

# SENATE BILL No. 671

September 16, 2003, Introduced by Senators SCOTT, THOMAS, CLARK-COLEMAN, SCHAUER, BASHAM, EMERSON, CHERRY, SWITALSKI, BRATER, CLARKE, JACOBS, PRUSI and GOSCHKA and referred to the Committee on Health Policy.

A bill to require certain disclosures of health facilities and agencies; and to require certain reports to the legislature.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. As used in this act:

2       (a) "Department" means the department of community health.

3       (b) "Health facility or agency" means that term as defined in  
4 section 20106 of the public health code, 1978 PA 368, MCL  
5 333.20106.

6       (c) "Medicaid" means benefits under the program of medical  
7 assistance established under title XIX of the social security  
8 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and  
9 1396r-8 to 1396v, and administered by the department of social  
10 services under the social welfare act, 1939 PA 280, MCL 400.1 to  
11 400.119b.

12       (d) "Medicare" means title XVIII of the social security act,

1 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,  
2 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to  
3 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28,  
4 1395x to 1395yy, and 1395bbb to 1395ggg.

5 (e) "Receive state funds" means to acquire state funds in any  
6 form, including a grant, payment under a contract, reimbursement,  
7 or other direct payment, and includes a subcontractor's receipt  
8 of payment for performance of any portion of a contract funded  
9 with state funds.

10 (f) "State funds" means any money drawn from the state  
11 treasury or other fund of the state and any state resources,  
12 including a good or service or the value of a good or service,  
13 that is provided to a health facility or agency.

14 Sec. 2. (1) As a condition to receiving state funds, a  
15 health facility or agency that receives state funds shall  
16 disclose in a report all of the following information:

17 (a) The size of the health facility or agency reserves at the  
18 end of each fiscal year.

19 (b) A report of expenditures, either by the health facility  
20 or agency or its partner foundation for capital improvements or  
21 new buildings and acquisitions of additional health care delivery  
22 systems, etc.

23 (c) Transfers from a health facility's or agency's foundation  
24 to the health facility or agency general fund or transfers to any  
25 restricted funds.

26 (d) The top 10 salaries of the health facility or agency  
27 management staff earning over \$150,000.00 annually.

1 (e) Benefits and expenses to the individuals described in  
2 subdivision (d).

3 (f) Any unusual or extraordinary direct expenditures listed  
4 by category for labor relations, including, but not limited to,  
5 consultants and attorneys, payment for replacement workers, and  
6 security services.

7 (g) Bonding contracts, including amounts, repayment schedule,  
8 assets used as guarantees or collateral, and financial  
9 documentation provided.

10 (h) The current fiscal year's and past 3 fiscal years'  
11 revenue stream, including, but not limited to, foundation  
12 transfers, medicaid payments, medicare reimbursements, private  
13 pay, and insurance payments listed by insurance carrier.

14 (2) The disclosures made under subsection (1) shall be made  
15 in the form of a report submitted by the health facility or  
16 agency to the department and the legislature annually.