



HOUSE BILL No. 4328

February 7, 1995, Introduced by Reps. DeLange, Dalman, Hammerstrom, Brackenridge and McNutt and referred to the Committee on Human Services.

A bill to amend Act No. 280 of the Public Acts of 1939,
entitled as amended
"The social welfare act,"
as amended, being sections 400.1 to 400.119b of the Michigan
Compiled Laws, by adding sections 112a, 112b, 112c, and 112d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 280 of the Public Acts of 1939, as
2 amended, being sections 400.1 to 400.119b of the Michigan
3 Compiled Laws, is amended by adding sections 112a, 112b, 112c,
4 and 112d to read as follows:

5 SEC. 112A. AS USED IN THIS SECTION AND SECTIONS 112B TO
6 112D:

7 (A) "LONG-TERM CARE INSURANCE POLICY" MEANS A POLICY
8 DESCRIBED IN CHAPTER 39 OF THE INSURANCE CODE OF 1956, ACT NO.

1 218 OF THE PUBLIC ACTS OF 1956, BEING SECTIONS 500.3901 TO
2 500.3955 OF THE MICHIGAN COMPILED LAWS.

3 (B) "MEDICAID" MEANS THE PROGRAM OF MEDICAL ASSISTANCE
4 ESTABLISHED BY THE DEPARTMENT PURSUANT TO SECTION 105.

5 (C) "PARTNERSHIP POLICY" MEANS A LONG-TERM CARE INSURANCE
6 POLICY THAT MEETS THE REQUIREMENTS SET FORTH IN SECTION 112C.

7 (D) "PARTNERSHIP PROGRAM" MEANS THE MICHIGAN PARTNERSHIP FOR
8 LONG-TERM CARE PROGRAM ESTABLISHED PURSUANT TO SECTION 112B.

9 SEC. 112B. (1) SUBJECT TO SUBSECTION (4), THE DEPARTMENT
10 SHALL ESTABLISH THE MICHIGAN PARTNERSHIP FOR LONG-TERM CARE PRO-
11 GRAM TO PROVIDE FOR THE FINANCING OF LONG-TERM CARE THROUGH A
12 COMBINATION OF PRIVATE INSURANCE AND MEDICAID.

13 (2) AN INDIVIDUAL IS ELIGIBLE TO PARTICIPATE IN THE PARTNER-
14 SHIP PROGRAM IF HE OR SHE MEETS ALL OF THE FOLLOWING
15 REQUIREMENTS:

16 (A) IS A MICHIGAN RESIDENT.

17 (B) PURCHASES A PARTNERSHIP POLICY THAT IS DELIVERED, ISSUED
18 FOR DELIVERY, OR RENEWED ON OR AFTER THE EFFECTIVE DATE OF THIS
19 SECTION, AND MAINTAINS THE PARTNERSHIP POLICY IN EFFECT THROUGH-
20 OUT THE PERIOD OF PARTICIPATION IN THE PARTNERSHIP PROGRAM.

21 (C) EXHAUSTS THE MINIMUM BENEFITS UNDER THE PARTNERSHIP
22 POLICY AS DESCRIBED IN SECTION 112C(1)(A).

23 (3) UPON APPLICATION OF AN INDIVIDUAL WHO MEETS THE REQUIRE-
24 MENTS DESCRIBED IN SUBSECTION (2), THE DEPARTMENT SHALL DETERMINE
25 THE INDIVIDUAL'S ELIGIBILITY FOR MEDICAID WITHOUT REGARD TO THE
26 INDIVIDUAL'S FINANCIAL RESOURCES.

1 (4) THE DEPARTMENT SHALL SEEK APPROPRIATE AMENDMENTS TO THE
2 MEDICAID STATE PLAN AND A WAIVER OF MEDICAID REQUIREMENTS BY THE
3 FEDERAL HEALTH CARE FINANCING ADMINISTRATION TO IMPLEMENT THE
4 PARTNERSHIP PROGRAM. THE DEPARTMENT SHALL NOT IMPLEMENT THE
5 PARTNERSHIP PROGRAM UNLESS A FEDERAL WAIVER OF MEDICAID REQUIRE-
6 MENTS IS OBTAINED.

7 SEC. 112C. (1) A PARTNERSHIP POLICY SHALL MEET ALL OF THE
8 FOLLOWING REQUIREMENTS:

9 (A) COVERAGE SHALL BE FOR A MINIMUM OF 4 YEARS OF NURSING
10 HOME CARE OR CARE DESCRIBED IN SECTION 109C OR A COMBINATION OF
11 BOTH TYPES OF CARE.

12 (B) MINIMUM DAILY BENEFITS SHALL BE \$100.00 FOR NURSING HOME
13 CARE OR \$50.00 FOR CARE DESCRIBED IN SECTION 109C. THESE MINIMUM
14 DAILY BENEFIT AMOUNTS SHALL BE ADJUSTED ANNUALLY BY THE
15 DEPARTMENT.

16 (C) A THIRD PARTY SHALL BE DESIGNATED TO RECEIVE NOTICE IF
17 THE POLICY IS ABOUT TO LAPSE FOR NONPAYMENT OF PREMIUM, AND AN
18 ADDITIONAL 30-DAY GRACE PERIOD FOR PAYMENT OF PREMIUM SHALL BE
19 GRANTED IF THAT PERSON IS NOTIFIED.

20 (D) THE POLICY SHALL COVER ALL OF THE FOLLOWING SERVICES:

21 (i) NURSING HOME CARE.

22 (ii) HOME HEALTH CARE.

23 (iii) ADULT DAY CARE.

24 (iv) PERSONAL CARE.

25 (v) SKILLED NURSING CARE.

26 (vi) RESPITE CARE.

(vii) CARE MANAGEMENT.

(viii) DAYS SPENT IN A HOSPITAL WHILE THE INDIVIDUAL IS
WAITING FOR LONG-TERM CARE PLACEMENT.

(E) CLAIMS SHALL BE PAID DESPITE NONPAYMENT OF PREMIUMS IF
NONPAYMENT RESULTED FROM COGNITIVE IMPAIRMENT OF THE INSURED.

(2) A PARTNERSHIP POLICY SHALL OFFER ALL OF THE FOLLOWING
OPTIONS FOR THE PAYMENT OF AN ADDITIONAL PREMIUM:

(A) AN ELIMINATION PERIOD OF LESS THAN 100 DAYS.

(B) 5% INFLATION PROTECTION.

(C) LEVEL PREMIUMS.

(D) RETURN OF PREMIUM AND NONFORFEITURE BENEFITS FOR APPLI-
CANTS BETWEEN THE AGES OF 18 AND 75.

SEC. 112D. THE DEPARTMENT MAY PROMULGATE RULES PURSUANT TO
THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE
PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE
MICHIGAN COMPILED LAWS, AS NECESSARY TO IMPLEMENT THE PARTNERSHIP
PROGRAM.