

# HOUSE BILL No. 6392

September 24, 2002, Introduced by Reps. Schauer, Lemmons, McConico, Durhal, Gielegem, Woodward, Mans, O'Neil, Jacobs, Wojno, Bernero, Rich Brown, Adamini and Neumann and referred to the Committee on Insurance and Financial Services.

A bill to protect and promote children's health; to create the MICHild program; to prescribe the powers and duties of the department of community health; and to prescribe certain duties of certain other state departments, officers, and agencies.

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

1       Sec. 1. This act shall be known and may be cited as the  
2 "Michigan's families health care act".

3       Sec. 2. As used in this act:

4       (a) "Dental care corporation", "health care corporation",  
5 "insurer", and "prudent purchaser agreement" mean those terms as  
6 defined in section 2 of the prudent purchaser act, 1984 PA 233,  
7 MCL 550.52.

8       (b) "Department" means the department of community health.

9       (c) "Entity" means a health care corporation or insurer  
10 operating in accordance with a prudent purchaser agreement.

1 (d) "Federal poverty guidelines" means the poverty  
2 guidelines updated annually in the federal register by the United  
3 States department of health and human services under authority of  
4 42 U.S.C. 9902(2).

5 (e) "MIChild program" means the program created in  
6 section 3.

7 Sec. 3. (1) The department shall establish and administer  
8 the MIChild program to provide comprehensive health care coverage  
9 to all children less than 19 years of age who reside in families  
10 with income at or below 200% of the federal poverty guidelines,  
11 who are uninsured and have not had coverage by other comprehen-  
12 sive health insurance within 6 months of making application for  
13 MIChild benefits, and who are residents of this state. The  
14 department shall develop detailed eligibility criteria through  
15 the medical services administration public concurrence process,  
16 consistent with this act. Health care coverage for children in  
17 families below 150% of the federal poverty level shall be pro-  
18 vided through expanded eligibility under the state's medicaid  
19 program. Health coverage for children in families between 150%  
20 and 200% of the federal poverty guidelines shall be provided  
21 through a state-based private health care program.

22 (2) The department shall provide comprehensive health care  
23 coverage to parents of children meeting the eligibility criteria  
24 established under this act. Parents of children meeting the eli-  
25 gibility criteria are not required to complete an application for  
26 coverage other than the application submitted for the eligible  
27 child.

1           Sec. 5. (1) The department shall enter into a contract to  
2 obtain MICHild services from any HMO, dental care corporation, or  
3 any other entity that offers to provide the managed health care  
4 benefits for MICHild services at the MICHild capitated rate.

5           (2) The department may enter into contracts to obtain cer-  
6 tain MICHild services from community mental health service  
7 programs.

8           (3) The department may make payments on behalf of children  
9 enrolled in the MICHild program from the line-item appropriation  
10 associated with the program as described in the MICHild state  
11 plan approved by the United States department of health and human  
12 services, or from other medical services line-item appropriations  
13 providing for specific health care services.

14           Sec. 7. The department shall continue a comprehensive  
15 approach to MICHild's marketing and outreach program. Marketing  
16 and outreach required under this section shall be coordinated  
17 with current outreach, information dissemination, and marketing  
18 efforts and activities conducted by the department.

19           Sec. 9. The department may provide up to 1 year of continu-  
20 ous eligibility to children eligible for the MICHild program and  
21 their parents unless the status of the children's family changes  
22 and the family members no longer meet the eligibility criteria as  
23 specified in the federally approved MICHild state plan.

24           Sec. 11. (1) The department may establish premiums for  
25 MICHild eligible persons in families with income above 150% of  
26 the federal poverty guidelines. The monthly premiums shall not  
27 exceed \$5.00 for a family.

1           (2) The department shall not require copayments under the  
2 MIChild program.

3           Sec. 13. Children whose category of eligibility changes  
4 between the medicaid and MIChild programs are allowed to keep  
5 their current health care providers through the current pre-  
6 scribed course of treatment for up to 1 year, subject to periodic  
7 reviews by the department if the beneficiary has a serious medi-  
8 cal condition and is undergoing active treatment for that  
9 condition.

10          Sec. 15. To be eligible for the MIChild program, a child  
11 must reside in a family with an adjusted gross income of less  
12 than or equal to 200% of the federal poverty guidelines. The  
13 department's verification policy shall be used to determine  
14 eligibility.

15          Sec. 17. The MIChild program shall provide all benefits  
16 available under the state employee insurance plan that are deliv-  
17 ered through the medicaid HMOs and consistent with federal law,  
18 including, but not limited to, all of the following medically  
19 necessary services:

20           (a) Inpatient mental health services, other than substance  
21 abuse treatment services, including services furnished in a  
22 state-operated mental hospital and residential or other 24-hour  
23 therapeutically planned structured services.

24           (b) Outpatient mental health services, other than substance  
25 abuse services, including services furnished in a state-operated  
26 mental hospital and community-based services.

1 (c) Durable medical equipment and prosthetic and orthotic  
2 devices.

3 (d) Dental services as outlined in the approved MICHild  
4 state plan.

5 (e) Substance abuse treatment services that may include  
6 inpatient, outpatient, and residential substance abuse treatment  
7 services.

8 (f) Care management services for mental health diagnoses.

9 (g) Physical therapy, occupational therapy, and services for  
10 individuals with speech, hearing, and language disorders.

11 (h) Emergency ambulance services.

12 Sec. 19. The department shall explore options under the  
13 federal state children's health insurance program (SCHIP),  
14 including waiver requests, to extend coverage to low-income par-  
15 ents of MICHild eligible children. The department may also  
16 explore options to increase the medicaid income disregard for  
17 parents of medicaid or MICHild eligible children who have income  
18 up to 100% of the federal poverty guidelines. The department  
19 shall issue a report that identifies the estimated number of per-  
20 sons to be served and the projected costs for the various health  
21 care coverage options considered to the house and senate appro-  
22 priations subcommittees on community health and the house and  
23 senate fiscal agencies by March 1, 2003.