000,000 (Health Centers, 1 award)
3. Lakeland Immediate Care Center - \$4,455,000 (Health Centers, 2 awards)
4. Family Health Center of Battle Creek - \$3,000,000 (Health Centers, 1 award)
5. Michigan Public Health Institute - \$2,934,431 (Medicare, 1 award)
6. University of Michigan - \$2,662,445 (6 awards)
  - a. Health Workforce - \$2,182,170
  - b. Community-based Prevention - \$480,275
7. East Jordan Family Health Center - \$2,535,050 (Health Centers, 2 awards)
8. Downriver Community Services, Inc. - \$2,432,000 (Health Centers, 2 awards)
9. Altarum Institute - \$2,164,513 (Medicare, 1 award)
10. Wayne State University - \$2,009,878 (Health Workforce, 4 awards)

<sup>13</sup> Michigan's \$9.8 million Level One grant, which was awarded during FY2012, was returned to CMS on June 7, 2013. The return of the funding is reflected in FY2013 totals.

# ACA Funding in Michigan, Fiscal Year 2013

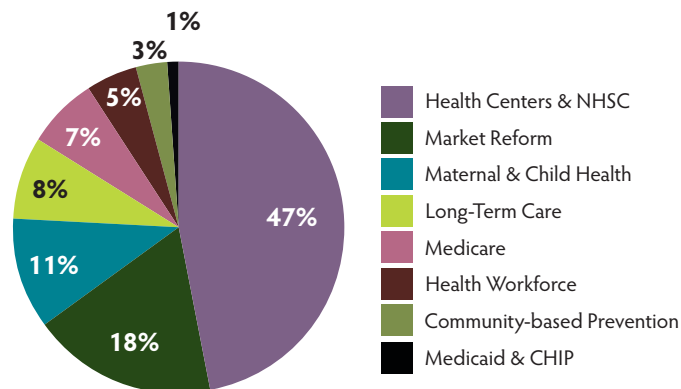
In FY2013, Michigan received \$146 million in funding awards, nearly double what it received in FY2012. Michigan's grant totals also rose relative to other states, from 24th to 13th (see *Appendix 2, page 14*). Per capita grant funding also increased from 39th to 34th nationally.

Similar to national trends, health center programs were the largest source of funding in Michigan in FY2013 with \$68.7 million. **FIGURE 8** However, funding for market reform programs was \$27 million (18 percent of total funding), significantly below the national rate of 32 percent of funding for these programs. Much of this disparity can be attributed to the state's choice to forgo funding to implement its own state-based health insurance exchange and instead utilize the federally-facilitated exchange.

Health and community-based organizations were the leading type of recipients in FY2013 with \$75.6 million (52 percent of total funding).

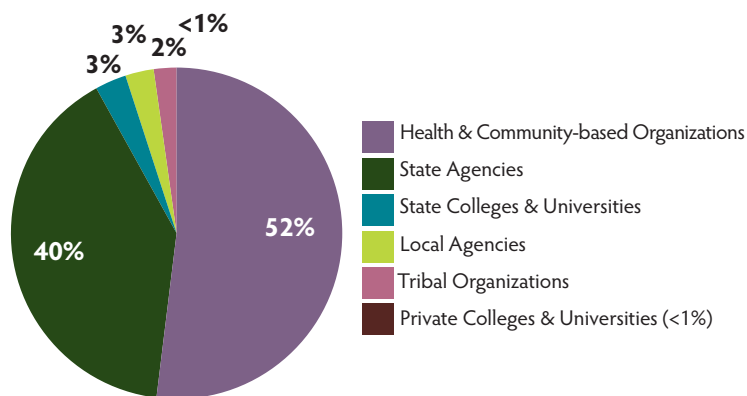
**FIGURE 9** Thirty-seven community health center organizations received \$67 million in funding, primarily to support new and expanded services for their patients. Leading recipients include Cherry Street Services, Inc. (\$5.5 million), InterCare Community Health Network (\$5.4 million), and Detroit Community Health Connection (\$4.2 million).

**FIGURE:8**  
**Michigan FY2013 Grant Funding, by Funding Category**



Funding Category	Total Funding
Health Centers & NHSC	\$68,673,902
Market Reform	\$27,004,635
Maternal & Child Health	\$16,025,686
Long-Term Care	\$11,603,896
Medicare	\$10,944,386
Health Workforce	\$6,574,351
Community-based Prevention	\$4,149,258
Medicaid & CHIP	\$1,000,000
<b>Total</b>	<b>\$145,976,114</b>

**FIGURE:9**  
**Michigan FY2013 Grant Funding, by Recipient Category**



Recipient Type	Total Funding
Health & Community-based Organizations	\$75,576,141
State Agencies	\$58,356,396
State Colleges & Universities	\$4,854,416
Local Agencies	\$3,834,807
Tribal Organizations	\$2,454,007
Private Colleges & Universities	\$900,347
<b>Total</b>	<b>\$145,976,114</b>

# ACA Funding in Michigan, Fiscal Year 2013 *(continued)*

## Michigan award highlights in FY2013 include:

### ■ Health Centers

- *New and Expanded Services:* Funding to support new and expanded services at health centers grew considerably in FY2013. In Michigan, 34 community health centers were awarded funding for a total of \$63.6 million.
- *Capital Development:* On the other hand, funding to support capital development declined from \$19.6 million in FY2012 to \$3.4 million in FY2013. Eight health centers in Michigan were awarded funding under this program.

### ■ Market Reform

- *Premium Rate Review:* The Michigan Office of Financial and Insurance Regulation received an additional \$1 million in funding to review and approve health insurance premiums.
- *Navigators:* Five Michigan organizations were awarded federal funds to serve as navigators for the health insurance exchange. Navigators guide consumers through their options on the exchange and provide outreach support to those looking for coverage. In total, these organizations received \$3.1 million in funding.
- *Exchange Planning and Establishment:* The State of Michigan was awarded \$30.7 million in FY2013 to support planning its exchange. Like the first Level One award, this grant has not been appropriated by the state legislature and could be returned to the federal government.<sup>14</sup>

### ■ Maternal and Child Health

- *Early Childhood Home Visitation:* Funding for the Michigan Department of Community Health's nurse visitation program increased considerably from \$5.8 million in FY2012 to \$10.5 million in FY2013.

### ■ Long-Term Care

- *Money Follows the Person (MFP):* The Michigan Department of Community Health was awarded \$10.1 million to transition Medicaid beneficiaries from nursing homes to community-based care. Previously, the ACA only authorized the use of existing MFP funds, but in FY2013 the MFP program was supported using funding appropriated by the law.

### ■ Medicare and Medicaid

- *State Innovation Model:* Altarum Institute, Henry Ford Health System, and Michigan Public Health Institute were awarded their second year of funding to support new delivery models. In FY2013, these organizations received \$9.3 million in total.
- *Medicaid Adult Quality:* The Michigan Department of Community Health was awarded \$1 million for the support and application of health care quality measures for adults in the Medicaid program.

## Top 10 recipients of ACA grants in FY2013 were:

1. State of Michigan - \$56,821,256 (19 awards)
  - a. Market Reform – \$23,872,998<sup>15</sup>
  - b. Maternal and Child Health - \$15,101,839
  - c. Long-Term Care - \$11,603,896
  - d. Community-based Prevention - \$2,530,327
  - e. Medicare – \$1,653,705
  - f. Medicaid – \$1,000,000
  - g. Health Centers - \$569,400
  - h. Health Workforce - \$489,091
2. Cherry Street Services, Inc. - \$5,536,379 (Health Centers, 1 award)
3. InterCare Community Health Network - \$5,382,202 (Health Centers, 1 award)
4. Michigan Public Health Institute - \$5,116,106 (2 awards)
  - a. Medicare - \$5,020,406
  - b. Health Workforce - \$95,700
5. Detroit Community Health Connection - \$4,171,648 (Health Centers, 1 award)
6. Health Delivery, Inc. - \$3,550,090 (Health Centers, 1 award)
7. Family Health Center of Battle Creek - \$3,282,251 (Health Centers, 1 award)
8. Hamilton Community Health Network, Inc. - \$3,141,882 (Health Centers, 1 award)
9. Altarum Institute - \$3,072,335 (Medicare, 1 award)
10. Downriver Community Services, Inc. - \$2,836,662 (Health Centers, 1 award)

<sup>14</sup> As of November 2013, Michigan had not formally returned this funding award.

<sup>15</sup> The market reform funding total reflects the return of the \$9.8 million exchange grant that was originally awarded during FY2012.



## Appendix 1: Funding of Select ACA Programs, by Year (millions of dollars)<sup>16</sup>

Funding Category (Program)	ACA Section	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	10-year total	
<b>Market Reform</b>													
Review health insurance premiums	§1003	\$250										\$250	
Consumer insurance assistance	§1002	\$30										\$30	
Exchange planning and establishment	§1311	HHS secretary may determine amounts to be appropriated as necessary from FY2010 until January 1, 2015.										TBD	
<b>Health Centers &amp; NHSC</b>													
School-based health centers	§4101(a)	\$50	\$50	\$50	\$50							\$200	
Community health center capital	§10503(c)	\$1.5 billion total for FY2011 through FY2015										\$1,500	
Community health center services	§10503(b)(1)		\$1,000	\$1,200	\$1,500	\$2,200	\$3,600					\$9,500	
<b>Community-based Prevention</b>													
Prevention and Public Health Fund	§4002	\$500	\$750	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,250	\$1,250	\$9,750	
<b>Maternal &amp; Child Health</b>													
Early childhood home visitation	§2951	\$100	\$250	\$350	\$400	\$400						\$1,500	
Personal responsibility education	§2953	\$75	\$75	\$75	\$75	\$75						\$375	
<b>Health Workforce</b>													
Health workforce demonstration	§5507(a)	\$85	\$85	\$85	\$85	\$85						\$425	
<b>Medicaid &amp; CHIP</b>													
Prevention and wellness incentives	§4108		\$100 million total for CY2011 through CY2015.										\$100
Childhood obesity demonstration	§4306	\$25 million total for FY2010 through FY2014.											\$25
<b>Medicare</b>													
Center for Medicare and Medicaid Innovation	§3021(a)	\$5	\$10 billion total for FY2011 through FY2019, and \$10 billion for each future decade.									\$10,005	
Independence at home demonstration	§3024	\$5	\$5	\$5	\$5	\$5	\$5					\$30	
<b>Long-term Care</b>													
Money Follows the Person demonstration	§2403		\$450	\$450	\$450	\$450	\$450	\$450				\$2,700	
State aging and disability resource centers	§2405	\$10	\$10	\$10	\$10	\$10						\$50	

<sup>16</sup> Appropriation levels do not reflect spending reductions due to sequestration from the Budget Control Act of 2011. Program appropriation figures from the Congressional Research Service. C.S. Redhead. May 31, 2013. Appropriations and Fund Transfers in the Patient Protection and Affordable Care Act (ACA). (Washington, D.C.: Congressional Research Service).

## Appendix 2: ACA Grant Funding, by State (FY2010-FY2013)

State	2012 Total	2012 Rank	2013 Total	2013 Rank	2012 Per Capita	2012 Per Capita Ranking	2013 Per Capita	2013 Per Capita Ranking	2010-2013 Total	2010-2013 Ranking	2010-2013 Per Capita	2010-2013 Per Capita Ranking
Alabama	\$49,894,363	32	\$82,800,907	26	\$10.35	37	\$17.10	32	\$173,241,572	32	\$35.77	38
Alaska	\$22,169,748	45	\$50,218,150	40	\$30.31	10	\$67.66	5	\$101,607,435	45	\$136.90	5
Arizona	\$82,279,928	22	\$79,649,863	28	\$12.56	27	\$12.00	44	\$224,280,051	25	\$33.80	41
Arkansas	\$65,172,620	29	\$101,427,875	19	\$22.10	19	\$34.20	13	\$207,240,395	29	\$69.88	18
California	\$559,213,281	1	\$1,204,860,033	1	\$14.70	25	\$31.34	17	\$2,109,248,266	1	\$54.87	26
Colorado	\$127,761,337	11	\$221,376,319	7	\$24.63	16	\$42.02	10	\$406,108,542	10	\$77.09	14
Connecticut	\$172,470,942	7	\$110,050,073	18	\$48.04	5	\$30.58	18	\$344,991,475	13	\$95.87	10
Delaware	\$20,780,644	48	\$31,310,829	47	\$22.66	21	\$33.78	14	\$66,114,589	48	\$71.34	16
District of Columbia	\$106,160,170	15	\$48,334,305	42	\$167.89	2	\$74.59	4	\$211,625,436	27	\$326.58	2
Florida	\$83,867,768	21	\$183,778,808	9	\$4.34	48	\$9.39	51	\$353,113,671	12	\$18.04	51
Georgia	\$70,217,585	26	\$142,147,931	14	\$7.08	47	\$14.16	36	\$268,774,295	19	\$26.78	48
Hawaii	\$106,510,418	14	\$166,004,371	10	\$76.50	4	\$117.86	2	\$310,904,991	15	\$220.73	3
Idaho	\$44,836,785	36	\$36,609,543	45	\$28.10	14	\$22.74	22	\$106,863,029	43	\$66.38	21
Illinois	\$126,421,724	12	\$288,513,960	5	\$9.82	32	\$22.37	23	\$546,218,664	5	\$42.35	32
Indiana	\$46,173,843	34	\$66,630,200	31	\$7.06	42	\$10.15	49	\$180,344,402	30	\$27.47	46
Iowa	\$75,184,489	25	\$56,305,427	35	\$24.46	17	\$18.23	29	\$169,610,833	33	\$54.92	25
Kansas	\$22,383,474	44	\$53,878,605	37	\$7.76	49	\$18.56	28	\$130,811,384	40	\$45.07	31
Kentucky	\$128,906,469	10	\$230,924,576	6	\$29.43	12	\$52.47	6	\$423,304,382	9	\$96.18	9
Louisiana	\$45,014,958	35	\$79,349,610	29	\$9.78	33	\$17.11	31	\$179,895,358	31	\$38.80	35
Maine	\$31,096,915	40	\$54,988,568	36	\$23.40	18	\$41.36	11	\$120,227,792	42	\$90.42	11
Maryland	\$189,846,862	5	\$128,418,739	16	\$32.26	9	\$21.62	25	\$391,614,581	11	\$65.92	22
Massachusetts	\$175,794,311	6	\$215,390,813	8	\$26.45	15	\$32.17	16	\$555,297,340	4	\$82.93	12
Michigan	\$76,881,958	24	\$145,976,114	13	\$7.78	39	\$14.77	34	\$305,419,137	16	\$30.90	43
Minnesota	\$147,539,763	8	\$91,702,973	22	\$27.43	13	\$16.93	33	\$286,946,671	18	\$52.97	28
Mississippi	\$31,476,999	39	\$62,489,289	33	\$10.55	31	\$20.87	26	\$139,437,438	38	\$46.58	29
Missouri	\$48,936,996	33	\$80,042,634	27	\$8.13	41	\$13.26	41	\$209,167,270	28	\$34.64	40
Montana	\$42,561,844	38	\$49,057,089	41	\$42.34	6	\$48.42	8	\$122,290,848	41	\$120.71	7
Nebraska	\$27,092,093	42	\$25,525,708	48	\$14.60	24	\$13.65	38	\$84,618,347	47	\$45.24	30
Nevada	\$89,655,911	18	\$35,007,194	46	\$32.50	8	\$12.55	43	\$151,471,965	37	\$54.32	27
New Hampshire	\$30,737,172	41	\$47,605,832	43	\$23.27	22	\$35.99	12	\$103,217,693	44	\$78.03	13
New Jersey	\$88,263,783	19	\$88,481,987	23	\$9.96	38	\$9.94	50	\$241,418,805	21	\$27.12	47
New Mexico	\$80,948,282	23	\$94,244,916	20	\$38.81	7	\$44.90	9	\$233,083,516	23	\$111.06	8
New York	\$341,721,104	2	\$545,638,224	2	\$17.46	23	\$27.74	19	\$1,100,467,976	2	\$55.96	24
North Carolina	\$69,172,467	27	\$125,655,399	17	\$7.09	44	\$12.74	42	\$299,686,849	17	\$30.39	44
North Dakota	\$11,312,227	49	\$18,103,986	50	\$16.17	28	\$25.38	21	\$43,109,256	50	\$60.43	23
Ohio	\$101,800,697	16	\$155,289,240	11	\$8.82	45	\$13.45	40	\$432,302,179	8	\$37.43	37
Oklahoma <sup>17</sup>	-\$6,616,861	51	\$53,551,292	38	-\$1.73	51	\$13.92	37	\$153,834,348	36	\$39.99	34
Oregon	\$59,322,107	30	\$346,617,221	3	\$15.21	26	\$88.11	3	\$531,029,441	6	\$134.99	6
Pennsylvania	\$122,720,218	13	\$131,800,436	15	\$9.61	36	\$10.30	48	\$334,386,001	14	\$26.14	49
Rhode Island	\$86,613,277	20	\$51,985,351	39	\$82.47	3	\$49.55	7	\$168,329,797	34	\$160.44	4
South Carolina	\$44,265,120	37	\$85,577,685	25	\$9.37	34	\$17.93	30	\$166,297,579	35	\$34.84	39
South Dakota	\$20,981,802	47	\$22,598,919	49	\$25.18	20	\$26.81	20	\$59,866,354	49	\$71.01	17
Tennessee	\$94,958,156	17	\$92,302,406	21	\$14.71	30	\$14.17	35	\$267,592,256	20	\$41.09	33
Texas	\$222,237,000	3	\$289,905,312	4	\$8.53	46	\$10.93	46	\$632,542,076	3	\$23.85	50
Utah	\$23,027,098	43	\$39,274,505	44	\$8.06	40	\$13.53	39	\$91,092,761	46	\$31.39	42
Vermont	\$135,140,650	9	\$78,926,595	30	\$215.88	1	\$126.05	1	\$235,274,764	22	\$375.75	1
Virginia	\$68,893,903	28	\$87,652,669	24	\$8.42	43	\$10.59	47	\$230,385,159	24	\$27.83	45
Washington	\$221,056,871	4	\$153,537,547	12	\$32.05	11	\$21.98	24	\$486,543,827	7	\$69.66	19
West Virginia	\$21,976,193	46	\$61,189,402	34	\$11.84	29	\$32.96	15	\$139,353,650	39	\$75.06	15
Wisconsin	\$51,896,099	31	\$63,510,403	32	\$9.06	35	\$11.05	45	\$218,485,719	26	\$38.02	36
Wyoming	\$6,825,061	50	\$11,490,906	51	\$11.84	50	\$19.71	27	\$39,257,961	51	\$67.35	20
Total	\$4,713,556,624		\$6,767,710,739		\$15.02		\$21.38		\$15,088,348,126		\$47.67	

<sup>17</sup> Oklahoma's negative funding total for FY2012 is due to the return of a \$54 million Early Innovator award for exchange implementation that was originally awarded in FY2011 but returned in FY2012.



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