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BILL ANALYSIS



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House Bill 4203 (Substitute H-1 as passed by the House)
House Bill 4204 (as passed by the House)
House Bill 4205 (Substitute H-2 as passed by the House)
Sponsor: Representative Mike Callton, D.C. (H.B. 4203)
Representative Joseph Graves (H.B. 4204)
Representative Andy Schor (H.B. 4205)
House Committee: Health Policy
Senate Committee: Families, Seniors and Human Services

Date Completed: 6-10-15

CONTENT

House Bill 4203 (H-1) would amend Public Act 327 of 1931, which governs various types of corporations, to refer to a hospital for the care or relief of children and youth with special health care needs, rather than a hospital for crippled children.

House Bill 4204 would amend the Social Welfare Act to refer to a program of services for children and youth with special health care needs, rather than a program of services for crippled children.

House Bill 4205 (H-2) would amend Part 58 (Crippled Children) of the Public Health Code to do the following:

- Replace the term "crippled child" with "child or youth with special health care needs", and revise the definition.
- Revise the requirements for a program of services for children or youth with special health care needs.
- Require the Department of Health and Human Services (DHHS), in implementing the program of services, to develop systems of care that met certain criteria.
- Revise requirements for the promulgation of rules with regard to facilities, treatment centers, medical specialists, and other providers.
- Revise requirements for the investigation of a child's eligibility for services under Part 58 and a financial assessment to determine cost-sharing responsibilities.
- Rename the Crippled Children's Fund as the "Children with Special Needs Fund".
- Require charges for the medical care and treatment of a child or youth with special health care needs, paid by the child, parent, or spouse, to be deposited in the "Parent Participation Fund".

The bill also would repeal a section of the Code that created the Crippled Children's Advisory Committee, and would change the heading of Part 58 to "Children and Youth with Special Health Care Needs".

House Bills 4203 (H-1) and 4204 are tie-barred to House Bill 4205.

House Bill 4203 (H-1)

Under Public Act 327 of 1931, when land or other property worth \$5,000 or more is given, granted, devised, or bequeathed to three or more trustees for the purpose of founding or endowing a type of hospital described in the Act, the trustees may incorporate under the Act as a trustee corporation. That provision includes a hospital for the care or relief of "crippled children". The bill would refer instead to the care or relief of "children and youth with special health care needs".

House Bill 4204

The Social Welfare Act requires a county department to administer a public welfare program. Among other things, that program must serve to furnish the court, on request, with investigational services concerning the hospitalization of children under the program of services for "crippled children" established under Part 58 of the Public Health Code. The bill would refer instead to children under the program of services for "children and youth with special health care needs" established under Part 58.

House Bill 4205 (H-2)

Definition

Under Part 58 of the Public Health Code, "crippled child" means a single or married individual under 21 years of age whose activity is or may become so restricted by disease or deformity as to reduce his or her normal capacity for education and self-support. Under the bill, that would be the definition of "child or youth with special health care needs" except that the bill would refer to a "specified medical condition" rather than a "deformity".

Program of Services

Part 58 requires the DHHS to develop, extend, and improve certain services for "crippled children". The bill would refer instead to children or a child or youth with special health care needs. The services the Department must provide include preventing, insofar as possible, crippling conditions. The bill instead would require the Department, to the extent possible, to prevent diseases and specified medical conditions that reduce an individual's normal capacity for education and self-support.

Under Part 58, the DHHS must establish and administer a program of services for crippled children and children who are suffering from conditions that lead to crippling. The bill instead would require the Department to establish and administer a program of services for children and youth with special health care needs and children who were suffering from conditions that lead to special health care needs because of disease or specified medical condition.

The program must be carried out for the purposes of providing medical and physical care for crippled children and for making them self-sustaining in whole or in part rather than dependent on the public for support. The bill instead would require the DHHS to carry out the program for the purposes of providing medical care and treatment to improve or maintain health and enhance the quality of life for children and youth with special health care needs.

The DHHS must do certain things in implementing and maintaining programs and services under Part 58. The bill also would require the Department to develop systems of care that were community-based, comprehensive, culturally competent, coordinated, and family-centered.

Rule Promulgation

Part 58 requires the DHHS to promulgate rules that do the following:

- Prescribe requirements for the approval of facilities and treatment centers, medical and surgical specialists, and other providers.
- Regulate the conduct of clinics; handling of cases; fixing of treatment fees, charges for correctional equipment, and institutional rates; and prescribing procedures for audit and payment of bills.

The bill instead would require the Department to promulgate rules to provide for the monitoring of the availability and quality of facilities, treatment centers, medical and surgical specialists, and other providers for children or youth with special health care needs.

Investigation

Part 58 allows a person authorized by rule to apply to the DHHS for services for a child under Part 58, and requires the Department to undertake a financial investigation and secure medical evidence as to the child's condition. The bill would require the DHHS to investigate, rather than make a financial investigation.

Currently, upon receiving the financial and medical reports, the DHHS must promptly consider the matter and make a determination of eligibility. The bill provides instead that, upon completion of the medical investigation, the DHHS promptly would have to make a determination of medical eligibility. If the Department determined that child or youth with special health care needs was medically eligible for services under Part 58, it then would have to perform a financial assessment to determine cost-sharing responsibilities.

Funds

The Department of Treasury must receive money granted to the State by the Federal government under Part 58 and keep that money in a special fund known as the Crippled Children's Fund. Under the bill, the Fund would be known as the "Children with Special Needs Fund".

Section 5841 of the Social Welfare Act requires all or part of the charges for the care and treatment of a crippled child to be paid to the Department of Treasury when the child, parent, or spouse is of sufficient ability to pay. The bill instead would require all or part of the charges for the medical care and treatment of a child or youth with special health care needs to be paid to the Department of Treasury by the child, parent, or spouse, if that individual had the ability to pay. The bill would require the Department of Treasury to receive payments made under Section 5841 and keep that money in the "Parent Participation Fund".

Repeal

The bill would repeal Section 5811 of the Public Health Code, which created the Crippled Children's Advisory Committee. (Executive Reorganization Order 1996-1, which created the Department of Community Health (DCH), transferred all authority, powers, duties, functions, and responsibilities of the Advisory Committee to the DCH Director. Executive Reorganization Order 2015-1, which created the Department of Health and Human Services, transferred all authority, powers, duties, functions, and budgetary resources of the DCH Director to the Director of the DHHS.)

MCL 450.157 (H.B. 4203)
400.55 (H.B. 4204)
333.5801 et al. (H.B. 4205)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.