

SUBSTITUTE FOR
SENATE BILL NO. 460

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
(MCL 400.1 to 400.119b) by adding section 105c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 105C. (1) BEGINNING JANUARY 1, 2015 OR UPON TERMINATION
2 OF THE CURRENT CONTRACTED HEALTH PLANS, ALL CURRENT MEDICAL
3 ASSISTANCE RECIPIENTS SHALL BE MIGRATED TO INDIVIDUAL HEALTH
4 SAVINGS ACCOUNTS IN WHICH THEY CAN PURCHASE QUALIFIED HEALTH PLANS
5 FEATURING THE SAME SCOPE OF BENEFITS AS UNDER CURRENT LAW WITH THE
6 BALANCE OF FUNDS PROVIDED BY ELIGIBLE GOVERNMENT ASSISTANCE.
7 (2) ELIGIBLE GOVERNMENT ASSISTANCE AMOUNT IS DETERMINED ON AN
8 ANNUAL BASIS AS A RESULT OF SURVEYING THE COMMERCIAL HEALTH CARE

1 MARKET IN THE STATE AND ESTABLISHING THE AVERAGE COST OF A
2 QUALIFIED HEALTH PLAN THAT IS COMPOSED OF DIRECT PRIMARY CARE
3 SERVICES AND A HIGH-DEDUCTIBLE INSURANCE PLAN. THE AVERAGE COST
4 DETERMINED IN THE MANNER DESCRIBED IN THIS SUBSECTION IS THE
5 ELIGIBLE GOVERNMENT ASSISTANCE AMOUNT.

6 (3) MIGRATION SAVINGS IS THE DIFFERENCE BETWEEN THE CURRENT
7 MEDICAID COST FOR ALL ENROLLEES MINUS THE AVERAGE ELIGIBLE
8 GOVERNMENT ASSISTANCE AMOUNT FOR ALL ENROLLEES TIMES THE NUMBER OF
9 ENROLLEES.

10 (4) A PORTION OF THE MIGRATION SAVINGS DESCRIBED IN SUBSECTION
11 (3) SHALL BE DEPOSITED INTO THE LOW-INCOME TRUST FUND AT AN AMOUNT
12 NOT TO EXCEED THE AMOUNT NECESSARY TO PAY THE LESSER OF GAP
13 INSURANCE OR THE AVERAGE DEDUCTIBLE UNDER A HIGH-DEDUCTIBLE HEALTH
14 INSURANCE PLAN COMPONENT OF A QUALIFIED HEALTH PLAN UNTIL THE
15 INDIVIDUAL'S HEALTH SAVINGS ACCOUNT BALANCE HAS BEEN DETERMINED
16 ACTUARIALLY SUFFICIENT TO COVER THE DEDUCTIBLE OF THE HEALTH
17 INSURANCE PLAN WITHOUT MONEY FROM THE LOW-INCOME TRUST FUND.

18 (5) BEFORE IMPLEMENTING THE PROVISIONS OF THIS SECTION, THE
19 DEPARTMENT OF COMMUNITY HEALTH SHALL REQUEST A WAIVER FROM THE
20 UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES. IF THE
21 UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES DOES NOT
22 APPROVE THE WAIVER REQUESTED UNDER THIS SECTION, THE DEPARTMENT OF
23 COMMUNITY HEALTH SHALL NOT IMPLEMENT THE PROVISIONS OF THIS SECTION
24 AND THE CURRENT MEDICAL ASSISTANCE PROGRAM SHALL REMAIN IN PLACE.

25 (6) IF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
26 SERVICES DOES NOT APPROVE THE WAIVER REQUESTED UNDER SUBSECTION
27 (5), THE DEPARTMENT SHALL WITHIN 90 DAYS OF THAT DISAPPROVAL

1 PREPARE AND DELIVER TO THE LEGISLATURE A REPORT THAT INCLUDES ALL
2 OF THE FOLLOWING:

3 (A) A DETERMINATION OF THE AMOUNT OF MONEY THAT IT WOULD COST
4 THIS STATE, WITHOUT RECEIVING ANY MONEY FROM THE FEDERAL
5 GOVERNMENT, TO PROVIDE THE SAME LEVEL OF BENEFITS BEING PROVIDED ON
6 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION TO
7 MEDICAL ASSISTANCE RECIPIENTS BY UTILIZING A QUALIFIED HEALTH PLAN
8 THAT IS COMPOSED OF DIRECT PRIMARY CARE SERVICES AND A HIGH-
9 DEDUCTIBLE INSURANCE PLAN AS PROVIDED FOR IN THE PATIENT-CENTERED
10 CARE ACT.

11 (B) A DETERMINATION OF THE AMOUNT OF MONEY THIS STATE WOULD
12 SAVE IF ALL EMPLOYEES OF THIS STATE WERE PROVIDED THE SAME LEVEL OF
13 BENEFITS BEING PROVIDED ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
14 THAT ADDED THIS SECTION BY UTILIZING A QUALIFIED HEALTH PLAN THAT
15 IS COMPOSED OF DIRECT PRIMARY CARE SERVICES AND A HIGH-DEDUCTIBLE
16 INSURANCE PLAN AS PROVIDED FOR IN THE PATIENT-CENTERED CARE ACT.

17 (7) IF THE DEPARTMENT DETERMINES IN THE REPORT REQUIRED UNDER
18 SUBSECTION (6) THAT THE TOTAL COST TO THIS STATE FOR PROVIDING THE
19 SAME LEVEL OF BENEFITS TO BOTH MEDICAL ASSISTANCE RECIPIENTS AND
20 EMPLOYEES OF THIS STATE ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
21 THAT ADDED THIS SECTION BY UTILIZING A QUALIFIED HEALTH PLAN THAT
22 IS COMPOSED OF DIRECT PRIMARY CARE SERVICES AND A HIGH-DEDUCTIBLE
23 INSURANCE PLAN AS PROVIDED FOR IN THE PATIENT-CENTERED CARE ACT IS
24 EQUAL TO OR LESS THAN THE CURRENT COST FOR PROVIDING THOSE
25 BENEFITS, THEN THE DEPARTMENT SHALL IMPLEMENT THE PROVISIONS OF
26 THIS SECTION AND SHALL CEASE ADMINISTERING THE CURRENT MEDICAL
27 ASSISTANCE PROGRAM. IF THE DEPARTMENT DETERMINES IN THE REPORT

1 REQUIRED UNDER SUBSECTION (6) THAT THE TOTAL COST TO THIS STATE FOR
2 PROVIDING THE SAME LEVEL OF BENEFITS TO BOTH MEDICAL ASSISTANCE
3 RECIPIENTS AND EMPLOYEES OF THIS STATE ON THE EFFECTIVE DATE OF THE
4 AMENDATORY ACT THAT ADDED THIS SECTION BY UTILIZING A QUALIFIED
5 HEALTH PLAN THAT IS COMPOSED OF DIRECT PRIMARY CARE SERVICES AND A
6 HIGH-DEDUCTIBLE INSURANCE PLAN AS PROVIDED FOR IN THE PATIENT-
7 CENTERED CARE ACT IS MORE THAN THE CURRENT COST FOR PROVIDING THOSE
8 BENEFITS, THEN THE DEPARTMENT SHALL NOT IMPLEMENT THE PROVISIONS OF
9 THIS SECTION AND THE CURRENT MEDICAL ASSISTANCE PROGRAM SHALL
10 REMAIN IN PLACE.

11 (8) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE
12 STATE SHALL NOT ESTABLISH, FACILITATE, IMPLEMENT, OR PARTICIPATE IN
13 THE EXPANSION OF THE MEDICAID PROGRAM ACCORDING TO THE PATIENT
14 PROTECTION AND AFFORDABLE CARE ACT, PUBLIC LAW 111-148.

15 (9) AS USED IN THIS SECTION:

16 (A) "LOW-INCOME TRUST FUND" MEANS THE LOW-INCOME TRUST FUND
17 CREATED IN SECTION 11 OF THE PATIENT-CENTERED CARE ACT.

18 (B) "QUALIFIED HEALTH PLAN" MEANS THE QUALIFIED HEALTH PLAN
19 CERTIFIED UNDER THE PATIENT-CENTERED CARE ACT.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No. 459 of the 97th Legislature is enacted into
22 law.