

SENATE BILL NO. 479

September 07, 2023, Introduced by Senators POLEHANKI, GEISS, BAYER, CAVANAGH, MCCANN, SHINK, CHANG, WOJNO, BRINKS, IRWIN and ANTHONY and referred to the Committee on Housing and Human Services.

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending sections 108 and 109 (MCL 400.108 and 400.109), section 108 as amended by 2013 PA 107 and section 109 as amended by 2022 PA 98.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 108. A medically indigent ~~person~~**individual** as defined
2 under section 106(1)(a) is entitled to all the services enumerated
3 in section 109. A medically indigent ~~person~~**individual** as defined
4 under section 106(1)(b) is entitled to medical services enumerated
5 in section 109(1)(a), (c), ~~and (e)~~, **and (i)**. ~~He or she~~**The**

1 **medically indigent individual** is entitled to the services
2 enumerated in section 109(1)(b), (d), and (f) to the extent of
3 appropriations made available by the legislature for the fiscal
4 year. Medical services shall be rendered upon certification by the
5 attending licensed physician and dental services shall be rendered
6 upon certification of the attending licensed dentist that a service
7 is required for the treatment of an individual. The services of a
8 medical institution shall be rendered only after referral by a
9 licensed physician or dentist and certification by ~~him or her~~ **the**
10 **licensed physician or dentist** that the services of the medical
11 institution are required for the medical or dental treatment of the
12 individual, except that referral is not necessary in case of an
13 emergency. Periodic recertification that medical treatment that
14 extends over a period of time is required in accordance with
15 regulations of the department ~~of community health~~ is a condition of
16 continuing eligibility to receive medical assistance. To comply
17 with federal statutes governing ~~medicaid~~, **Medicaid**, the department
18 ~~of community health~~ shall provide early and periodic screening,
19 diagnostic and treatment services to eligible children as it
20 considers necessary.

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

23 (a) Hospital services that an eligible individual may receive
24 consist of medical, surgical, or obstetrical care, together with
25 necessary drugs, X-rays, physical therapy, prosthesis,
26 transportation, and nursing care incident to the medical, surgical,
27 or obstetrical care. The period of inpatient hospital service shall
28 be the minimum period necessary in this type of facility for the
29 proper care and treatment of the individual. Necessary

1 hospitalization to provide dental care must be provided if
2 certified by the attending dentist with the approval of the
3 department. An individual who is receiving medical treatment as an
4 inpatient because of a diagnosis of mental disease may receive
5 service under this section, notwithstanding the mental health code,
6 1974 PA 258, MCL 330.1001 to 330.2106. The department must pay for
7 hospital services according to the state plan for medical
8 assistance adopted under section 10 and approved by the United
9 States Department of Health and Human Services.

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

18 (c) An eligible individual may receive nursing home services
19 in a state licensed nursing home, a medical care facility, or other
20 facility or identifiable unit of that facility, certified by the
21 appropriate authority as meeting established standards for a
22 nursing home under the laws and rules of this state and the United
23 States Department of Health and Human Services, to the extent found
24 necessary by the attending physician, dentist, or certified
25 Christian Science practitioner. An eligible individual may receive
26 nursing services in an extended care services program established
27 under section 22210 of the public health code, 1978 PA 368, MCL
28 333.22210, to the extent found necessary by the attending physician
29 when the combined length of stay in the acute care bed and short-

1 term nursing care bed exceeds the average length of stay for
2 Medicaid hospital diagnostic related group reimbursement. The
3 department shall not make a final payment under title XIX for
4 benefits available under title XVIII without documentation that
5 title XVIII claims have been filed and denied. The department must
6 pay for nursing home services according to the state plan for
7 medical assistance adopted according to section 10 and approved by
8 the United States Department of Health and Human Services. A county
9 must reimburse a county maintenance of effort rate determined on an
10 annual basis for each patient day of Medicaid nursing home services
11 provided to eligible individuals in long-term care facilities owned
12 by the county and licensed to provide nursing home services. For
13 purposes of determining rates and costs described in this
14 subdivision, all of the following apply:

15 (i) For county-owned facilities with per patient day updated
16 variable costs exceeding the variable cost limit for the county
17 facility, county maintenance of effort rate means 45% of the
18 difference between per patient day updated variable cost and the
19 concomitant nursing home-class variable cost limit, the quantity
20 offset by the difference between per patient day updated variable
21 cost and the concomitant variable cost limit for the county
22 facility. The county rate must not be less than zero.

23 (ii) For county-owned facilities with per patient day updated
24 variable costs not exceeding the variable cost limit for the county
25 facility, county maintenance of effort rate means 45% of the
26 difference between per patient day updated variable cost and the
27 concomitant nursing home class variable cost limit.

28 (iii) For county-owned facilities with per patient day updated
29 variable costs not exceeding the concomitant nursing home class

1 variable cost limit, the county maintenance of effort rate must
2 equal zero.

3 (iv) For the purposes of this section: "per patient day updated
4 variable costs and the variable cost limit for the county facility"
5 must be determined according to the state plan for medical
6 assistance; for freestanding county facilities the "nursing home
7 class variable cost limit" must be determined according to the
8 state plan for medical assistance and for hospital attached county
9 facilities the "nursing class variable cost limit" must be
10 determined according to the state plan for medical assistance plus
11 \$5.00 per patient day; and "freestanding" and "hospital attached"
12 must be determined according to the federal regulations.

13 (v) If the county maintenance of effort rate computed under
14 this section exceeds the county maintenance of effort rate in
15 effect as of September 30, 1984, the rate in effect as of September
16 30, 1984 must remain in effect until a time that the rate computed
17 under this section is less than the September 30, 1984 rate. This
18 limitation remains in effect until December 31, 2025 or until a new
19 reimbursement system determined by the department replaces the
20 current system, whichever is sooner. For each subsequent county
21 fiscal year, the maintenance of effort rate may not increase by
22 more than \$1.00 per patient day each year.

23 (vi) For county-owned facilities, reimbursement for plant costs
24 must continue to be based on interest expense and depreciation
25 allowance unless otherwise provided by law.

26 (d) An eligible individual may receive pharmaceutical services
27 from a licensed pharmacist of the individual's choice as prescribed
28 by a licensed physician or dentist and approved by the department.
29 In an emergency, but not routinely, the individual may receive

1 pharmaceutical services rendered personally by a licensed physician
2 or dentist on the same basis as approved for pharmacists.

3 (e) An eligible individual may receive other medical and
4 health services as authorized by the department.

5 (f) Psychiatric care may also be provided according to the
6 guidelines established by the department to the extent of
7 appropriations made available by the legislature for the fiscal
8 year.

9 (g) An eligible individual may receive screening, laboratory
10 services, diagnostic services, early intervention services, and
11 treatment for chronic kidney disease under guidelines established
12 by the department. A clinical laboratory performing a creatinine
13 test on an eligible individual under this subdivision must include
14 in the lab report the glomerular filtration rate (eGFR) of the
15 individual and must report it as a percentage of kidney function
16 remaining.

17 (h) An eligible individual may receive medically necessary
18 acute medical detoxification for opioid use disorder, medically
19 necessary inpatient care at an approved facility, or care in an
20 appropriately licensed substance use disorder residential treatment
21 facility.

22 **(i) An eligible individual may receive abortion services from**
23 **any provider of the eligible individual's choice. The department**
24 **must set and pay to any provider reasonable rates that take account**
25 **of the prevailing charges and reimbursement rates in the region. No**
26 **plan offered under the medical assistance program shall impose any**
27 **cost sharing or case-by-case utilization management or utilization**
28 **review requirement or limitation.**

29 (2) The director must provide notice to the public, according

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

8 (3) As used in this act:

9 (a) "Title XVIII" means title XVIII of the social security
10 act, 42 USC 1395 to 1395lll.

11 (b) "Title XIX" means title XIX of the social security act, 42
12 USC 1396 to ~~1396w-6~~.**1396w-7**.

13 (c) "Title XX" means title XX of the social security act, 42
14 USC 1397 to 1397n-13.

15 Enacting section 1. This amendatory act takes effect January
16 1, 2025.

17 Enacting section 2. This amendatory act does not take effect
18 unless Senate Bill No. 478 of the 102nd Legislature is enacted into
19 law.