



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 884 (as introduced 4-4-16)
Sponsor: Senator Goeff Hansen
Committee: Families, Seniors and Human Services

Date Completed: 5-10-16

CONTENT

The bill would amend the Social Welfare Act to extend for five years a provision that limits a county's maintenance of effort rate for Medicaid-funded long-term care services to the rate in effect in 1984.

The Medicaid program provides reimbursement for long-term care services provided by county medical care facilities. Counties are required to make maintenance of effort payments to the State, using a formula based on changes in the costs at a facility.

The Act limits a county's maintenance of effort payment to not more than the maintenance of effort payment that was required on September 30, 1984. This provision has always been subject to a sunset date, which has been postponed a number of times. The current sunset date in the statute is December 31, 2017.

The bill would change the date of the sunset provision to December 31, 2022.

MCL 400.109

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Failure to extend the sunset will result in an increase in county maintenance of effort payments to the State, effective January 1, 2018. This increase will result in savings to the State (and cost to counties) in the range of \$800,000 GF/GP per year, 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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