



APRIL AND MAY, 2018

Legislative Work on Medicaid Work Requirements, State Healthcare Budget Continues

The Michigan Senate approved Senate Bill (SB) 897 in a 26-11 vote held April 19. The legislation would institute work requirements for Medicaid recipients in Michigan, including individuals enrolled in the Healthy Michigan Plan.

In written testimony provided to members of the Senate Committee on Michigan Competitiveness during a hearing on the bill the day before the Senate vote, the MHA voiced its opposition to the legislation, raising concerns that people who are in full compliance with the work, training or education requirements outlined in the bill could still lose medical coverage for an entire year for simply failing to meet a reporting requirement. The MHA contends that a penalty this harsh will not help anyone obtain better employment or commercial health insurance.

Following the Senate vote, the measure will now be referred to the Michigan House of Representatives for consideration, with the chamber expected to take up the legislation within the next couple of weeks.

On the state budget front, both the House and Senate continued work on their respective versions of the fiscal year (FY) 2019 Department of Health and Human Services (DHHS) budget. While there is still work to do before the budgets are finalized in June, overall the MHA has been pleased with the FY 2019 proposals so far. The most important takeaway for hospitals relates to the MHA Board-supported multiyear budget deal. **In line with Gov. Rick Snyder's Executive Recommendation, both the House and Senate proposals maintain funding for three MHA priority items: graduate medical education at \$57 million general fund (GF) (\$163 million total), obstetric hospital services at \$4 million GF, and the rural access pool at \$12 million GF.**

Other notable provisions within the healthcare budgets include the following:

- Healthy Michigan Plan: Both the House and the Senate concurred with the governor's recommendation by fully funding the state's obligation for the program.
- Medicaid reimbursement rates are protected in the House and Senate versions of the budget, including the uplift for primary care physician services to the midpoint between Medicaid and Medicare rates.

Hospitals, MHA Work with Congressional Delegation to Confront Opioid Misuse

MHA CEO Brian Peters and MHA Board Chairman Loren Hamel, MD, discussed the House Energy and Commerce activity around the opioid crisis with U.S. Rep. Fred Upton (R-St. Joseph). MHA members made visits to Capitol Hill as part of the May 6-9 American Hospital Association (AHA) Annual Membership Meeting in Washington, DC.

Several committees in Congress are working on legislation to address the opioid crisis. The house Energy and Commerce Committee, reported out 25 bills May 9 to enhance enforcement efforts against the illegal use and prescribing of opioids, to strengthen prevention and public health efforts, and address Medicare coverage and payment issues related to opioids.

The committee also held a hearing on the issue of 42 CFR Part 2, one of the topics the MHA and members addressed during their congressional visits. This section of the Code of Federal Regulations prohibits sharing information about patient substance use disorder treatment information with other clinicians. Without this information, caregivers may inappropriately prescribe opioids to patients with a history of substance abuse. **The MHA joined the AHA in calling for amendments to 42 CFR Part 2 to allow this part of a patient's medical history to be treated like all other medical information** and to be shared in the medical record with all treating clinicians.

Hospital Trustees Updated on Legislative Issues

Adam Carlson, senior advisor to the state budget director, spoke to hospital trustees during Trustee Advocacy Day. Several MHA-member hospital trustees and chief executive officers gathered at the MHA Capitol Advocacy Center May 15 for a day-long education session on health policy topics and other state issues. Gov. Rick Snyder is focused on paying down debt and increasing the state "rainy day fund" to \$1 billion before the end of his term this year.

The group also heard from the governor's senior policy advisor on healthcare, which led to another lengthy discussion of the Medicaid work requirement issue. Other discussion included review of the status of the Affordable Care Act after a year of threatened federal action to repeal and replace it, as well as new requirements hospitals and prescribers face as a result of the 13-bill legislative package that passed in 2017 to combat the opioid crisis.