



Senate Fiscal Agency
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House Bill 4087 (Substitute H-2 as passed by the House)
Sponsor: Representative Jeff Yaroch
House Committee: Health Policy
Senate Committee: Health Policy and Human Services

Date Completed: 9-9-21

CONTENT

The bill would amend the Emergency Management Act to do the following:

- **Require the Department of Health and Human Services (DHHS) to stockpile the medical supplies necessary to respond to a state of disaster or state of emergency in the State.**
- **Require the Emergency Management and Homeland Security Division of the Michigan State Police to assist the DHHS with the coordination and distribution of the stockpile during a state of disaster or state of emergency.**
- **Require the DHHS to display a list of the medical supplies inventory on its website.**
- **Require preference to be given to goods or services manufactured or provided by Michigan businesses that were owned and operated by veterans or goods or services that were manufactured or provided by Michigan businesses, if the goods or services were competitively priced and of comparable quality.**

Under the bill, beginning on the bill's effective date, the DHHS, subject to annual appropriation, would have to stockpile medical supplies that were necessary to respond to a state of disaster or a state of emergency within the State. "Medical supplies" would mean equipment or supplies necessary for the proper and timely implementation of universal or standard precautions by medical personnel in response to the specific medical situation presented in that setting. "Medical personnel" would mean a health professional, hospital staff, a first responder, or a mortuary science professional, or an individual who works in a medical laboratory or mortuary or provides pathology, histology, necropsy, or autopsy services.

The Department would have to do all of the following, subject to annual appropriation:

- Coordinate and maintain medical supplies that could be necessary to respond to a state of disaster or a state of emergency; the Department would have to use its discretion in implementing this provision and would have to work with other State departments to maintain the stockpiled medical supplies.
- Rotate the stockpiled medical supplies to avoid continued stockpiling of expired supplies.
- Sell the rotated medical supplies before their expiration date or donate them to a nonprofit organization, a public safety agency, a long-term care facility or other congregate living health facility, a public health laboratory, or an educational program.

"Public safety agency" would mean a functional division of the State, a public agency, or a county that provides fire fighting, law enforcement, ambulance, medical, or other emergency services.

The stockpiled medical supplies would have to be enough to respond to a state of disaster or a state of emergency for not more than two months.

The Emergency Management and Homeland Security Division (within the Michigan State Police) would have to assist the DHHS with the coordination and distribution of the stockpiled medical supplies during a state of disaster or a state of emergency within the State.

The Department would have to display a list of the medical supplies inventory, including quantities and expiration dates, on a website that was fully accessible to the public at no cost. The Department would have to maintain the list regardless of whether money was appropriated. The list of the stockpiled medical supplies inventory would be subject to disclosure under the Freedom of Information Act.

Money appropriated to implement the bill could not be used to purchase foreign goods or services if competitively priced and comparable quality American goods or services were available. Preference would have to be given first to goods or services manufactured or provided by Michigan businesses that were owned and operated by veterans or goods or services that were manufactured or provided by Michigan businesses, if the goods or services were competitively priced and of comparable quality.

Proposed MCL 30.407b

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have an indeterminate negative fiscal impact on the DHHS, the magnitude of which would depend on the level of appropriation made to support the coordination and maintenance of the stockpile, the rotation of the stockpile to avoid expiration, and coordination of sales or donations of nearly expired supplies. There is no specific appropriation in the enacted fiscal year (FY) 2020-21 DHHS budget or the proposed FY 2021-22 DHHS budget to support the medical supplies stockpile. However, the Department estimates that it will receive \$27.9 million through the Public Health Emergency Preparedness grant and \$1.4 million through the Hospital Preparedness Program in FY 2021-22 that could, potentially, be used to support the creation of a stockpile. Additionally, some of the costs related to the creation and maintenance of the stockpile could be offset partially by the sale of supplies as they neared expiration.

The bill's requirement to maintain a searchable website listing the quantity and expiration date of all medical supplies in the stockpile also would increase administrative costs for DHHS.

The bill would have a negligible fiscal impact on the Michigan State Police, in which the State's Emergency Management and Homeland Security unit is housed. It is expected that any assistance given to the DHHS would be assumed by existing resources and staff and would not require additional appropriations.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.