



This Week in Lansing

MHSA • Muchmore Harrington Smalley & Associates, LLC

Highlights of the Latest Major Legislative, Administrative and Regulatory Activity in the State Capitol

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ATTORNEY GENERAL BILL SCHUETTE ANNOUNCES GOV CAMPAIGN – In a highly-anticipated move, *Attorney General Bill Schuette* formally announced his campaign to become Michigan’s next governor in 2018, while also outlining his goals and outlook for the state. Speaking to roughly 500 supporters on Tuesday evening at his annual barbecue fundraiser in *Midland*, *Mr. Schuette* spoke of income tax cuts, increased pay and better job opportunities for Michigan residents.

Noting the state has made improvements, *Mr. Schuette* stated there is still work to be done and he will be the one to do it. Citing income tax reform as a major issue plaguing Michigan families, *Mr. Schuette* said increasing pay and placing the income tax back down to 3.9 percent will benefit all working residents. The *Attorney General* commented on his ambition to bring the tax down and bring jobs back to the state saying, “My one goal, my one singular ambition is to make Michigan a growth state, a paycheck state, a jobs state...”.

While focusing heavily on jobs, tax reform and increased pay, *Mr. Schuette* also outlined his other pledges, telling attendees he would also address the following issues:

- The decrease of auto insurance rates by reintroducing and passing “real auto insurance reform” as well as the increased enforcement of penalties for insurance fraud
- The support and encouragement of students reading at grade level by 3rd grade
- The elimination of the *Common Core* standards in public education
- The prioritization of vocational education/training and skilled trades

Entering the race as the clear *Republican* front-runner, the *Attorney General* commented on the current and former executive offices and administrations, saying, “I’ve had enough of small thinking and tiny steps and politicians who set their sights lower. I reject the notion that Michigan’s best days are behind us. I reject the casual resignation and acceptance that the paychecks and jobs have gone elsewhere and that Michigan will have fewer and fewer jobs...that we’ll become a smaller and less significant state. No way.”

When asked if proposed term-limit reform or a part-time legislature would have any effect on his plans as governor, *Mr. Schuette* told attendees that he is open to both ideas saying, “I will look at all of the options and I’ll be part of the discussion.”

Other potential *Republican* candidates include *Lieutenant Governor Brian Calley*, who has yet to formally announce his candidacy; *Senator Patrick Colbeck* (R-Canton Twp), who formally announced his gubernatorial bid at the beginning of the summer; and *Dr. Jim Hines* of *Saginaw* who announced his campaign early this year.

On the *Democratic* side, former *Senate Minority Leader Gretchen Whitmer*, physician *Abdul El-Sayed* of *Detroit*, and entrepreneur *Shri Thanedar* of *Ann Arbor*, have all announced their candidacies. However, *Mr. Schuette* does not seem to be focused on his competitors from either party, telling supporters, “This is a steep mountain. But I’m going to win this thing.”

OPIOID BILLS AWAITING SENATE ACTION – NEW BILLS COMING – As the fight against Michigan’s opioid crisis strengthens, *House* and *Senate* members continue to discuss current legislation and legislation to be introduced this fall that will focus more on the treatment and community action arenas. Commenting on the pending legislation that will address treatment and addiction education, *Senate Health Policy Committee Chair Senator Mike Shirkey* (R-Clarklake) stated, “I don’t think the solution to this problem is government.” *Mr. Shirkey* went on to say that the crisis will truly be addressed and dealt with via more community action and through better doctor/patient/family relationships.

As for current legislation attempting to combat the crisis, three *House Bills* received their first hearing in the *Senate* this week, receiving little to no pushback during testimony and discussions. The bills, *House Bills 4403, 4405* and *4408*, are sponsored by *Representatives Andy Schor* (D-Lansing), *Kathy Crawford* (R-Nov), and *Joseph Bellino* (R-Monroe) respectively. *House Bill 4403*, as passed by the *House* on a 105-2 vote and sent to the *Senate* for consideration, details the allowance of *Medicaid* to pay for rehabilitation services for those suffering from opioid addiction.

Representative Crawford’s bill, *House Bill 4405*, would grant pharmacists immunity from civil liability if they refuse to fill an opioid prescription they believe to be fraudulent. The bill passed the *House* on a 91-16 vote. *House Bill 4408*, *Mr. Bellino’s* bill, passed the *House* on an 81-26 vote and calls for the requirement of parental consent when prescribing a controlled substance containing an opioid to minors, something he notes (as a recovering addict himself) could decrease addiction among youth. By requiring parental consent, *Mr. Bellino* noted, the amount of opioids prescribed to youth for sports injuries could be limited and in turn, decreased overall.

Senators on the *Committee* expressed more time was needed to look into more details for each of the bills, and no action was taken.

MEDICAID REFORMS TO COME SOON – Legislators and the *Michigan Department of Health and Human Services (DHHS)* have suggested multiple reforms be made to the state’s *Medicaid* system, with both noting changes are to be made sooner rather than later and some even set to take effect early next year. *DHHS* officials announced on Tuesday via an email to health care providers that updates to the registration and eligibility determination processes for *Medicaid* recipients will begin in January 2018, with those same changes set to receive public comment over the coming weeks.

Under the proposed reforms, a new policy would be implemented that would confirm an individual’s asset eligibility for *Medicaid* when that individual enrolls via electronic asset detection. The updates would also require electronic submission of health care treatments and hospital admissions and establish a new set of consistent codes for patients and procedures. In the email, the *DHHS* outlines other changes to come including those for the processing of *Medicaid* registrants, noting the *Department’s* alterations will take place as phase one of the modernization of the “continuum of care” for *Medicaid* recipients in Michigan.

With the *Department* itself making changes to *Medicaid* regulations in Michigan, legislators are also eyeing possible adjustments via legislation during this fall’s session. Having played a large role in the *Medicaid* expansion legislation as passed in 2013 as a then *House* member, *Senator Mike Shirkey* (R-

Clarklake) noted his intentions to ensure the expansion is carried out according to legislative intent. **PA 107 of 2013** calls for the expansion of **Medicaid** to those in Michigan with incomes up to 133 percent of the federal poverty level following the passage of the federal **Patient Protection and Affordable Care Act**.

One concern **Mr. Shirkey** is hoping to monitor and possibly address this fall is making sure the cumulative state costs of the expansion do not exceed cumulative state savings. If the costs outweigh the savings, the expansion program could cease to operate. Along with the expansion itself, **Mr. Shirkey** noted legislators are also keeping a close watch on the 48-month time limit currently set for nondisabled citizens on **Medicaid** expansion, with those who exceed that limit forced to purchase private insurance or subjected to higher cost-sharing requirements. As current legislation requires, however, **DHHS** officials must establish proper costs for those wishing to stay on the program beyond the limited 48 months, before cutting them off.

ELECTIONS

- **Mary Treder Lang**, Vice Chair of the **Eastern Michigan University Board of Regents**, has filed for candidacy in the race for **Secretary of State** in 2018
- **Andy Levin**, former director of the **Department of Energy, Labor and Economic Growth** and son of **U.S. Representative Sander Levin** (D-Royal Oak), has discussed the possibility of running for governor in 2018, according to multiple Lansing sources
- **U.S. Representative David Trott** (R-Birmingham) has announced he will not seek re-election for the **11th U.S. House District** in 2018
- **Sandy Pensler**, founder and president of **Pensler Capital**, has announced his intentions to tell attendees of the **Mackinac Republican Leadership Conference** that he will be seeking the party's nomination for **U.S. Senate** next year, the seat is currently held by **U.S. Senator Debbie Stabenow** (D-Lansing)
- **Democratic Gubernatorial Candidate Abdul El-Sayed** announced Monday the launch of his second statewide listening tour where he will stop at 20 cities across the state in the next month, with the tour to begin Tuesday
- **Lieutenant Governor Brian Calley** announced on Monday he will be hosting a statewide town hall tour to discuss the state's political future, including his potential run for governor in 2018
- **Democratic** candidate for the **1st U.S. House District**, **Matt Morgan**, released his first campaign video on Tuesday, telling viewers his goal is to work across the aisle, with all parties, if elected
- **Senator Rebekah Warren** (D-Ann Arbor) announced her campaign for **House District 55**, currently held by term-limited **Representative Adam Zemke** (D-Ann Arbor)
- **Republican Lena Epstein** announced on Wednesday she is considering dropping out of the **U.S. Senate** race to instead run for the **11th U.S. House District** following the departure of **U.S. Representative David Trott** (R-Birmingham)
- **Representative Tom Barrett** (R-Pottersville) filed to set up a campaign committee to run in the race for **Senate District 24** in 2018, currently held by term-limited **Senator Rick Jones** (R-Grand Ledge)

ODDS & ENDS

- The **Michigan Department of Natural Resources (DNR)** has scheduled a public comment hearing for Wednesday, September 20 at 6:00 p.m. to hear comments on a new agreement to allow the annual **Detroit Grand Prix** to continue on **Belle Isle**. The hearing will be held at the **Belle Isle Nature Center**, 176 Lakeside Drive, Belle Isle State Park
- Michigan has 92,271 clean energy jobs, making it third out of 12 states in the Midwest region, according to a report released by the **Michigan Energy Innovation Business Council**, the **Clean Energy Trust** and **Environmental Entrepreneurs**

- The *Citizens Research Council*, the *Michigan Chamber of Commerce Foundation* and *MIRS News* have announced the three organizations will host a luncheon panel on September 21 from 11:30 a.m. to 1:30 p.m. to discuss the part-time legislature proposal. The luncheon will be held at the *Michigan Chamber of Commerce*, 600 S Walnut Street, Lansing
- This year's *Snyder-Kok Award* was given to *State Court Administrator* and former *Wayne County Probate Court Chief Judge Milton L. Mack, Jr.* by the *Mental Health Association* on Thursday for his contributions to mental health and advocacy for improved mental health services
- *Senate Majority Floor Leader Mike Kowall* (R-White Lake) has reintroduced legislation allowing certified registered nurse anesthetists (*CRNAs*) to be the sole provider of anesthesia to patients (*Senate Bill 550*)
- *Governor Rick Snyder* named *Roy Yapple* of *Brighton* as *Dale Murray's* successor as compact administrator for the *Michigan State Council for Interstate Juvenile Supervision*
- Roughly 1,200 *Michigan National Guard* troops and personnel have been deployed for hurricane relief in both *Texas* and *Florida* over the past two weeks
- *Governor Rick Snyder* addressed attendees of the *Midwest U.S. – Japan Association Conference* in *Tokyo* on Sunday, stating “The Midwest U.S. – Japan Association represents the type of international cooperation that makes truly successful economic progress possible.”
- *Voters Not Politicians*, the group pushing for a redistricting proposal to be on the 2018 ballot, has collected 100,000 signatures, according to the organization
- The *U.S. Sixth Circuit Court of Appeals* ruled on Monday that the lawsuit filed by *Flint* residents against the *Michigan Department of Environmental Quality (DEQ)* will stay in the state court instead of moving to federal court
- The *Michigan Department of Licensing and Regulatory Affairs (LARA)* announced it is considering December 15 of this year as a date for medical marijuana dispensaries to close in order for those businesses to be “viewed favorably” during the new licensure process
- The *Michigan State Board of Education* announced on Tuesday its endorsement of governance standards developed by the *Michigan Association of School Boards* that call for local school board members to have guidance for best practices as well as on how to receive training for their position
- *Senate Bill 254* was reported to the full *Senate* for consideration on Tuesday from the *Senate Judiciary Committee*, with the legislation calling for the allowance of the *Michigan Commission on Law Enforcement Standards (MCOLES)* to receive federal background check information on police academy training applicants
- *House* members passed *House Bills 4547* and *4548* on votes of 106-1 Tuesday, with the legislation extending the current .08 blood alcohol level for drunken driving for another five years
- *Kentucky Governor Matt Bevin* is set to speak to attendees of the *Mackinac Republican Leadership Conference*
- As introduced by *Representative Shane Hernandez* (R-Port Huron), punishment for failing to renew a concealed pistol license would drop from a five-year felony to a \$330 civil fine for the first six months following license expiration
- The *Michigan Education Trust (MET)* announced it will conduct a study this month to assist the 529 prepaid tuition program in identifying how families save for college
- The *House Local Government Committee* approved *House Bill 4290* on a vote of 6-4-1, with the bill calling for greater protection for local governments in lawsuits involving sewage backups in homes after a large rainstorm (rainfall totaling 1.7 inches in one hour, or more than 3.3 inches in 24-hours)
- *House Regulatory Reform Committee* members did not vote on *House Bills 4926-4928* which call for the allowance and regulation of internet gaming in Michigan (as well as penalties for illegal online gambling), though testimony was given in support of the legislation by former *Attorney General Mike Cox*
- *Senate* members passed *House Bill 4892* on a 37-0 vote, with the legislation calling for the creation

of a one-time filing deadline extension for *Sault Ste. Marie, Tecumseh, Bessemer* and *Lake Angelus* following multiple errors in election deadline filings in those communities

- *House Health Policy Committee* members unanimously passed *Senate Bill 352* on Wednesday, exempting 17-year-old college students from a 2012 law that implements a concussion protocol for youth athletes (parents or guardians currently must file waivers for 17-year-old college students to participate in intramural sports teams)
- *House Joint Resolution V (HJR V)* was approved by the *House Government Operations Committee* on Wednesday, as the resolution would petition *Congress* to call a constitutional convention to discuss balanced budget amendments for the federal government, to establish congressional term limits, and to discuss limitations of the federal government's powers
- According to numbers released by the *Senate Fiscal Agency*, major taxes (including *Lottery* revenue), brought in roughly \$2 billion in August 2017, a 4.3 percent increase over what was collected in August of 2016
- Members of the *Senate Appropriations Committee* reported *Senate Bill 551* to the full *Senate* on a vote of 12-1 on Wednesday, with legislation allowing a more active role for the *Legislature* and *Governor* in the determination of a list of projects recommended for funding by the *Michigan Natural Resources Trust Fund (MNRTF)*
- A bipartisan group of legislators announced they are drafting a 12-bill package of auto insurance reform legislation on Thursday, to be known as the "*Fair and Affordable No-Fault Reform Package*" that will reduce auto insurance rates by 20 to 30 percent without a reduction in benefits (the final bills are expected to be introduced in the next one to two weeks)
- *Representative Aaron Miller* (R-Sturgis) introduced *House Bill 4735* on Thursday allowing students in border districts to attend classes in community colleges and universities outside the state while still having that tuition covered by the local district through the state's dual enrollment program
- According to data from the *U.S. Census Bureau*, the number of *Detroit* residents living at the poverty level decreased by 4.1 percentage points from June 2015 to June 2016
- The *Michigan Liquor Control Commission (MLCC)* announced on Thursday it is set to unveil an updated online licensing application system at the end of this month to be known as the *Alcohol Information Management System (AIMS)*
- *Oakland County Executive L. Brooks Patterson* announced on Thursday that *Oakland County* is the only government agency in Michigan to receive national accreditation for excellence in purchasing from the *Institute for Public Procurement*
- The *Michigan Department of Health and Human Services (DHHS)* announced it will begin a performance-based funding model in *Kent County* in October for foster care payments
- During a joint meeting of the *House Transportation and Infrastructure Committee* and the *Senate Transportation Committee* on Thursday, *Michigan Department of Transportation (MDOT)* officials updated legislators on autonomous and electric vehicle progress and competition in Michigan, noting continued cooperation between government and industry officials is necessary for the state to remain a leader in the industry

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