

SENATE BILL NO. 701

February 01, 2024, Introduced by Senator SINGH and referred to the Committee on Appropriations.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 110a (MCL 400.110a), as added by 2018 PA 220.

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

1 hospitals with providing services to low-income residents.

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

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

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

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

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

24 (c) Notwithstanding subdivisions (a) and (b), ~~no~~ **a** hospital
25 shall **not** receive more than 10% of the total funding available
26 under the rural hospital access pool in any 1 fiscal year.

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

1 (4) As used in this section:

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

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

6 (b) ~~(c)~~ "Rural hospital" means a hospital that meets both of
7 the following:

8 (i) Has 50 or fewer staffed beds.

9 (ii) Is located within a county with a population of not more
10 than ~~165,000~~ **195,000** and within a city, village, or township with a
11 population of not more than 15,000 based on the ~~2010~~ **2020** federal
12 decennial census.

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