



Public Sector Reports

Michigan ROUNDUP

Legislative Week In Review

- In the first House hearing on the Department of Social Services **Medicaid budget**, DSS director Patrick Babcock was asked about the feasibility of embarking on a new \$13 million Healthy Start Program while cutting reimbursement to existing providers. Healthy Start would give healthcare coverage to uninsured children; the governor has proposed Medicaid cost-containment measures of \$83.3 million, including \$38.2 million in general fund monies, which fall largely on the hospitals and pharmacy lines. Hutzel Hospital administrator Don Snell testified that the budgetary trade-offs necessary to fund the Healthy Start program could force the hospital's closure. Rep. David Hollister (D-Lansing) said the House Appropriations Subcommittee on Social Services, which he chairs, would unanimously support the program if there were adequate revenues to fund it and existing Medicaid programs. To address the critical state of Medicaid funding levels, Hollister and Babcock, along with the Michigan Hospital Association and the Michigan State Medical Society, are examining an Oregon plan that prioritizes the health care services for which the state can afford to pay.
- The Committee for Auto Insurance Reform (CAIR) launched a major publicity campaign to garner support for legislation that would lower auto insurance premiums by reducing underlying costs, such as medical care, auto repair, and legal costs. The \$500,000 campaign includes direct-mail brochures and newspaper inserts. Representatives of the Michigan Insurance Federation, State Chamber of Commerce, and Michigan Farm Bureau comprise the committee. The group opposes HB 5313, which reduces rates by 30 percent, and SB 712, which reduces rates 25 percent through reforms to the no-fault law.
- A bill (HB 5244) that would allow terminally ill persons in nonhospital settings to execute **do-not-resuscitate** orders has passed the House. The bill also relieves hospice and emergency services personnel from potential liability for failing to attempt resuscitation for a person whose heartbeat and respiration have stopped.
- The Senate Appropriations Committee approved a FY 1990-91 school aid budget totalling \$765 million in general fund dollars, a 27.5 percent increase over current year spending and \$80 million more than recommended by the governor. The bill calls for K-12 funding to increase one percentage point each year until it reaches 15 percent of the general fund in 1995-96.

Political News

- As Congress considers legislation to limit political action committee (PAC) funding, latest figures show lawmakers more dependent than ever on PACs as sources of campaign funds. A *Wall Street Journal* study reports that Democrats and U.S. representatives are more heavily dependent on PAC financing than are Republicans and U.S. senators. In a list of the top recipients, Michigan Sen. Carl Levin ranked seventh in the U.S. Senate, with a total of 23 percent of his net receipts attributed to PAC funding.
- Former State Rep. Leo LaLonde may run against Sen. Gilbert J. DiNello (D-East Detroit) for the 26th District seat, the *Lansing State Journal* reports. LaLonde, who narrowly lost a primary to DiNello in 1982, has resigned from his job as Department of Corrections spokesperson, leaving him free to campaign.
- Rep. Vic Krause (R-Rockford) said yesterday that he would not seek a fifth House term, although he did not rule out a run for higher office in the future. Chair of the House Republican Policy Committee since 1987, Krause has held his strong Republican seat in the 90th District since 1982.
- "A study in power" is how the *Wall Street Journal* describes Rep. John D. Dingell (D-16th District), Michigan's longest-serving congressman, in a profile published this week. "What is most consistent is Mr. Dingell's desire to win and dominate," the *Journal* reported in its review of his 35 years in Congress.
- Detroit attorney Michael Patterson becomes the latest primary challenger to U.S. Rep. George W. Crockett in Detroit's 13th District. Crockett, a six-term Democrat who turned 80 last year, represents part of Detroit, Grosse Pointe, and Grosse Pointe Park. The August 7 primary is also expected to attract John Peoples, who lost his reelection try for the Detroit City Council last November, as well as Charles Vincent, chief of general gynecology at Wayne State University/Hutzel Hospital.
- The U.S. Supreme Court has agreed to review the constitutionality of Michigan's **single business tax** in a challenge brought by an Ohio auto parts manufacturer. Michigan's value-added business tax is unique in the United States, and the challenge seeks to overturn a ruling of the state's high court upholding the law's constitutionality.
- Lansing resident Agnes Pettway is still running but for a different office. The 43-year-old foster care recruiter has left the crowded field of candidates for the 58th District House seat being vacated by Debbie Stabenow. Instead, Pettway says she will seek election to the Ingham County Board of Commissioners.



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