

## RURAL HOSPITAL ACCESS POOL

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**Senate Bill 701 (S-1) as passed by the Senate**  
**Sponsor: Sen. Sam Singh**  
**Senate Committee: Appropriations [Discharged]**  
**House Committee: Appropriations**  
**Complete to 9-20-24**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

Senate Bill 701 would amend the Social Welfare Act, 1939 PA 280, to remove critical access hospitals (as defined in 42 CFR 485.606) from the rural hospital access pool and to modify the definition of a rural hospital by increasing the county population threshold from 165,000 to 195,000 and updating the federal decennial census reference to 2020.

The Social Welfare Act currently includes a statutory requirement that the Department of Health and Human Services (DHHS) allocate no less than \$26.0 million GF/GP annually to the rural hospital access pool for distribution to sole community hospitals, critical access hospitals, and rural hospitals to defray treatment costs for low-income individuals. The act includes definitions and distribution structures for each type of hospital.

MCL 400.110a

### FISCAL IMPACT:

This bill would not have any fiscal impact on the state or local units of government.

The modifications to the definition of a rural hospital would result in both the inclusion of additional locations and the exclusion of some currently eligible locations. This is due to both the inclusion of an increased county population cap of 195,000 and maintaining the city, township, and village population cap at 15,000 while updating the federal decennial census reference from 2010 to 2020. Hospitals that meet the definition of a “rural hospital” located in Livingston, Muskegon, and Saginaw Counties would be included as a result of this bill, and hospitals that used to meet the definition of a “rural hospital” located in DeWitt Charter Township (Clinton County) and Traverse City would become ineligible due to population growth between 2010 and 2020 (unless the hospital is classified as a sole community hospital under federal regulations). See below for a full list of locations that would become newly eligible under the bill.

The removal of critical access hospitals from the rural access pool would better align statute with the current appropriations, as critical access hospitals were removed from the rural access pool in FY 2019-20 and instead received an increase to their Medicaid-funded outpatient reimbursement rates.

**Newly Eligible Population Centers under Provisions of SB 701**

Livingston County	Muskegon County	Saginaw County
City of Brighton Cohoctah Township Conway Township Deerfield Township City of Fenton Handy Township City of Howell Iosco Township Marion Township Oceola Township Putnam Township Tyrone Township Unadilla Township	Blue Lake Township Casnovia Township Cedar Creek Township Dalton Township Egelston Township Fruitland Township Fruitport Charter Township Holton Township Laketon Township City of Montague Montague Township Moorland Township City of Muskegon Heights City of North Muskegon Ravenna Township City of Roosevelt Park Sullivan Township City of Whitehall Whitehall Township White River Township	Albee Township Birch Run Township Blumfield Township Brady Township Brant Township Bridgeport Charter Township Buena Vista Charter Township Carrollton Township Chapin Township Chesaning Township City of Frankenmuth Fremont Township James Township Jonesfield Township Kochville Township Lakefield Township Maple Grove Township Marion Township Richland Township St. Charles Township Spaulding Township Swan Creek Township Taymouth Township Thomas Township Tittabawassee Township City of Zilwaukee Zilwaukee Township

*Source: U.S. Census Bureau, Population Division*

Fiscal Analyst: Kent Dell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.