



## Why Donate to HCAM PAC...what will a strong PAC do?

*Medicaid policy and reimbursement, survey regulations and state laws effect how you operate your facility...elected officials make these decisions. It is critical for HCAM and you to develop and maintain strong relationships with local legislators and key policy makers in Lansing. The following details legislative and budget issues over the past few years where HCAM has stopped or mitigated negative proposals and successfully enacted positive changes for our profession.*

### **Medicaid Cost Report Audit Improvements Highlight 2018 Achievements**

In February 2014, the Health Care Association of Michigan, at the request of the Director of the Michigan Department of Community Health, presented a “Medicaid Process Reform” document to the department that identified several inefficiencies in the reimbursement process and proposed solutions. In 2018, HCAM worked with Senators Pete MacGregor, Jim Stamas, and Goeff Hansen to address these issues legislatively.

Senate Bill 1038 (Senator Stamas) was passed by both the House and Senate on the second-to-last day of session for the 99th Legislature on December 20. The bill was approved by Governor Snyder on December 28. Completion of the legislation is the culmination of a more than year-long effort between HCAM staff and consultants, members, bill sponsor and the Department of Health and Human Services (MDHHS). The bill improves the audit system to be more timely, fair, and efficient. Upon receiving Governor Snyder’s signature, SB 1038 was assigned Public Act 612 of 2018, and will take effect in late June of 2019.

Also signed by the governor was SB 601 – the supplemental appropriations bill. Contained in the bill, which is Public Act 618 of 2018, was an update to the current asset value (CAV) bed limit. The boilerplate language will result in a significant increase to the CAV limit for providers beginning in fiscal year 2020.

### **Quality Measure Initiative**

The Michigan Department of Health and Human Services (MDHHS) Medicaid Quality Care Initiative (QMI) was implemented upon receiving approval from the Centers for Medicare and Medicaid Services (CMS) in August 2018. The QMI provides a net of nearly \$30 million (after provider tax payments) to Michigan Medicaid nursing facilities based on the 5-Star Quality Measures criteria as established by CMS. QMI is a quasi-pay for performance program that provides each Medicaid nursing facility an incentive to provide the highest quality of care as measured by the CMS criteria. The program pays a pre-set monthly amount based on the QMI criteria. HCAM presented this program to MDHHS and gained legislative approval in the state fiscal year 17-18 budget. The QMI program will be ongoing as we enter its second fiscal year in 2018-19.

### **Medication Aide Legislation Ready for Passage in 2019**

Though House Bill 6037 did not make it through the legislative process in 2018, progress was made to ensure the bill is prepared for passage in 2019. HCAM has met a number of times with nursing groups and the Department of Licensing and Regulatory Affairs (LARA), and Representative Ben Frederick has expressed his intention to champion the bill as sponsor in 2019. The legislation closely mirrors the statutory framework in place for nurse aides to establish a medication aide registry. Responsibilities of medication aides would include administering regularly scheduled medication under the supervision of a registered nurse. The core duties of nursing will remain with the nurses in the facility – medication aides will simply offer further support to help provide residents with the care they need.

### **Certificate of Need Reform**

In 2015, Senator Mike Shirkey (R-Jackson) announced he would undertake a thorough review of Michigan's Certificate of Need (CON) program, with the result being major changes or outright repeal of the program. HCAM supports the current structure, which has allowed significant economic development while emphasizing quality of care and serving Michigan's Medicaid population.

While HCAM found success in pushing back against changes in the past, the issue will return in 2019 when the CON formula is revisited. Senator Shirkey is the next Senate Majority Leader, and he is one of many conservative legislators skeptical of the CON program. HCAM will continue to educate legislators on the history, process, and results of CON in Michigan as it relates to nursing facilities. Additionally, while HCAM supports the current structure, we also believe there are minor changes that can be made to streamline the process and add greater flexibility for providers and the state, while maintaining the value and focus of CON.

### **Homes for the Aged Licensure Law Takes Effect**

Public Act 167 of 2017 took effect in 2018. This act has significant impact on Homes for the Aged and non-licensed communities. In February of 2018 the following changes took place: Existing non-licensed communities could qualify for licensure under Life Safety Code for Board and Care requirements under certain circumstances; the term Supervised Personal Care now has a definition in statute; and under certain specific circumstances as laid out in the act a facility that might otherwise be determined to need an HFA license may qualify for an exemption from licensure. Additionally, partial responsibility for the cost of Background Checks was passed on to HFAs effective October of 2018 where a capped number of state paid back ground checks was implemented.

### **CNA Reciprocity Legislation**

Governor Rick Snyder signed Public Act 172 of 2017, allowing reciprocity with other states for Certified Nurse Aides in Michigan. HCAM/MCAL worked extensively with officials from the Department of Licensing and Regulatory Affairs (LARA) to re-establish Certified Nurse Aide (CNA) reciprocity particularly for facilities operating along Michigan's borders.

The legislation was in response to a 2016 decision by LARA to suspend their policy of granting reciprocity for CNAs and/or CNA candidates from other states. The legislation re-established reciprocity for an applicant who has passed a training program in another state or an applicant's certification as a nurse aide in another state is in good standing. In both instances, the training program would have to be equivalent to or exceed Michigan's approved training. The bill also established permit and fee structure for trainer and training programs.

## **2019 HCAM PAC Campaign**

### **Participate in the Political Process**

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