



MICHIGAN ASSOCIATION OF HEALTHCARE ADVOCATES

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LEGISLATIVE UPDATE June 2017

State Healthcare Budget for FY 2018 Moves Closer to Completion

The Legislature moved a step closer to completing work on the fiscal year (FY) 2018 state budget, as the Joint House and Senate Department for Health & Human Services (DHHS) Conference Committee approved the conference report. The conference report will be rolled into the larger omnibus bill with a series of other department budgets and approved by both the House and Senate before being sent to the governor's desk for signature.

The FY 2018 budget fully protects the funding necessary to continue the Healthy Michigan Plan, \$163 million in graduate medical education (GME) funding, the \$11 million obstetrics stabilization fund, and the \$36 million small or rural access pool.

In addition, the MHA successfully advocated for the removal of a 10 percent reduction to the traditional \$45 million Medicaid disproportionate share hospital pool that was inserted into the House version of the budget bill during negotiations earlier this spring. This reduction would have saved only \$1.6 million in state general funds, but would have reduced hospital funding by \$4.5 million due to the loss of federal matching funds.

Boilerplate language tying state GME funding to hospital quality and safety reporting remains in the final version of the bill. However, thanks to the work of the MHA Advocacy team, the reporting requirement should be satisfied by data Michigan hospitals are already submitting to the MHA. The MHA takes the transparency issue very seriously and is working under the direction of the MHA Board of Trustees to make significant improvements to its voluntary transparency website, which will be rolled out later this year.

Thanks to the advocacy efforts of the MHA and member hospitals, this budget protects key healthcare priorities despite declining state revenue predictions and continued uncertainty related to federal efforts to repeal and replace the Affordable Care Act.

On June 6, the Senate Health Policy Committee reported out bills that are a part of Gov. Rick Snyder's bipartisan bill package aimed at combating Michigan's growing opioid epidemic. **The MHA-supported Senate Bill (SB) 270 is among the bills headed to the Senate floor.** The MHA was a member of Snyder's Michigan Prescription Drug and Opioid Abuse Taskforce, which made the recommendation for this legislation.

SB 270 would require prescribers to review patient medical records and history, create and maintain records of a patient's medical condition and ensure a plan for follow-up care is in place before prescribing Schedule II-V controlled substances to a patient.

The committee also reported out MHA-supported SB 360, which would allow pharmacies to dispense up to a 90-day supply of a prescription drug at one time. The MHA Legislative Policy Panel voted to support this bill at its May meeting because SB 360 would help to achieve better medical outcomes due to higher medication adherence.

Before leaving for the summer break, the Michigan House sent the Senate a package of MHA-supported bills regarding physician orders for scope of treatment (POST). A POST form is a physician's order that allows patients to provide information about their wishes for end-of-life healthcare. House Bills 4170, 4171, 4173 & 4174 would establish guidelines for the POST medical decision-making program.

In other action at the state Capitol, Randy DeGroot, president and CEO, Community Health Center of Branch County (CHC), Coldwater, testified before the Senate Michigan Competitiveness Committee, chaired by Sen. Mike Shirkey (R-Clarklake), **in support of Senate Bill (SB) 450. This bill would allow facilities such as the municipally owned CHC to restructure as nonprofit corporations, permitting them to merge with larger, nonprofit health systems.** DeGroot explained that addressing population health needs while maintaining and expanding healthcare services in Branch County is challenging for a small, freestanding hospital. This legislation would give CHC the opportunity to partner with a health system that can assist in meeting the needs of Branch County residents. SB 450 was reported to the Senate floor and is expected to be voted on when the Senate meets June 28.

The full Senate sent bills to the House that are a part of Gov. Rick Snyder's bipartisan bill package aimed at combating Michigan's growing opioid epidemic. The MHA-supported SB 270 is among the bills. The MHA was a member of Snyder's Michigan Prescription Drug and Opioid Abuse Taskforce, which made the recommendation for this legislation. SB 270 would require prescribers to review patient medical records and history, create and maintain records of a patient's medical condition, and ensure a plan for follow-up care is in place before prescribing Schedule II-V controlled substances to a patient.

Another MHA-supported bill, SB 360, which would allow pharmacies to dispense up to a 90-day supply of a prescription drug at one time, was sent to the House. This bill would help to achieve better medical outcomes due to higher medication adherence.