

Legislative Analysis



MEDICAL SUPPLY STOCKPILE

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4087 (H-2) as reported from committee

Sponsor: Rep. Jeff Yaroch

Committee: Health Policy

Complete to 6-29-21

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

(Enacted as Public Act 95 of 2021)

SUMMARY:

House Bill 4087 would amend the Emergency Management Act to require the Department of Health and Human Services (DHHS) to stockpile, subject to annual appropriations, the *medical supplies* necessary to respond to a state of disaster or state of emergency in Michigan. The supplies stockpiled would have to be sufficient to respond to a state of disaster or state of emergency for no more than two months.

Medical supplies would mean equipment or supplies necessary for the proper and timely implementation of universal or standard precautions by medical personnel in response to the specific medical situation presented in that setting.

During a disaster or emergency in Michigan, the Emergency Management Division¹ would have to assist DHHS with the coordination and distribution of stockpiled medical supplies.

DHHS also would have to do all of the following, subject to appropriations:

- Coordinate and maintain medical supplies that may be necessary to respond to a state of disaster or state of emergency. DHHS would have discretion in implementing these requirements and would have to work with other state departments to maintain the stockpiled medical supplies.
- Rotate the supplies to avoid continued stockpiling of expired medical supplies.
- Sell rotated supplies before the expiration date or donate rotated expired supplies to a nonprofit organization, a *public safety agency*, a long-term care facility or other congregate living health facility, a public health laboratory, or an educational program.

Public safety agency would mean a functional division of the state, a public agency, or a county that provides firefighting, law enforcement, ambulance, medical, or other emergency services.

DHHS would have to display a list of the medical supplies inventory, including quantities and expiration dates, on a free public website. The list would be subject to disclosure under the Freedom of Information Act (FOIA). DHHS would have to maintain the inventory list regardless of whether funds were appropriated under the bill.

¹ Now known as the Emergency Management and Homeland Security Division (EMHSD). See **Background**.
https://www.michigan.gov/msp/0,4643,7-123-72297_60152---,00.html

Money appropriated to implement the bill could not be used to purchase foreign goods or services if American goods or services were available that were competitively priced and of comparable quality. In addition, as long as the goods or services were competitively priced and of comparable quality, preference would have to be given to Michigan businesses.

Proposed MCL 30.407b

BACKGROUND:

The Division of Emergency Preparedness and Response² in DHHS maintains a Michigan Strategic National Stockpile (MISNS) program that coordinates with the Strategic National Stockpile, which is maintained by the federal Centers for Disease Control and Prevention (CDC).

The Emergency Management and Homeland Security Division is established in the Department of State Police (MSP) and is charged with coordinating the emergency management activities of county, state, municipal, and federal governments. The division maintains a state emergency management plan that encompasses mitigation, preparedness, response, and recovery for the state.

The bill is a reintroduction of House Bill 5767 of the 2019-20 legislative session.³ That bill was referred from the House Health Policy committee and reported from the House Ways and Means committee.

BRIEF DISCUSSION:

According to committee testimony, while DHHS interacts with the federal stockpile of supplies, in situations like COVID-19, where there is a widespread need, Michigan's needs are unable to be met through the federal stockpile. In those cases, some argue, it is necessary to ensure that Michigan has a well-stocked, unexpired stock of supplies.

FISCAL IMPACT:

House Bill 4087 could increase costs for DHHS and other state departments by an indeterminate amount. Costs incurred would include maintaining up to a two-month stockpile of medical supplies, statewide stockpile coordination, monitoring, storage costs, rotation, sale or donation of excess supplies, and a public access website of medical supplies inventory. The bill states that the stockpile and maintenance would be subject to annual appropriation. The bill would require that preference for purchasing be given to competitive American and Michigan businesses. Some of the infrastructure to carry out the requirements of the bill may be supported by federal funding in the current DHHS budget of \$30.5 million for public health and hospital preparedness, which includes systems to

² https://www.michigan.gov/mdhhs/0,5885,7-339-71548_54783_54826_56166---,00.html

³ House Fiscal Agency analysis of HB 5767 of 2019-2020 <http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-5767-FDAE9C68.pdf>

support receipt and distribution of medical supplies from the Strategic National Stockpile since 2002.

The bill could result in minor cost increases for MSP, which houses the Emergency Management and Homeland Security Division. Given that MSP's role under the bill would be to assist DHHS, it is likely that any costs incurred under the bill could be absorbed by existing appropriations and staff.

POSITIONS:

A representative of the Michigan Association of Ambulance Services testified in support of the bill. (3-25-21)

The following entities indicated support for the bill:

- Department of Health and Human Services (5-27-21)
- MOPEC (3-25-21)
- Michigan Sheriffs' Association (3-25-21)
- Michigan Association of Chiefs of Police (3-25-21)
- Grant Consulting Group (5-27-21)

Legislative Analyst: Jenny McNerney
Fiscal Analysts: Susan Frey
Marcus Coffin

■ 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.