

CAPITOL NEWS UPDATE

WEEK OF MARCH 18, 2013

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Education Achievement Authority Limpers to House Passage

By the slimmest of margins, the controversial Education Achievement Authority (EAA) passed the Michigan House last night in an extended session. Proponents, including the Snyder Administration, negotiated all day to get the final votes needed for passage. The bill ultimately passed with 57 votes, with only the Chamber's lone Independent John Olumba, joining the Republicans.

The EAA was originally designed to assist schools in the Detroit Public School System who were deemed to be in the bottom 5% of schools statewide. The Snyder Administration was seeking to codify the agreement that established the EAA and then expand it to give the EAA the ability to help other failing schools around the state.

The effort, led by Rep. Lisa Lyons, was significantly scaled back when Republican members balked at the scope and power of the EAA. Eventually a compromise was struck that would allow a local Intermediate School District to partner with the school district that had the failing school to try and turn the school around before the EAA would step in to assist. The bill also allowed schools that had implemented a plan of reform on their own to delay entry into the EAA if they were showing success. The bill also capped the number of schools within the EAA to 50 and phased those in over a number of years rather than immediately.

The bills now move to the Senate where action is likely to take place after Spring Recess.

Prior Authorization Bills Pass the House and the Senate

Bills that would streamline the process for patients to get approval for prescribed medication moved one step closer to reality this week with the passage of a separate set of bills in the House and in the Senate. Currently, many doctors and other providers must fill out hundreds of different forms for authorization for prescription medication from health insurance companies. The bills would require the Department of Community Health to develop a single form that could be used to simplify and make the process more efficient.

Also included in the legislation is a provision that allows the drug to be approved if the insurance company does not respond within 72 hours. Originally, the bills had required the Insurance Commissioner's office to develop the form, but that was moved to the Department of Community Health since they deal more directly with health insurance companies rather than the primarily regulatory role that OFIR plays.

The bills passed unanimously in both Chambers and are expected to run after Spring Recess.

House Left Hanging as Exchange Bills Stall in the Senate

The Senate this week failed to take up legislation that would have allowed for a state-federal health insurance exchange and guaranteed \$31 million dollars in funding to establish the Affordable Health Care Act (ACA) requirement. Instead, according to the Snyder Administration, the state will have to come up with \$9 million dollars worth of funding to connect the state computer network with the now federally run exchange.

The bill, passed earlier by the House did not even come close to having enough Republican votes to pass according to an insider. Most view this as a reaction to the fact that many conservative House members were railed against by the Tea Party for supporting the bill. As an election looms closer, many Senators appeared to not have the fire in the belly to take on the right wing of the party.

Others argue that this is a federal program that many of these members did not and do not support and they want no role in establishing a new giant federal bureaucracy. Many Senators expressed that a majority of the calls into their offices were opposed to the legislation and any participation by the state in the ACA

Ducks Unlimited Plate Signed by the Governor

A new specialty plate will be offered by the Secretary of State in 2014 to help raise money for the preservation of wetlands in Michigan. Proceeds from the plate featuring the Ducks Unlimited logo will go to Ducks Unlimited who will then match the dollars with private and public funds already available to preserve wildlife habitat in Michigan. The bill requires that all funds stay in the state.

DU has indicated that it can leverage these funds up to six times, meaning that the plate will be responsible for nearly \$1 million per year in preservation dollars. With more than 28,000 members in Michigan, expected sales from DU supporters alone is expected to be high. Senate Majority Leader Randy Richardville and Representative Dale Zorn both worked tirelessly to get the bill passed and passed in short order. The bill went from introduction to signing in less than a month.

M M & A BRIEFS

Dept. of Insurance and Financial Services

The former Office of Financial and Insurance Regulation has now been officially elevated to Department status by Governor Snyder and named the Department of Insurance and Financial Services. Insurance Commissioner Kevin Clinton becomes the Director of the Department.

New Chief Medical officer Named

Matthew Davis was named as the state's Chief Medical Executive this week. His duties will include leading and coordinating issues on public health, workforce issues and overall health policy development for the state. Davis is a graduate of Harvard Medical School.