

# HOUSE BILL No. 5934

May 8, 2018, Introduced by Reps. Canfield, McCready, Inman, Howrylak, Cole, Allor, Maturen, LaFave, Hauck, Dianda, Cambensy, Wentworth, Rendon, Glenn, VanderWall and Chatfield and referred to the Committee on Appropriations.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
(MCL 400.1 to 400.119b) by adding section 110a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **SEC. 110A. (1) BEGINNING IN THE FISCAL YEAR THAT ENDS**  
2           **SEPTEMBER 30, 2019, AND ANNUALLY AFTER THAT, THE DEPARTMENT SHALL**  
3           **ALLOCATE NOT LESS THAN \$26,000,000.00 OF ITS GENERAL FUND**  
4           **APPROPRIATION TO A RURAL HOSPITAL ACCESS POOL TO ASSIST SOLE**  
5           **COMMUNITY HOSPITALS, CRITICAL ACCESS HOSPITALS, AND RURAL HOSPITALS**  
6           **WITH PROVIDING SERVICES TO LOW-INCOME RESIDENTS.**

7           **(2) ALL OF THE FOLLOWING APPLY TO A PAYMENT FROM THE RURAL**  
8           **HOSPITAL ACCESS POOL:**

9           **(A) \$4,000,000.00 SHALL BE PROPORTIONATELY DIVIDED ANNUALLY**  
10           **AMONG SOLE COMMUNITY HOSPITALS AND RURAL HOSPITALS THAT PROVIDE**  
11           **OBSTETRICAL CARE TO MEDICAID BENEFICIARIES, BASED ON THE PROPORTION**

1 OF MEDICAID DELIVERIES PERFORMED DURING THE SECOND IMMEDIATELY  
2 PRECEDING FISCAL YEAR.

3 (B) THE BALANCE REMAINING IN THE RURAL HOSPITAL ACCESS POOL  
4 AFTER DISTRIBUTION MADE UNDER SUBDIVISION (A) SHALL BE ANNUALLY  
5 ALLOCATED AS FOLLOWS:

6 (i) PAYMENTS SHALL FIRST BE ALLOCATED TO REIMBURSE SOLE  
7 COMMUNITY HOSPITALS, CRITICAL ACCESS HOSPITALS, AND RURAL HOSPITALS  
8 FOR UNREIMBURSED AND INCURRED COSTS FOR SERVICES DELIVERED TO FEE  
9 FOR SERVICE INPATIENT AND OUTPATIENT MEDICAID BENEFICIARIES AS  
10 REPORTED DURING THE SECOND IMMEDIATELY PRECEDING FISCAL YEAR COST  
11 REPORTING PERIOD.

12 (ii) MONEY REMAINING IN THE RURAL HOSPITAL ACCESS POOL AFTER  
13 ALL DISTRIBUTIONS ARE MADE UNDER SUBPARAGRAPH (i) SHALL BE  
14 ALLOCATED BASED ON EACH SOLE COMMUNITY HOSPITAL'S, CRITICAL ACCESS  
15 HOSPITAL'S, AND RURAL HOSPITAL'S PROPORTION OF MEDICAID MANAGED  
16 CARE OUTPATIENT PAYMENTS FOR SERVICES PERFORMED DURING THE SECOND  
17 IMMEDIATELY PRECEDING FISCAL YEAR.

18 (C) NOTWITHSTANDING SUBDIVISIONS (A) AND (B), NO HOSPITAL  
19 SHALL RECEIVE MORE THAN 10% OF THE TOTAL FUNDING AVAILABLE UNDER  
20 THE RURAL HOSPITAL ACCESS POOL IN ANY 1 FISCAL YEAR.

21 (3) THE DEPARTMENT MUST IMPLEMENT THIS SECTION IN A MANNER  
22 THAT COMPLIES WITH ALL FEDERAL REQUIREMENTS NECESSARY TO ENSURE THE  
23 MAXIMUM AMOUNT OF FEDERAL MATCHING FUNDS IS OBTAINED.

24 (4) AS USED IN THIS SECTION:

25 (A) "CRITICAL ACCESS HOSPITAL" MEANS A HOSPITAL DESIGNATED AND  
26 CERTIFIED AS A CRITICAL ACCESS HOSPITAL UNDER 42 CFR 485.606.

27 (B) "MEDICAID" MEANS THE MEDICAL ASSISTANCE ADMINISTERED BY

1 THE DEPARTMENT UNDER THIS ACT.

2 (C) "RURAL HOSPITAL" MEANS A HOSPITAL THAT MEETS BOTH OF THE  
3 FOLLOWING:

4 (i) HAS 50 OR FEWER STAFFED BEDS.

5 (ii) IS LOCATED WITHIN A COUNTY WITH A POPULATION OF NOT MORE  
6 THAN 165,000 AND WITHIN A CITY, VILLAGE, OR TOWNSHIP WITH A  
7 POPULATION OF NOT MORE THAN 15,000 BASED ON THE 2010 FEDERAL  
8 DECENNIAL CENSUS.

9 (D) "SOLE COMMUNITY HOSPITAL" MEANS A HOSPITAL CLASSIFIED AS A  
10 SOLE COMMUNITY HOSPITAL UNDER 42 CFR 412.92.

11 Enacting section 1. This amendatory act takes effect 90 days  
12 after the date it is enacted into law.