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MAINTENANCE OF EFFORT RATES

House Bill 6268

Sponsor: Rep. Charles LaSata

Committee: Appropriations

Complete to 11-22-02

A SUMMARY OF HOUSE BILL 6268 AS INTRODUCED 9-17-02

Under the Social Welfare Act, counties providing Medicaid-funded nursing home services in county-owned facilities must reimburse the state according to a county "maintenance of effort" rate determined on an annual basis for each patient day of Medicaid nursing home services. The current formula for determining the maintenance of effort rates was placed in the statute in 1984; the 1984 legislation included a "hold harmless" provision, capping the payment rates of counties that otherwise would have seen their payments increase under the new formula. The "hold harmless" provision expired in 1989, and in 1990 the legislature reinstated it and extended its life through 1994, and has since extended it several more times. It is currently scheduled to expire on December 31, 2003. House Bill 6268 would amend this provision of the Social Welfare Act to eliminate the sunset date, thereby extending the rate freeze indefinitely.

MCL 400.109

House Bill 6268 (11-22-02)

Analyst: D. Martens

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