



# SENATE BILL No. 884

April 14, 2016, Introduced by Senator HANSEN and referred to the Committee on Families, Seniors and Human Services.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 109 (MCL 400.109), as amended by 2012 PA 48.

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

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

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

1 hospitalization to provide dental care shall be provided if  
2 certified by the attending dentist with the approval of the  
3 department. ~~of community health.~~ An individual who is receiving  
4 medical treatment as an inpatient because of a diagnosis of  
5 tuberculosis or mental disease may receive service under this  
6 section, notwithstanding the mental health code, 1974 PA 258, MCL  
7 330.1001 to 330.2106, and 1925 PA 177, MCL 332.151 to 332.164. The  
8 department ~~of community health~~ shall pay for hospital services  
9 according to the state plan for medical assistance adopted under  
10 section 10 and approved by the United States ~~department of health~~  
11 ~~and human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

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

20 (c) An eligible individual may receive nursing home services  
21 in a state licensed nursing home, a medical care facility, or other  
22 facility or identifiable unit of that facility, certified by the  
23 appropriate authority as meeting established standards for a  
24 nursing home under the laws and rules of this state and the United  
25 States ~~department of health and human services,~~ **DEPARTMENT OF**  
26 **HEALTH AND HUMAN SERVICES,** to the extent found necessary by the  
27 attending physician, dentist, or certified Christian Science

1 practitioner. An eligible individual may receive nursing services  
2 in an extended care services program established under section  
3 22210 of the public health code, 1978 PA 368, MCL 333.22210, to the  
4 extent 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~~**MEDICAID**  
7 hospital diagnostic related group reimbursement. The department ~~of~~  
8 ~~community health~~ shall not make a final payment under title XIX for  
9 benefits available under title XVIII without documentation that  
10 title XVIII claims have been filed and denied. The department ~~of~~  
11 ~~community health~~ shall pay for nursing home services according to  
12 the state plan for medical assistance adopted according to section  
13 10 and approved by the United States ~~department of health and human~~  
14 ~~services~~**DEPARTMENT OF HEALTH AND HUMAN SERVICES**. A county shall  
15 reimburse a county maintenance of effort rate determined on an  
16 annual basis for each patient day of ~~medicaid~~**MEDICAID** nursing home  
17 services provided to eligible individuals in long-term care  
18 facilities owned by the county and licensed to provide nursing home  
19 services. For purposes of determining rates and costs described in  
20 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  
24 difference 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  
27 cost and the concomitant variable cost limit for the county

1 facility. The county rate shall not be less than zero.

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

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

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

22 (v) If the county maintenance of effort rate computed under  
23 this section exceeds the county maintenance of effort rate in  
24 effect as of September 30, 1984, the rate in effect as of September  
25 30, 1984 shall remain in effect until a time that the rate computed  
26 under this section is less than the September 30, 1984 rate. This  
27 limitation remains in effect until December 31, 2017. ~~2022~~. For

1 each subsequent county fiscal year the maintenance of effort may  
2 not increase by more than \$1.00 per patient day each year.

3 (vi) For county owned facilities, reimbursement for plant  
4 costs will continue to be based on interest expense and  
5 depreciation allowance unless otherwise provided by law.

6 (d) An eligible individual may receive pharmaceutical services  
7 from a licensed pharmacist of the person's choice as prescribed by  
8 a licensed physician or dentist and approved by the department. ~~of~~  
9 ~~community health.~~ In an emergency, but not routinely, the  
10 individual may receive pharmaceutical services rendered personally  
11 by a licensed physician or dentist on the same basis as approved  
12 for pharmacists.

13 (e) An eligible individual may receive other medical and  
14 health services as authorized by the department. ~~of community~~  
15 ~~health.~~

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

20 (g) An eligible individual may receive screening, laboratory  
21 services, diagnostic services, early intervention services, and  
22 treatment for chronic kidney disease under guidelines established  
23 by the department. ~~of community health.~~ A clinical laboratory  
24 performing a creatinine test on an eligible individual under this  
25 subdivision shall include in the lab report the glomerular  
26 filtration rate (eGFR) of the individual and shall report it as a  
27 percent of kidney function remaining.

1           (2) The director shall provide notice to the public, according  
2 to applicable federal regulations, and shall obtain the approval of  
3 the committees on appropriations of the house of representatives  
4 and senate of the legislature of this state, of a proposed change  
5 in the statewide method or level of reimbursement for a service, if  
6 the proposed change is expected to increase or decrease payments  
7 for that service by 1% or more during the 12 months after the  
8 effective date of the change.

9           (3) As used in this act:

10           (a) "Title XVIII" means title XVIII of the social security  
11 act, 42 USC 1395 to ~~1395kkk-1~~**1395LLL**.

12           (b) "Title XIX" means title XIX of the social security act, 42  
13 USC 1396 to 1396w-5.

14           (c) "Title XX" means title XX of the social security act, 42  
15 USC 1397 to 1397m-5.

16           Enacting section 1. This amendatory act takes effect 90 days  
17 after the date it is enacted into law.