



Rational for an Increase in the Free Clinic Funding Appropriation

The Appropriation language is found on Page 190, FY 2026
Executive Recommendation General Omnibus Budget Bill – Health and Human Services Section,
Health and Human Services Policy and Initiatives section

REQUEST An increase of \$400,000, resulting in a total request of \$800,000

When the \$400,000 was allocated in 2019, there were 39 known free clinics. We now recognize 71 free clinics across the state. The 2025 allocation has remained the same. The appropriation after division among the 38 approved applications came to \$10,538 per clinic.

1. **\$10,538 is not enough**

The cost of care has increased for a number of reasons: (1) There has been an *increased number of people using the clinics*. Last year, our clinics saw 33,100 patients and 104,300 patient visits. 81% of our clinics saw an increase in the number of patients in 2023. This year's data survey will likely show similar results. Most of these patients have had inadequate prior healthcare. Their care upon arrival at the clinic can be quite extensive (long-term care for chronic issues, diabetes, and hypertension as examples) and very expensive (continued medications and imaging costs as examples.) (2) Healthcare equipment and supplies, patient transportation and outside referral *costs have steadily increased* (3) *medical malpractice insurance costs have increased*.

2. This increased state appropriation recognizes the importance of the work done by local clinics for their communities. This support, along with other grant sources (Blue Cross Blue Shield of Michigan – Safety Net Unit as an example,) fundraising events, and individual donors allows them to continue providing care to patients who cannot receive it anywhere else. There is no Federal appropriation for our clinics.
3. Our clinics serve people who, for various reasons, are not eligible for or cannot afford traditional insurance, Medicaid, or ACA plans or have temporarily lost their insurance and just need care for a short while. We are truly the state's healthcare safety net.
4. Free clinics result in less use of emergency rooms by people for primary care, better outcomes with consistent care and more people being able to work, preventing them from loss of pay or becoming a liability to their employer.
5. All of Michigan's free clinics rely heavily on volunteers in various positions. In 2023, of the 6,320 volunteers, 2,340 were clinical volunteers. However, volunteers are not always available for necessary positions. Clinics requiring paid staff must pay "market price salaries" just as any other healthcare agency does.
6. Seventy-five percent of our clinics have budgets under \$250,000, 43% of our clinics work with less than \$100,000, and of that number, 40% work with budgets of less than \$60,000 per year.

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