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BILL ANALYSIS

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Senate Bill 611 (as introduced)  
Sponsor: Senator Bruce Caswell  
Committee: Appropriations

Date Completed: 10-10-11

### **CONTENT**

In the early 1980s, the Medicaid program began to provide reimbursement for long-term care services provided by county medical care facilities. Legislation was adopted requiring counties to make maintenance of effort payments, using a formula based on changes in costs at the facility.

The legislation also includes a provision limiting a county's maintenance of effort payment to no more than the maintenance of effort payment that was required on September 30, 1984. This provision has always had a sunset date, which has been extended several times. The current sunset date in the statute is December 31, 2012.

Senate Bill 611 would amend the Social Welfare Act to change the date of the sunset to December 31, 2017.

MCL 400.109

### **FISCAL IMPACT**

Failure to extend the sunset will result in an increase in county maintenance of effort payments to the State, effective January 1, 2013. This increase will result in savings to the State in the range of \$1.0 million GF/GP, as the statute limits increases in maintenance of effort payments to \$1 per patient day each year. If the sunset were delayed, the estimated State savings (and county cost) would not occur.

Fiscal Analyst: Steve Angelotti

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