

Act No. 132  
Public Acts of 2024  
Approved by the Governor  
October 8, 2024  
Filed with the Secretary of State  
October 8, 2024  
EFFECTIVE DATE: Sine Die  
(91st day after final adjournment of the 2024 Regular Session)

**STATE OF MICHIGAN  
102ND LEGISLATURE  
REGULAR SESSION OF 2024**

Introduced by Senator Singh

# ENROLLED SENATE BILL No. 701

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” by amending section 110a (MCL 400.110a), as added by 2018 PA 220.

*The People of the State of Michigan enact:*

Sec. 110a. (1) Beginning in the fiscal year that ends September 30, 2019, and annually after that, the department shall allocate not less than \$26,000,000.00 of its general fund appropriation to a rural hospital access pool to assist sole community hospitals and rural hospitals with providing services to low-income residents.

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

(a) \$8,470,200.00 must be proportionately divided annually among sole community hospitals and rural hospitals that provide obstetrical care to Medicaid beneficiaries, based on the proportion of Medicaid deliveries performed during the second immediately preceding fiscal year.

(b) The balance remaining in the rural hospital access pool after distribution made under subdivision (a) is annually allocated as follows:

(i) Payments are first allocated to reimburse sole community hospitals and rural hospitals for unreimbursed and incurred costs for services delivered to fee for service inpatient and outpatient Medicaid beneficiaries as reported during the second immediately preceding fiscal year cost reporting period.

(ii) Money remaining in the rural hospital access pool after all distributions are made under subparagraph (i) is allocated based on each sole community hospital’s and rural hospital’s proportion of Medicaid managed care outpatient payments for services performed during the second immediately preceding fiscal year.

(c) Notwithstanding subdivisions (a) and (b), a hospital shall not receive more than 10% of the total funding available under the rural hospital access pool in any 1 fiscal year.

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

(4) As used in this section:

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

(b) "Rural hospital" means a hospital that meets both of the following:

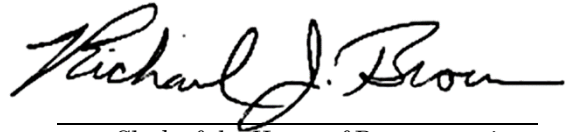
(i) Has 50 or fewer staffed beds.

(ii) Is located within a county with a population of not more than 195,000 and within a city, village, or township with a population of not more than 15,000 based on the 2020 federal decennial census.

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



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor