



On March 1, Terry Lerash, president and CEO, Scheurer Hospital, Pigeon, addressed members of the House Appropriations Subcommittee on Health and Human Services about the state's healthcare budget and the important role small and rural hospitals serve in communities and regions throughout Michigan.

In his remarks, Lerash discussed how a federal Medicaid managed care rule change impacted two state funding sources that are vital to small and rural hospitals: the small and rural access pool and the obstetrics stabilization fund. Due to the federal rule change, the payments from these pools cannot continue as they have in the past and must be redesigned. While the necessary changes are numerous, simply stated, the state will now be limited to using general funds for direct payments to small and rural hospitals, including the payments for labor and delivery services.

In addition, **Lerash, speaking on behalf of Michigan's small and rural hospital community, asked subcommittee members to add \$3 million to the state healthcare budgets for fiscal years (FYs) 2018 and 2019.** This funding would not entirely offset the adjustment to the pool payments that occurred as a result of the federal rule change. However, when combined with the growth in provider tax payments, the additional funding would come close to keeping small and rural hospitals at FY 2017 payment levels.

The March 1 subcommittee meeting officially kicked off legislative work on the FY 2019 state healthcare budget. The Senate Appropriations Subcommittee on Health Services will begin work on its version of the healthcare budget March 6. Overall, the MHA has supported the executive budget recommendation that Gov. Rick Snyder and state officials presented to the Legislature Feb. 7. Members with questions should contact Laura Appel at the MHA.

## **Michigan Hospitals Tackle Patient Engagement, Safety Culture**



This year's Patient Safety Awareness week took place March 11-17 and focused on two important issues: patient engagement and safety culture.

Patient safety has made significant progress over the years. However, preventable harm and medical error continue to be sources of major concern to patients. **Michigan hospitals are continually working to improve the delivery of care** — particularly regarding collaboration among patients, families and providers — as well as adopting a strong cultural stance on patient safety.

## **House Health Policy Committee Chair Addresses Legislative Policy Panel**

The MHA Legislative Policy Panel convened its third meeting of the program year March 15 and developed recommendations for the MHA Board of Trustees on legislative initiatives impacting Michigan hospitals. **The meeting was highlighted by a special presentation from Chair of the House Health Policy Committee Rep. Hank Vaupel (R-Handy Twp).** He discussed his leadership role in the bipartisan House CARES (Community, Access, Resources, Education and Safety) Task Force that gathered information to develop legislation to reform and improve mental health services, as well as his interest in two committee action items — drug pricing transparency and violence against healthcare workers. Panel members also received an update on the state budget, auto no-fault insurance reform, life-sustaining treatment consent and the 2018 Health PAC fundraising campaign kickoff.

**The panel recommended that the MHA support House Bill (HB) 5223,** which would require drug manufacturers to file detailed reports with a state agency on the costs associated with developing and marketing expensive prescription drugs. The panel supports the bill because consumer price transparency helps patients make more informed healthcare decisions.

**The panel discussed expanding the concept of the MHA-supported Senate Bill (SB) 33.** This bill would impose felony charges against any individual who assaults emergency room personnel while performing their duties. It would align these professionals with other first responders who are protected in current law, such as police officers, firefighters, paramedics and emergency medical technicians. While the MHA will continue to support SB 33, the panel recommended the MHA pursue alternative legislation to ensure that *all* hospital employees, directly or indirectly involved in patient care, receive the same protections from assault as other front-line responders.

**The panel also recommended that the MHA oppose SB 633 as introduced.** This bill requires entities that collect and store personal identifying information in a computerized database to store that information in encrypted form. SB 633 would also require that those entities affected by an electronic data breach notify financial institutions within a three-day period; failure to do so could result in civil action. While it seems that the intent of the legislation was directed at the retail industry, the healthcare community would have to comply with the standards. Hospitals are subject to regulatory requirements like the Healthcare Insurance Protection and Accessibility Act relating to electronic healthcare data privacy and security on the federal level. It could be problematic to manage and comply with overlapping or conflicting state and federal requirements. For more information, contact Chris Mitchell at the MHA.