

# HOUSE BILL No. 6268

September 17, 2002, Introduced by Reps. LaSata and Mortimer and referred to the Committee on Appropriations.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 109 (MCL 400.109), as amended by 2000  
PA 168.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 109. (1) The following medical services may be pro-  
2       vided under this act:

3       (a) Hospital services that an eligible ~~person~~ INDIVIDUAL  
4       may receive consist of medical, surgical, or obstetrical care,  
5       together with necessary drugs, X-rays, physical therapy, prosthe-  
6       sis, transportation, and nursing care incident to the medical,  
7       surgical, or obstetrical care. The period of inpatient hospital  
8       service shall be the minimum period necessary in this type of  
9       facility for the proper care and treatment of the individual.  
10      Necessary hospitalization to provide dental care shall be

1 provided if certified by the attending dentist with the approval  
2 of the department of community health. ~~A person~~ AN INDIVIDUAL  
3 who is receiving medical treatment as an inpatient because of a  
4 diagnosis of tuberculosis or mental disease may receive service  
5 under this section, notwithstanding the mental health code, 1974  
6 PA 258, MCL 330.1001 to 330.2106, and 1925 PA 177, MCL 332.151 to  
7 332.164. The department of community health shall pay for hospi-  
8 tal services in accordance with the state plan for medical  
9 assistance adopted pursuant to section 10 and approved by the  
10 United States department of health and human services.

11 (b) An eligible ~~person~~ INDIVIDUAL may receive physician  
12 services authorized by the department of community health. The  
13 service may be furnished in the PHYSICIAN'S office, ~~of the~~  
14 ~~physician,~~ the eligible ~~person's~~ INDIVIDUAL'S home, a medical  
15 institution, or elsewhere in case of emergency. A physician  
16 shall be paid a reasonable charge for the service rendered.  
17 Reasonable charges shall be determined by the department of com-  
18 munity health and shall not be more than those paid in this state  
19 for services rendered under title XVIII.

20 (c) An eligible ~~person~~ INDIVIDUAL may receive nursing home  
21 services in a state licensed nursing home, a medical care facili-  
22 ty, or other facility or identifiable unit of that facility, cer-  
23 tified by the appropriate authority as meeting established stan-  
24 dards for a nursing home under the laws and rules of this state  
25 and the United States department of health and human services, to  
26 the extent found necessary by the attending physician, dentist,  
27 or certified Christian Science practitioner. An eligible

1 ~~person~~ INDIVIDUAL may receive nursing services in a short-term  
2 nursing care program established under section 22210 of the  
3 public health code, 1978 PA 368, MCL 333.22210, to the extent  
4 found necessary by the attending physician when the combined  
5 length of stay in the acute care bed and short-term nursing care  
6 bed exceeds the average length of stay for medicaid hospital  
7 diagnostic related group reimbursement. The department of commu-  
8 nity health shall not make a final payment pursuant to title XIX  
9 for benefits available under title XVIII without documentation  
10 that title XVIII claims have been filed and denied. The depart-  
11 ment of community health shall pay for nursing home services in  
12 accordance with the state plan for medical assistance adopted  
13 pursuant to section 10 and approved by the United States depart-  
14 ment of health and human services. A county shall reimburse a  
15 county maintenance of effort rate determined on an annual basis  
16 for each patient day of medicaid nursing home services provided  
17 to eligible ~~persons~~ INDIVIDUALS in long-term care facilities  
18 owned by the county and licensed to provide nursing home  
19 services. For purposes of determining rates and costs described  
20 in this subdivision, all of the following apply:

21 (i) For county owned facilities with per patient day updated  
22 variable costs exceeding the variable cost limit for the county  
23 facility, county maintenance of effort rate means 45% of the dif-  
24 ference between per patient day updated variable cost and the  
25 concomitant nursing home-class variable cost limit, the quantity  
26 offset by the difference between per patient day updated variable

1 cost and the concomitant variable cost limit for the county  
2 facility. The county rate shall not be less than zero.

3 (ii) For county owned facilities with per patient day  
4 updated variable costs not exceeding the variable cost limit for  
5 the county facility, county maintenance of effort rate means 45%  
6 of the difference between per patient day updated variable cost  
7 and the concomitant nursing home class variable cost limit.

8 (iii) For county owned facilities with per patient day  
9 updated variable costs not exceeding the concomitant nursing home  
10 class variable cost limit, the county maintenance of effort rate  
11 shall equal zero.

12 (iv) For the purposes of this section: "per patient day  
13 updated variable costs and the variable cost limit for the county  
14 facility" shall be determined pursuant to the state plan for med-  
15 ical assistance; for freestanding county facilities the "nursing  
16 home class variable cost limit" shall be determined pursuant to  
17 the state plan for medical assistance and for hospital attached  
18 county facilities the "nursing class variable cost limit" shall  
19 be determined pursuant to the state plan for medical assistance  
20 plus \$5.00 per patient day; and "freestanding" and "hospital  
21 attached" shall be determined in accordance with the federal  
22 regulations.

23 (v) If the county maintenance of effort rate computed in  
24 accordance with this section exceeds the county maintenance of  
25 effort rate in effect as of September 30, 1984, the rate in  
26 effect as of September 30, 1984 shall remain in effect until a  
27 time that the rate computed in accordance with this section is

1 less than the September 30, 1984 rate. ~~This limitation remains~~  
2 ~~in effect until December 31, 2003.~~ For each subsequent county  
3 fiscal year the maintenance of effort may not increase by more  
4 than \$1.00 per patient day each year.

5 (vi) For county owned facilities, reimbursement for plant  
6 costs will continue to be based on interest expense and deprecia-  
7 tion allowance unless otherwise provided by law.

8 (d) An eligible ~~person~~ INDIVIDUAL may receive pharmaceuti-  
9 cal services from a licensed pharmacist of the person's choice as  
10 prescribed by a licensed physician or dentist and approved by the  
11 department of community health. In an emergency, but not rou-  
12 tinely, the ~~person~~ INDIVIDUAL may receive pharmaceutical serv-  
13 ices rendered personally by a licensed physician or dentist on  
14 the same basis as approved for pharmacists.

15 (e) An eligible ~~person~~ INDIVIDUAL may receive other medi-  
16 cal and health services as authorized by the department of commu-  
17 nity health.

18 (f) Psychiatric care may also be provided pursuant to the  
19 guidelines established by the department of community health to  
20 the extent of appropriations made available by the legislature  
21 for the fiscal year.

22 (2) The director shall provide notice to the public, in  
23 accordance with applicable federal regulations, and shall obtain  
24 the approval of the committees on appropriations of the house of  
25 representatives and senate of the legislature of this state, of  
26 ~~any~~ A proposed change in the statewide method or level of  
27 reimbursement for a service, if the proposed change is expected

1 to increase or decrease payments for that service by 1% or more  
2 during the 12 months after the effective date of the change.

3 (3) As used in this act:

4 (a) "Title XVIII" means title XVIII of the social security  
5 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,  
6 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to  
7 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28,  
8 1395x to 1395yy, and 1395bbb to 1395ggg.

9 (b) "Title XIX" means title XIX of the social security act,  
10 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to ~~1396f, 1396g-1 to~~  
11 1396r-6 ~~,~~ and 1396r-8 to 1396v.

12 (c) "Title XX" means title XX of the social security act,  
13 chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.