

Act No. 220
Public Acts of 2018
Approved by the Governor
June 25, 2018
Filed with the Secretary of State
June 26, 2018
EFFECTIVE DATE: September 24, 2018

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Reps. Canfield, McCready, Inman, Howrylak, Cole, Allor, Maturen, LaFave, Hauck, Dianda, Cambensy, Wentworth, Rendon, Glenn, VanderWall and Chatfield

ENROLLED HOUSE BILL No. 5934

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," (MCL 400.1 to 400.119b) by adding section 110a.

The People of the State of Michigan enact:

Sec. 110a. (1) Beginning in the fiscal year that ends September 30, 2019, and annually after that, the department shall allocate not less than \$26,000,000.00 of its general fund appropriation to a rural hospital access pool to assist sole community hospitals, critical access hospitals, and rural hospitals with providing services to low-income residents.

(2) All of the following apply to a payment from the rural hospital access pool:

(a) \$7,978,300.00 shall be proportionately divided annually among sole community hospitals and rural hospitals that provide obstetrical care to Medicaid beneficiaries, based on the proportion of Medicaid deliveries performed during the second immediately preceding fiscal year.

(b) The balance remaining in the rural hospital access pool after distribution made under subdivision (a) shall be annually allocated as follows:

(i) Payments shall first be allocated to reimburse sole community hospitals, critical access hospitals, and rural hospitals for unreimbursed and incurred costs for services delivered to fee for service inpatient and outpatient Medicaid beneficiaries as reported during the second immediately preceding fiscal year cost reporting period.

(ii) Money remaining in the rural hospital access pool after all distributions are made under subparagraph (i) shall be allocated based on each sole community hospital's, critical access hospital's, and rural hospital's proportion of Medicaid managed care outpatient payments for services performed during the second immediately preceding fiscal year.

(c) Notwithstanding subdivisions (a) and (b), no hospital shall receive more than 10% of the total funding available under the rural hospital access pool in any 1 fiscal year.

(3) The department must implement this section in a manner that complies with all federal requirements necessary to ensure the maximum amount of federal matching funds is obtained.

(4) As used in this section:

(a) "Critical access hospital" means a hospital designated and certified as a critical access hospital under 42 CFR 485.606.

(b) "Medicaid" means the medical assistance administered by the department under this act.

(c) "Rural hospital" means a hospital that meets both of the following:

(i) Has 50 or fewer staffed beds.

(ii) Is located within a county with a population of not more than 165,000 and within a city, village, or township with a population of not more than 15,000 based on the 2010 federal decennial census.

(d) "Sole community hospital" means a hospital classified as a sole community hospital under 42 CFR 412.92.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor