



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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OPIOID DISCUSSION CONTINUES – Multiple facets of the ongoing discussion of how to end the current opioid crisis in the state were discussed by both *House* and *Senate* members, with some concerns being expressed to legislators from physicians themselves. Legislation currently in the *House Health Policy Committee* calls for limits to be placed on the prescription of controlled substances and for doctors to review the *Michigan Automated Prescription System (MAPS)* before prescribing opioids to patients.

During the discussion of *Senate Bills 166* and *167*, *Dr. Betty Chu* of the *Michigan State Medical Society*, told committee members the proposed requirements would hinder work-flow as *MAPS* is not fully integrated into the system most physicians throughout the state use. *Dr. Glenn Dregansky*, with the *Michigan Academy of Family Physicians*, echoed that sentiment and also added that the bills also call for all *Schedule 2-5* drugs to be checked via *MAPS*, though some drugs in those categories are not part of the opioid crisis.

Both physicians also expressed concerns with *Senate Bill 274*, which calls for limiting opioid prescriptions to seven-day doses under certain circumstances. *Mr. Dregansky* stated that by limiting the prescription to only seven days, some patients could go untreated as they may not be able to make it back to the doctor each week. However, those in support of the legislation noted that without the proper checks and or limitations, those abusing the drugs could “doctor shop”, meaning they could go from one physician to the next gathering prescriptions. Other pieces of legislation discussed by the committee were:

- *Senate Bill 47*: as sponsored by *Senator Mike Shirkey* (R-Clarklake), calls for the requirement of additional reporting of controlled substances to the *MAPS* to mirror federal law
- *Senate Bill 270*: as sponsored by *Senator Steve Bieda* (D-Warren), calls for a “bona fide” or ongoing relationship between prescriber of *Schedule 2-5* medications and the patient
- *Senate Bill 360*: as sponsored by *Senator Margaret O’Brien* (R-Portage), calls for the allowance (under certain circumstances) of additional quantities of a prescription to be dispensed
- *Senate Bill 273*: as sponsored by *Senator Rick Jones* (R-Grand Ledge), calls for the requirement of physicians treating a patient for heroin or prescription opioid overdose to provide said patient with information on substance abuse treatment

Of the bills discussed, *Senate Bill 360* was reported to the full *House* for a vote, the rest remain in *Committee* for further testimony and deliberation.

AUTO NO-FAULT REFORM UNVEILED – *House Speaker Tom Leonard* (R-DeWitt Twp) and *Detroit Mayor Mike Duggan* announced the creation of a 78-page omnibus bill outlining their proposal for reforms of the state’s auto no-fault insurance law on Tuesday. The bill, *House Bill 5013*, aims to reduce

auto insurance rates throughout the state by 20 to 50 percent.

Announcing the bill with roughly 30 other legislators, the two leaders expressed their hope for the proposal's passage to address the concerns of Michigan residents paying inflated insurance rates. One of the key proposals outlined in the bill is the option for drivers to choose between unlimited coverage, coverage up to \$500,000, and coverage up to \$250,000. Current law mandates the unlimited coverage, meaning drivers do not have a choice in their coverage. The issue of choice has been a point of contention for those involved in the reform process, with those opposed claiming by allowing customers to choose, insurance companies benefit more than the insured.

However, **Mr. Duggan** and **Mr. Leonard** argue that more choice will assist drivers in ensuring proper coverage, especially for seniors and citizens on **Medicaid/Medicare**, as those two groups of drivers (as well as those with retiree health benefits) will have the option to opt out of the personal injury protection entirely, saving them between \$800 and \$1,000 annually.

While new requirements and options are outlined for drivers, insurance providers will also see updates in operation and procedures. As written, insurers will be required to reduce personal injury protection rates subject to coverage limits outlined by 40 percent per vehicle, however, if the 40 percent reduction is not made, the insurer would then be required to provide an explanation to the state as to why; the state would then have the ability to overturn said explanation.

The bill also calls for the **Michigan Department of Insurance and Financial Services (DIFS)** to regulate any and all rates for the first five years of implementation if approved, and for the **DIFS** director to review federal changes to **Medicaid/Medicare** reimbursement rates (and to make any necessary adjustments to the below fee schedules). Other key proposals outlined include:

- The creation of a fraud authority, with members set to include insurance industry experts, law enforcement officials, prosecutors, a **Detroit** resident and a member of the general public. The authority would not be subject to the **Freedom of Information Act (FOIA)**
- The requirement for the **Michigan Catastrophic Claims Association (MCCA)** to subject itself to an independent audit every five years. If assets are found to exceed liabilities within the **MCCA** by 120 percent or more, the state is required to order customer rebates.
- The creation of a controversial fee schedule (depending on the facility) of 100 percent of **Medicaid/Medicare** or 125 percent of **Medicaid/Medicare**. For the 125 percent fee schedule to be applied, an emergency medical condition must be present or one must render related emergency care; any other situation would allow for the 100 percent fee schedule to be applied.
- An insurer would NOT be required to provide more than 56 cumulative hours of attendant care coverage per week provided by someone related to, has a social connection with or lives with the injured person
- The limitation of an attorney's ability to serve a lien for payment of a fee when advising an injured person on his or her claim

House Insurance Committee Chair and official sponsor of the bill **Representative Lana Theis** (R-Brighton) attended the announcement and noted she plans to take the bill up next week in **Committee** for discussion and negotiations.

MSF APPROVES "GOOD JOBS" GUIDELINES – The **Michigan Strategic Fund (MSF)** approved guidelines for how to properly vet projects seeking to use the incentives outlined in the **"Good Jobs for Michigan" (GJFM)** program as recently passed and signed into law. Under **Public Acts 109, 110 and 111 of 2017**, businesses will be able to capture a portion of the income tax of their employees based on the number of new jobs created.

As written, 100 percent of the state income tax withholdings for new employees could be collected for 10 years from businesses creating at least 3,000 jobs at the average salary level for the local prosperity region; businesses creating 500 jobs at the average salary level for the local prosperity region could capture up to 50 percent of the state income tax withholdings for up to 5 years; and businesses creating 250 jobs at 125 percent of the region's average salary level could capture up to 100 percent of the state income tax withholdings for up to 10 years.

Commenting on the approval of the guidelines and the laws themselves, interim chief business development officer for the *Michigan Economic Development Corporation (MEDC) Josh Hundt*, stated, "This is a program that will allow us to better compete with other states' business development tools. This will allow us to better compete with some of the large opportunities that we see around the country." *CEO* of the *MEDC, Jeff Mason*, echoed that sentiment as well, noting though no specific projects are currently seeking the incentives, there is interest being expressed by many companies.

ELECTIONS

- During the *2017 Michigan Republican Party Mackinac Leadership Conference*, 56.09 percent of attendees polled *Attorney General Bill Schuette* as their choice for governor in 2018, while 35.83 chose former *Michigan Supreme Court Justice Bob Young* for *U.S. Senator*
- *Republican Michigan State University* professor *Joseph Guzman* announced his candidacy for *Secretary of State* in 2018
- In a "*Pundit Poll*" conducted by *Resch Strategies* and *Denno Research*, 98 percent of the 100 political insiders polled believe *Attorney General Bill Schuette* will make it to the *General Election* for governor in 2018, while 77 percent believe former *Senate Minority Leader Gretchen Whitmer* will make it to that point as well
- *Republican* business executive *Sandy Pensler* announced the formation of his committee to run for *U.S. Senator Debbie Stabenow's* seat next year
- *Representative Henry Yanez* (D-Sterling Heights) announced he will be running for the *10th Senate District* next year, with the seat currently held by term-limited *Senator Tory Rocca* (R-Sterling Heights)
- *Representative Erika Geiss* (D-Taylor) announced her campaign for the *6th Senate District*, with the seat currently held by term-limited *Senator Hoon-Yung Hopgood* (D-Taylor)
- *Democrat Pat Miles* announced he will hold events in *Grand Rapids*, Lansing and *Detroit* over the coming weeks to launch his campaign for Michigan's attorney general

ODDS & ENDS

- Under *SJR M*, as proposed by *Senator Patrick Colbeck* (R-Livonia), the *Legislature* would be able to end an administrative rule without the *Governor's* signature
- According to a *Michigan Court of Appeals* decision ruled Friday of last week, religious schools are subject to the *Persons With Disabilities Civil Rights Act* and can therefore be sued for denying admission to a student diagnosed with learning disabilities
- Another \$500,000 is set to be paid to the law firm *Pear, Sperling, Eggan and Daniels* of *Ann Arbor* from the *Michigan Department of Health and Human Services (DHHS)* for the defense of *Chief Medical Executive Dr. Eden Wells* for various civil and criminal suits that she has been named in as a result of the *Flint Water Crisis*
- According to the *Michigan Department of Health and Human Services (DHHS)*, another 17 cases of *Hepatitis A* were reported in the last week, moving the total to 370 so far this year

- Under a contract approved Monday by the *Michigan State Administrative Board*, four buildings at the *W.J.Maxey Training School* will be torn down in the coming months following the facility's closure in 2015
- Currently, \$19.3 million has been set aside to purchase over 630 land parcels to be cleared for the *Gordie Howe International Bridge* in *Detroit*, according to the *Michigan State Administrative Board*
- *Governor Rick Snyder* ordered all state and *U.S.* flags to be flown at half-staff on Tuesday in honor of *Michigan State Trooper Timothy O'Neill*, who passed away in the line of duty on September 20
- Of the \$63.7 million budgeted to the *Michigan Business Development Program (MBDP)*, \$17 million (26 percent) has been pledged to *Amazon* for its three new fulfillment centers planned for the *Metro Detroit* area
- The *Michigan Strategic Fund (MSF)* announced on Tuesday the *State* will contract with *Strategic Marketing and Research Insights* for its next impact study of the *Pure Michigan* campaign, leaving longtime vendor *Longwoods International*
- As sponsored by *Representatives Klint Kesto* (R-Commerce Twp), *Brandt Iden* (R-Oshtemo Twp), and *Jeff Yaroch* (R-Richmond) respectively, *House Bills 4590, 4591, and 4585* call for any persons that attack first responders (police, firefighters, EMS personnel, etc.) to automatically have two additional years placed on their sentence
- *U.S. District Judge David Lawson* is considering a 30-day extension of *Flint's* short-term contract with the *Great Lakes Water Authority* as the *Flint City Council* has yet to approve a long-term agreement with the *Authority*
- *Vice President Mike Pence* was in Michigan on Wednesday and Thursday to discuss manufacturing and tax reform within the state
- *SB 524* passed the *Senate* 36-0 on Tuesday, with the legislation requiring the *Michigan Commission on Law Enforcement Standards (MCOLES)* to receive background check information on police academy applicants to ensure no person is accepted with a felonious record
- *Representative Gary Howell's* (R-North Branch) *House Bill 4616* passed the full *House* on Wednesday on a vote of 69-39, with the bill calling for the pre-emption of local firearm ordinances
- *Senate Bill 583* and *House Bill 4999* passed out of the *Senate Michigan Competitiveness Committee* on Wednesday on a 4-1 vote, with the bills calling for the prohibition of local governments from imposing a tax or fee on "the sale of food for immediate consumption or non-immediate consumption, except as otherwise provided by Federal law or a Michigan law" (specifically soda or any other sweetened beverages)
- Under *Senate Bill 599* and *House Bill 5014*, as sponsored by *Senator David Knezek* (D-Dearborn Heights) and *Representative Yousef Rahbi* (D-Ann Arbor), medical marijuana dispensaries would be allowed to remain open as they await a licensing decision from the state's *Marijuana Licensing Board* (currently the dispensaries are set to be closed December 15)
- *Senate Bill 463*, as sponsored by *Senator Rick Jones* (R-Grand Ledge), moved from the *Senate Judiciary Committee* to the floor on a 3-2 vote Wednesday, with the bill regulating medical marijuana dispensaries' advertisements
- Under a mid-year supplemental approved by the *Senate* on Wednesday, the *Secretary of State's* office will receive \$5 million for new voting machines
- Members of the *House Regulatory Reform Committee* unanimously reported *Senate Bill 372*, with the bill calling for the elimination of the "keg tag law" (currently, those selling kegs are required to tag them)
- *House Bill 4458* passed the *House* 82-26 on Wednesday, with the bill removing the current felony punishment for those caught carrying a concealed weapon with an expired permit (within the last six months) and replacing it with a civil fine of \$330
- *Lieutenant Governor Brian Calley* announced he will hold five town hall meetings in the coming months as he makes his decision on a gubernatorial run, all starting at 6:00 p.m.: **October 2**, 889

Broadway Avenue NW, **Grand Rapids**; **October 5**, 14601 Dequindre Street, **Detroit**; **October 10**, 7156 Huron Avenue, **Lexington**; **October 25**, 125 South Kalamazoo Mall, **Kalamazoo**; **November 8**, 610 Woodmere Avenue, **Traverse City**

- The **Michigan Liquor Control Commission** voted on Tuesday to proceed with a rule that would rescind the current “half-mile rule”; the rule preventing the sale of liquor within a half-mile of a licensed retailer
- According to a report from the **National Center for Education Statistics** in the **U.S. Department of Education**, Michigan is projected to have 10 percent fewer students enrolled in and graduating from public schools in 2025 compared to 2013
- **House** members unanimously approved **House Bills 4781-4783**, with the legislation calling for the allowance of the use of electronic bicycles on paved or crushed limestone trails, to be regulated by the local or state authority that runs said trails
- As the state’s **2016-17 Fiscal Year** officially comes to a close tomorrow, officials with the state budget office note Michigan “will be well into the black” as no urgent transfers or last-minute adjustments are currently needed
- According to the **U.S. Census Bureau**, Michigan state and local governments employed roughly 500 fewer full-time workers in 2016 than in 2015
- **Senator Mike Nofs** (R-Battle Creek) announced he will soon be introducing legislation regarding “small cells”, a new type of transponder that is expected to be the next key development in wireless technology for cellular devices and autonomous vehicles
- When applying for a medical marijuana license that allows for the growth of up to 1,500 plants, the applicant will not be limited to only one license, according to the **Michigan Bureau of Medical Marihuana Regulation**

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