



MICHIGAN

PRIVATE EQUITY
RISK SCORE

49 /100



MEDIUM RISK

KEY TAKEAWAYS:

- Michigan is among the 10 states with the largest increase in the share of its private sector workforce employed by private equity-controlled companies.
- Michigan is among the top 10 states for the share of state pension assets invested in private equity.
- Michigan is among the 10 states with the highest average patient survey ratings at private equity-controlled hospitals when compared to the average for all hospitals in the state, but is also among the 10 states with the lowest average rate of readmission after discharge at private equity-controlled acute care hospitals compared to the average for all hospitals in the state.

PRIVATE EQUITY RISK

Higher Score = Greater Risk
Risk score from 0 to 100

Workers and Jobs	58/100
Share of private sector workforce at private equity-controlled companies (Average 2018-2022)	8.7%
Change in the share of workforce controlled by private equity from 2018 to 2022	47.6%
Layoffs at private equity-controlled companies (2015-2022)	6,367
Employee deaths and hospitalizations at private equity-controlled companies (2018-2022)	15

Health Care	22/100
Share of hospitals that are private equity-controlled	3.1%
Average Medicare patient survey rating of private equity-controlled acute care hospitals (1 = lowest, 5 = highest)	3.7
Rate of readmission after discharge from private equity-controlled acute care hospitals	13.9
Share of nursing homes that are private equity-controlled	1.6%
Average Medicare quality rating of private equity-controlled nursing homes (1 = lowest, 5 = highest)	3.6
Substantiated complaints per private equity-controlled nursing home (2019-2022)	7.9
Share of population in a metro area where a single private equity firm controls over 30% market share of one or more physician specialties	12.9%

Housing	27/100
Percentage of homes purchased by medium, large and mega investors (2018-2022)	6.0%
Change in share of homes purchased by medium, large and mega investors from 2018 to 2022	21.3%

Public Pensions	91/100
Share of state pension assets invested in private equity	22.6%
Share of state pension assets covered by private equity fee disclosure (including carried interest)	0.0%
Share of state pension assets covered by responsible contractor policy	0.0%



STATE POLICY SOLUTIONS TO ADDRESS PRIVATE EQUITY RISKS

Workers and Jobs	Adopted?
<p>Severance for mass layoffs: For mass layoffs, require 90 days advance notice and require employers to pay one week of severance pay for each year of employment</p>	
<p>Bonding for unemployment insurance: Require private equity-controlled companies with high debt ratios to post a bond to the unemployment insurance system to cover unemployment insurance taxes in the event of a bankruptcy</p>	
Health Care	Adopted?
<p>Review of health care mergers: Require notice, public review or approval process for hospital and other health care mergers</p>	✓
<p>Medical debt collection: Regulate medical debt collection</p>	
<p>Nursing home staffing: Require specific percentage of Medicaid or overall revenues in nursing homes to be spent on staffing costs for patient care</p>	
<p>Hospital fees: Limit hospital facilities fees</p>	
Housing	Adopted?
<p>Good cause evictions: Prohibit evictions of tenants for reasons other than specified causes, such as non-payment of rent</p>	
<p>Rental cost caps: Cap annual rent increases statewide at inflation plus a small percentage or allow local jurisdictions to cap rent increases</p>	
<p>Tenants' right to purchase: Give tenants of mobile home parks and multi-family housing advance notice of sales and first right of refusal to purchase</p>	
<p>Landlord registry: Create a mandatory registry to identify beneficial ownership of all corporate landlords with multiple holdings</p>	
State Pension Funds	Adopted?
<p>Fee disclosure: Require disclosure of all fees paid to each private equity fund by state pension funds</p>	
<p>Compliance with all state laws: Require signed affirmation from private equity fund managers that all of their portfolio companies comply with state labor laws, environmental laws and health codes</p>	

