A bill to amend 1939 PA 280, entitled "The social welfare act,"
(MCL 400.1 to 400.119b) by adding sections 107a and 107b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 107A. (1) THE PURPOSE OF ADDING WORKFORCE ENGAGEMENT
REQUIREMENTS TO THE MEDICAL ASSISTANCE PROGRAM AS PROVIDED IN
SECTION 107B IS TO ASSIST, ENCOURAGE, AND PREPARE AN ABLE-BODIED
ADULT FOR A LIFE OF SELF-SUFFICIENCY AND INDEPENDENCE FROM
GOVERNMENT INTERFERENCE.

(2) AS USED IN THIS SECTION AND SECTION 107B:
(A) "ABLE-BODIED ADULT" MEANS AN INDIVIDUAL AT LEAST 19 TO 64
YEARS OF AGE WHO IS NOT PREGNANT AND WHO DOES NOT HAVE A DISABILITY
THAT MAKES HIM OR HER ELIGIBLE FOR MEDICAL ASSISTANCE UNDER THIS
(B) "CARETAKER" MEANS A PARENT OR AN INDIVIDUAL WHO IS TAKING
CARE OF A CHILD IN THE ABSENCE OF A PARENT OR AN INDIVIDUAL CARING
FOR A DISABLED INDIVIDUAL AS DESCRIBED IN SECTION 107B(1)(F)(v). A
CARETAKER IS NOT SUBJECT TO THE WORKFORCE ENGAGEMENT REQUIREMENTS
ESTABLISHED UNDER SECTION 107B IF HE OR SHE IS NOT A MEDICAL
ASSISTANCE RECIPIENT UNDER SECTION 105 OR 105D.

(C) "CHILD" MEANS AN INDIVIDUAL WHO IS NOT EMANCIPATED UNDER
1968 PA 293, MCL 722.1 TO 722.6, WHO LIVES WITH A PARENT OR
CARETAKER, AND WHO IS EITHER OF THE FOLLOWING:

(i) UNDER THE AGE OF 18.

(ii) AGE 18 AND A FULL-TIME HIGH SCHOOL STUDENT.

(D) "GOOD CAUSE TEMPORARY EXEMPTION" MEANS ANY OF THE
FOLLOWING:

(i) THE RECIPIENT EXPERIENCES THE BIRTH OR DEATH OF A FAMILY
MEMBER LIVING WITH HIM OR HER.

(ii) THE RECIPIENT EXPERIENCES SEVERE INCLEMENT WEATHER THAT
IS OUT OF HIS OR HER CONTROL.

(iii) THE RECIPIENT HAS A FAMILY EMERGENCY OR OTHER LIFE-
CHANGING EVENT, INCLUDING, BUT NOT LIMITED TO, DIVORCE OR DOMESTIC
VIOLENCE.

(iv) THE RECIPIENT EXPERIENCES A TEMPORARY ILLNESS OR INJURY.

(E) "MEDICALLY FRAIL" MEANS THAT TERM AS DESCRIBED IN 42 CFR
440.315(F).

(F) "QUALIFYING ACTIVITY" MEANS ANY OF THE FOLLOWING:

(i) EMPLOYMENT OR SELF-EMPLOYMENT, OR HAVING INCOME CONSISTENT
WITH BEING EMPLOYED OR SELF-EMPLOYED.
(ii) Education directly related to employment, including, but not limited to, high school equivalency test preparation program and postsecondary education.

(iii) Job training directly related to employment.

(iv) Vocational training directly related to employment.

(v) Unpaid workforce engagement directly related to employment, including, but not limited to, an internship.

(vi) Tribal employment programs.

(vii) Participation in substance use disorder treatment.

(G) "Recipient" means an individual receiving medical assistance under this act.

(H) "Substance use disorder" means that term as defined in section 100D of the Mental Health Code, 1974 PA 258, MCL 330.1100D.

(I) "Unemployment benefits" means benefits received under the Michigan Employment Security Act, 1936 (Ex Sess) PA 1, MCL 421.1 to 421.75.

Sec. 107B. (1) No later than October 1, 2018, the department must apply for a waiver under section 1115 of the Social Security Act, 42 USC 1315, and submit subsequent waivers to prohibit and prevent a lapse in the workforce engagement requirements as a condition of receiving medical assistance under this act, including, but not limited to, sections 105 and 105D. The waiver must be a request to allow for all of the following:

(A) A requirement of 29 hours average a week per month of qualifying activities or a combination of any qualifying activities, to count toward the workforce engagement requirement under this section.
(B) A requirement that able-bodied recipients verify that they are meeting the workforce engagement requirements by the fifth of each month for the previous month's qualifying activities and verify family income quarterly through MIBRIDGES or any other subsequent system. A recipient must report a change in family income within 10 days after learning of the change. If a recipient fails to meet the qualifying activities or fails to report a change in family income or knowingly makes a false statement in complying with this requirement, a recipient is given 1 warning that he or she must become compliant with the workforce engagement requirements not later than 30 days after the warning is issued. If the recipient does not become compliant no later than 30 days after the warning is issued, he or she is prohibited from receiving medical assistance for 1 year.

(C) A requirement that the department, in any monthly reporting cycle, shall give consideration for an individual who does not meet the average hours of workforce engagement requirement by up to 40 hours due to a good cause temporary exemption.

(D) To count toward the workforce engagement requirements, substance use disorder treatment that is court-ordered or prescribed by a licensed medical professional that impedes the ability to meet the workforce engagement requirements.

(E) If a county's unemployment rate reaches 8.5%, allow a recipient in that county to meet the workforce engagement requirement in this section by actively seeking employment according to the Michigan Employment Security Act, 1936 (Ex Sess) PA 1, MCL 421.1 to 421.75. If, only after a county's unemployment
RATE HAS REACHED 8.5%, THE COUNTY'S UNEMPLOYMENT RATE SUBSEQUENTLY DROPS TO 5.0%, THE RECIPIENT MUST, AGAIN, MEET THE WORKFORCE ENGAGEMENT REQUIREMENTS AS REQUIRED UNDER THIS SECTION.

(F) AN EXEMPTION FOR A RECIPIENT WHO MEETS 1 OR MORE OF THE FOLLOWING CONDITIONS:

(i) A RECIPIENT WHO IS THE CARETAKER OF A FAMILY MEMBER WHO IS UNDER THE AGE OF 6 YEARS. THIS EXEMPTION ALLOWS ONLY 1 PARENT AT A TIME TO BE A CARETAKER, NO MATTER HOW MANY CHILDREN ARE BEING CARED FOR.

(ii) A RECIPIENT WHO IS CURRENTLY RECEIVING TEMPORARY OR PERMANENT LONG-TERM DISABILITY BENEFITS FROM A PRIVATE INSURER OR FROM THE GOVERNMENT.

(iii) A RECIPIENT WHO IS A FULL-TIME STUDENT, WHO IS EMANCIPATED OR WHOSE PARENTS QUALIFY FOR MEDICAID, AND WHO IS CARRYING 12 HOURS OR MORE PER SEMESTER OR TERM. THIS INCLUDES A STUDENT IN A POSTSECONDARY INSTITUTION.

(iv) A RECIPIENT WHO IS PREGNANT.

(v) A RECIPIENT WHO IS THE CARETAKER OF A DEPENDENT WITH A DISABILITY WHICH DEPENDENT NEEDS FULL-TIME CARE BASED ON A LICENSED MEDICAL PROFESSIONAL'S ORDER. THIS EXEMPTION IS ALLOWED 1 TIME PER HOUSEHOLD.

(vi) A RECIPIENT WHO IS THE CARETAKER OF AN INCAPACITATED INDIVIDUAL EVEN IF THE INCAPACITATED INDIVIDUAL IS NOT A DEPENDENT OF THE CARETAKER.

(vii) A RECIPIENT WHO HAS PROVEN THAT HE OR SHE HAS MET THE GOOD CAUSE TEMPORARY EXEMPTION.

(viii) A RECIPIENT WHO HAS BEEN DESIGNATED AS MEDICALLY FRAIL.
Senate Bill No. 897 as amended April 19, 2018

(ix) A recipient who has a medical condition that results in a work limitation according to a licensed medical professional's order.

(x) A recipient who has been incarcerated within the last 6 months.

(xi) A recipient who is receiving unemployment benefits from this state. This exemption applies during the period the recipient received unemployment benefits and ends when the recipient is no longer receiving unemployment benefits.

(xii) A recipient who is under 21 years of age who had previously been in a foster care placement in this state.

(2) After the waiver requested under this section is approved, the department must include <<, but is not limited to,>> all of the following <<, as approved in the waiver,>> in its implementation of the workforce engagement requirements under this section:

(A) A requirement of 29 hours average a week per month of qualifying activities or a combination of any qualifying activities counts toward the workforce engagement requirement under this section.

(B) A requirement that able-bodied recipients must verify that they are meeting the workforce engagement requirements by the fifth of each month for the previous month’s qualifying activities and verify family income quarterly through Mibridges or any other subsequent system. A recipient must report a change in family income within 10 days after learning of the change. If a recipient fails to meet the qualifying activities or fails to report a change in family income or knowingly makes a false statement in complying...
WITH THIS REQUIREMENT, A RECIPIENT IS GIVEN 1 WARNING THAT HE OR SHE MUST BECOME COMPLIANT WITH THE WORKFORCE ENGAGEMENT REQUIREMENTS NO LATER THAN 30 DAYS AFTER THE WARNING IS ISSUED. IF THE RECIPIENT DOES NOT BECOME COMPLIANT NO LATER THAN 30 DAYS AFTER THE WARNING IS ISSUED, HE OR SHE IS PROHIBITED FROM RECEIVING MEDICAL ASSISTANCE FOR 1 YEAR.

(C) THE DEPARTMENT, IN ANY MONTHLY REPORTING CYCLE, SHALL GIVE CONSIDERATION FOR AN INDIVIDUAL WHO DOES NOT MEET THE AVERAGE HOURS OF WORKFORCE ENGAGEMENT REQUIREMENT BY UP TO 40 HOURS DUE TO A GOOD CAUSE TEMPORARY EXEMPTION.

(D) TO COUNT TOWARD THE WORKFORCE ENGAGEMENT REQUIREMENTS, SUBSTANCE USE DISORDER TREATMENT THAT IS COURT-ORDERED OR PRESCRIBED BY A LICENSED MEDICAL PROFESSIONAL THAT IMPEDES THE ABILITY TO MEET THE WORKFORCE ENGAGEMENT REQUIREMENTS.

(E) IF A COUNTY'S UNEMPLOYMENT RATE REACHES 8.5%, A RECIPIENT IN THAT COUNTY IS ABLE TO MEET THE WORKFORCE ENGAGEMENT REQUIREMENT IN THIS SECTION BY ACTIVELY SEEKING EMPLOYMENT ACCORDING TO THE MICHIGAN EMPLOYMENT SECURITY ACT, 1936 (EX SESS) PA 1, MCL 421.1 TO 421.75. IF, ONLY AFTER A COUNTY'S UNEMPLOYMENT RATE HAS REACHED 8.5%, THE COUNTY'S UNEMPLOYMENT RATE SUBSEQUENTLY DROPS TO 5.0%, THE RECIPIENT MUST, AGAIN, MEET THE WORKFORCE ENGAGEMENT REQUIREMENTS AS REQUIRED UNDER THIS SECTION.

(F) AN EXEMPTION FOR A RECIPIENT WHO MEETS 1 OR MORE OF THE FOLLOWING CONDITIONS:

(i) A RECIPIENT WHO IS THE CARETAKER OF A FAMILY MEMBER WHO IS UNDER THE AGE OF 6 YEARS. THIS EXEMPTION ALLOWS ONLY 1 PARENT AT A TIME TO BE A CARETAKER, NO MATTER HOW MANY CHILDREN ARE BEING CARED...
(ii) a recipient who is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.

(iii) a recipient who is a full-time student, who is emancipated or whose parents qualify for Medicaid, and who is carrying 12 hours or more per semester or term. This includes a student in a postsecondary institution.

(iv) a recipient who is pregnant.

(v) a recipient who is the caretaker of a dependent with a disability which dependent needs full-time care based on a licensed medical professional's order. This exemption is allowed 1 time per household.

(vi) a recipient who is the caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker.

(vii) a recipient who has proven that he or she has met the good cause temporary exemption.

(viii) a recipient who has been designated as medically frail.

(ix) a recipient who has a medical condition that results in a work limitation according to a licensed medical professional's order.

(x) a recipient who has been incarcerated within the last 6 months.

(xi) a recipient who is receiving unemployment benefits from this state. This exemption applies during the period the recipient received unemployment benefits and ends when the recipient is no
LONGER RECEIVING UNEMPLOYMENT BENEFITS.

(xii) A Recipient who is under 21 years of age who had previously been in a foster care placement in this state.

(G) Meeting the workforce engagement requirements of this section counts toward meeting the work requirements of other public assistance.

(3) The department must first direct recipients to existing resources for job training or other employment services, child care assistance, transportation, or other supports. The department may develop strategies for assisting recipients to meet workforce engagement requirements under this section.

(4) Beginning October 1, 2018 and each year the department submits a waiver to prohibit and prevent a lapse in the workforce engagement requirements after that, the Medicaid director must submit to the governor, the Senate Majority Leader, and the speaker of the House of Representatives a letter confirming the submission of the waiver request required under subsection (1).

(5) Beginning October 1, 2019, the department must execute a survey to obtain the information needed to complete an evaluation of the medical assistance program under sections 105 and 105d to determine how many recipients have left the medical assistance program and the Healthy Michigan program as a result of obtaining employment and medical benefits.

(6) The department must execute a survey to obtain the information needed to submit a report to the legislature beginning October 1, 2019, and every October 1 after that, that shows separately, for each of the following types of assistance, the
NUMBER OF EXEMPTIONS FROM WORKFORCE ENGAGEMENT REQUIREMENTS GRANTED
to individuals in that year and the reason the exemptions were
granted:

(A) Medical assistance under Section 105.

(B) Medical assistance under Section 105D known as Healthy
Michigan.

(7) The department may enforce the provisions of this section
by conducting random audits of medical assistance recipients under
sections 105 and 105D who are required to meet the workforce
engagement requirements of this section. The first time a random
audit finds a medical assistance recipient noncompliant with this
section, that recipient has 1 chance to become compliant with the
section. If a recipient is found noncompliant a second or
subsequent time, the recipient is prohibited from receiving medical
assistance for 1 year.

(8) The department shall implement the requirements of this
section no later than October 1, 2019, and shall notify recipients
to whom the workforce engagement requirements described in this
section are likely to apply of the workforce engagement
requirements 90 days in advance.

(9) Beginning October 1, 2019, medical assistance applicants
who are not exempt from the workforce engagement requirements under
this section must be in compliance with this section. Beginning
October 1, 2019, a medical assistance applicant who is not exempt
from the work engagement requirements under this section must be in
compliance with this section not more than 30 days after an
eligibility determination is made.
(10) THE DEPARTMENT SHALL NOT WITHDRAW, TERMINATE, OR AMEND ANY WAIVER SUBMITTED UNDER THIS SECTION WITHOUT THE EXPRESS APPROVAL OF THE LEGISLATURE IN THE FORM OF A BILL ENACTED BY LAW.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.