

SENATE BILL No. 893

May 25, 1988, Introduced by Senators POLLACK, MILLER, GEO. HART, CHERRY, FAUST, SEDERBURG, DE GROW, EHLERS, V. SMITH, J. HART, CONROY, VAUGHN, DI NELLO, FAXON, GEAKE, ARTHURHULTZ, CRUCE, O'BRIEN and IRWIN and referred to the Committee on Appropriations.

A bill to amend the title and section 2 of Act No. 180 of the Public Acts of 1981, entitled as amended "Older Michiganians act," as amended by Act No. 35 of the Public Acts of 1987, being section 400.582 of the Michigan Compiled Laws; to add sections 15, 15a, 15b, 15c, and 15d; and to repeal certain parts of the act on specific dates.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and section 2 of Act No. 180 of the
2 Public Acts of 1981, as amended by Act No. 35 of the Public Acts
3 of 1987, being section 400.582 of the Michigan Compiled Laws, are
4 amended and sections 15, 15a, 15b, 15c, and 15d are added to read
5 as follows:

TITLE

1
2 An act to create a commission on services to the aging
3 within the executive office of the governor; to create an office
4 of services to the aging as an autonomous entity within the
5 department of management and budget; to authorize the designation
6 of area agencies on services to the aging; to establish ~~a~~
7 ~~long term care ombudsman program~~ CERTAIN PROGRAMS RELATING TO
8 OLDER PERSONS; to prescribe the powers and duties of ~~the commis-~~
9 ~~sion, the office, the long term care ombudsman program, and the~~
10 ~~area agencies~~ CERTAIN STATE DEPARTMENTS, OFFICERS, AND AGENCIES;
11 to provide penalties; to repeal certain acts and parts of acts;
12 and to repeal certain ~~acts and~~ parts of ~~acts~~ THIS ACT on spe-
13 cific dates.

14 Sec. 2. As used in this act:

15 (a) "Area agency on aging" means an agency designated by the
16 commission under section 4(i).

17 (B) "BOARD OF PHARMACY" MEANS THE MICHIGAN BOARD OF PHARMACY
18 CREATED IN SECTION 17721 OF THE PUBLIC HEALTH CODE, ACT NO. 368
19 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.17721 OF THE
20 MICHIGAN COMPILED LAWS.

21 (C) ~~(b)~~ "Chief elected official administrative officer"
22 means any of the following:

23 (i) The president of a village.

24 (ii) The mayor of a city.

25 (iii) The supervisor of a township.

26 (iv) The elected county executive or appointed county
27 manager of a county; or if the county has not adopted an optional

1 unified form of county government, the chairperson of the county
2 board of commissioners of the county.

3 (D) ~~-(e)-~~ "Commission" means the commission on services to
4 the aging established under section 3.

5 (E) ~~-(d)-~~ "Director" means the director of the office of
6 services to the aging.

7 (F) ~~-(e)-~~ "Long-term care facility" means 1 or more of the
8 following:

9 (i) A home for the aged as defined in section 20106(3) of
10 the public health code, Act No. 368 of the Public Acts of 1978,
11 being section 333.20106 of the Michigan Compiled Laws.

12 (ii) An adult foster care facility as defined in
13 section 3(4) of the adult foster care facility licensing act, Act
14 No. 218 of the Public Acts of 1979, being section 400.703 of the
15 Michigan Compiled Laws.

16 (iii) A nursing home as defined in section 20109(1) of Act
17 No. 368 of the Public Acts of 1978, being section 333.20109 of
18 the Michigan Compiled Laws.

19 (iv) A county medical care facility as defined in
20 section 20104(4) of Act No. 368 of the Public Acts of 1978, being
21 section 333.20104 of the Michigan Compiled Laws.

22 (v) A hospital long-term care unit as defined in
23 section 20106(6) of Act No. 368 of the Public Acts of 1978.

24 (G) ~~-(f)-~~ "Office" means the office of services to the aging
25 created by section 5.

26 (H) ~~-(g)-~~ "Older person," EXCEPT AS OTHERWISE PROVIDED IN
27 THIS SUBDIVISION, means a state resident who is 60 years of age

1 or older, and the spouse of the older person, regardless of age.
2 FOR PURPOSES OF SECTIONS 15 TO 15D, OLDER PERSON MEANS A RESIDENT
3 OF THIS STATE WHO IS 65 YEARS OF AGE OR OLDER.

4 (I) "PRESCRIPTION" AND "PRESCRIPTION DRUG" MEANS THOSE TERMS
5 AS DEFINED IN SECTION 17708 OF THE PUBLIC HEALTH CODE, ACT
6 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.17708 OF
7 THE MICHIGAN COMPILED LAWS. IN ADDITION, PRESCRIPTION AND PRE-
8 SCRIPTON DRUG INCLUDES INSULIN, SYRINGES, AND NEEDLES.

9 (J) "PROGRAM" MEANS THE OLDER PERSON'S PRESCRIPTION DRUG
10 COVERAGE PROGRAM ESTABLISHED IN SECTION 15.

11 SEC. 15. (1) THERE IS ESTABLISHED AN OLDER PERSON'S PRE-
12 SCRIPTON DRUG COVERAGE PROGRAM TO BE ADMINISTERED BY THE
13 OFFICE.

14 (2) THE PROGRAM SHALL PROVIDE FOR THE PAYMENT OF PRESCRIP-
15 TION DRUGS FOR EACH ELIGIBLE APPLICANT.

16 (3) COVERAGE AND REIMBURSEMENT FOR PRODUCT ACQUISITION UNDER
17 THE PROGRAM SHALL NOT EXCEED COVERAGE PROVIDED TO PERSONS RECEIV-
18 ING PHARMACEUTICAL SERVICES PURSUANT TO SECTION 109 OF THE SOCIAL
19 WELFARE ACT, ACT NO. 280 OF THE PUBLIC ACTS OF 1939, BEING SEC-
20 TION 400.109 OF THE MICHIGAN COMPILED LAWS.

21 (4) ANNUAL EXPENDITURES FOR THE PROGRAM SHALL NOT EXCEED THE
22 SPECIAL PURPOSE/GENERAL FUND MONEY APPROPRIATED TO THE PROGRAM.
23 IN ORDER TO ENSURE THAT EXPENDITURES DO NOT EXCEED THE AMOUNT
24 APPROPRIATED, THE OFFICE SHALL ESTABLISH APPROPRIATE COPAYMENTS
25 AND SHALL INSTITUTE NECESSARY COST CONTAINMENT AND BENEFIT DESIGN
26 CONTROLS. THE OFFICE MAY DEVELOP AND INSTITUTE ENROLLMENT FEES
27 AND DEDUCTIBLES TO MEET THE REQUIREMENTS OF THIS SECTION.

1 SEC. 15A. IN ADMINISTERING THE PROGRAM, THE OFFICE MAY DO
2 ALL OF THE FOLLOWING:

3 (A) DETERMINE THE ELIGIBILITY OF APPLICANTS TO THE PROGRAM.

4 (B) ENTER INTO CONTRACTS WITH PUBLIC OR PRIVATE ENTITIES FOR
5 THE PROCESSING AND PAYMENT OF CLAIMS AND MANAGEMENT REPORTING TO
6 INCLUDE, AT A MINIMUM, COST ANALYSIS AND UTILIZATION MONITORING.

7 (C) ESTABLISH A DISPENSING FEE TO BE PAID TO PHARMACIES THAT
8 PARTICIPATE IN THE PROGRAM.

9 (D) ESTABLISH, AS NECESSARY, PANELS TO PROVIDE ADVICE AND
10 CONSULTATION TO THE OFFICE CONCERNING THE PROGRAM.

11 SEC. 15B. (1) AN OLDER PERSON WHO MEETS ALL OF THE FOLLOW-
12 ING REQUIREMENTS IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM:

13 (A) FOR A SINGLE OLDER PERSON, HAVE A HOUSEHOLD INCOME OF
14 NOT MORE THAN \$9,000.00.

15 (B) FOR A MARRIED COUPLE, HAVE A HOUSEHOLD INCOME OF NOT
16 MORE THAN \$12,000.00.

17 (C) NOT BE ELIGIBLE FOR PARTICIPATION IN THE MEDICAL ASSIST-
18 ANCE PROGRAM ESTABLISHED UNDER THE SOCIAL WELFARE ACT, ACT
19 NO. 280 OF THE PUBLIC ACTS OF 1939, BEING SECTIONS 400.1 TO
20 400.121 OF THE MICHIGAN COMPILED LAWS.

21 (D) FOR A SINGLE OLDER PERSON, HAVE ASSETS TOTALING NOT MORE
22 THAN \$15,000.00, EXCLUDING ALL OF THE FOLLOWING:

23 (i) THE PERSON'S PRIMARY RESIDENCE.

24 (ii) ONE AUTOMOBILE.

25 (iii) ONE BURIAL PLOT.

26 (iv) ONE PREPAID FUNERAL PLAN.

1 (v) LIFE INSURANCE POLICIES.

2 (vi) PERSONAL POSSESSIONS AND HOUSEHOLD FURNISHINGS.

3 (E) FOR A MARRIED COUPLE, HAVE ASSETS TOTALING NOT MORE THAN
4 \$20,000.00, EXCLUDING ALL OF THE FOLLOWING:

5 (i) THE COUPLE'S PRIMARY RESIDENCE.

6 (ii) ONE AUTOMOBILE.

7 (iii) TWO BURIAL PLOTS.

8 (iv) ONE PREPAID FUNERAL PLAN WHICH COVERS 1 OR BOTH
9 PARTIES.

10 (v) LIFE INSURANCE POLICIES.

11 (vi) PERSONAL POSSESSIONS AND HOUSEHOLD FURNISHINGS.

12 (F) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, AT THE
13 TIME OF APPLICATION OR AT ANY TIME DURING PARTICIPATION IN THE
14 PROGRAM, NOT BE AN INPATIENT OR RESIDENT IN A HEALTH CARE FACILI-
15 TY, OR IN A MENTAL HEALTH FACILITY LICENSED OR OPERATED BY THE
16 STATE. THIS SUBDIVISION DOES NOT APPLY TO A RESIDENT OF A
17 LICENSED HOME FOR THE AGED.

18 (2) AN OLDER PERSON SHALL APPLY FOR PARTICIPATION IN THE
19 PROGRAM ON A FORM PRESCRIBED BY THE OFFICE. THE FORM SHALL
20 INCLUDE A STATEMENT REGARDING THE APPLICANT'S SOURCES OF INCOME.

21 (3) AN OLDER PERSON WHO IS ACCEPTED FOR PARTICIPATION IN THE
22 PROGRAM SHALL, BEFORE APPLYING FOR BENEFITS UNDER THE PROGRAM,
23 UTILIZE ANY OTHER THIRD PARTY REIMBURSEMENT FOR PRESCRIPTION
24 DRUGS AVAILABLE TO THE OLDER PERSON.

25 (4) EACH OLDER PERSON ACCEPTED FOR PARTICIPATION IN THE PRO-
26 GRAM SHALL PAY A COPAYMENT FOR EACH PRESCRIPTION PAID FOR BY THE
27 PROGRAM, AND, IF AN ENROLLMENT FEE IS REQUIRED BY THE OFFICE,

1 SHALL PAY THE ENROLLMENT FEE. THE ENROLLMENT FEE AND COPAYMENT
2 PRESCRIBED BY THIS SUBSECTION MAY BE ADJUSTED BY THE DIRECTOR, AS
3 SET FORTH IN SECTION 15(4).

4 (5) A PERSON SHALL NOT SUBMIT OR AID IN THE SUBMISSION OF A
5 FALSE OR FRAUDULENT CLAIM UNDER THE PROGRAM, OR MAKE A CLAIM
6 UNDER THE PROGRAM IN ORDER TO DUPLICATE OTHER GOVERNMENTAL OR
7 PRIVATE PAY BENEFITS. A PERSON WHO KNOWINGLY VIOLATES THIS SUB-
8 SECTION IS GUILTY OF A MISDEMEANOR. IF, AS A RESULT OF A VIOLA-
9 TION OF THIS SUBSECTION, A PERSON RECEIVES A FINANCIAL BENEFIT,
10 THE PERSON SHALL REIMBURSE THE PROGRAM IN AN AMOUNT EQUAL TO 3
11 TIMES THE AMOUNT OF THE FINANCIAL BENEFIT RECEIVED.

12 (6) AS USED IN THIS SECTION, "HOUSEHOLD INCOME" MEANS THAT
13 TERM AS DEFINED IN SECTION 508 OF THE INCOME TAX ACT OF 1967, ACT
14 NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTION 206.508 OF THE
15 MICHIGAN COMPILED LAWS.

16 SEC. 15C. (1) AN OLDER PERSON'S PRESCRIPTION DRUG COVERAGE
17 PROGRAM TASK FORCE IS ESTABLISHED IN THE OFFICE. THE TASK FORCE
18 SHALL CONSIST OF THE FOLLOWING 10 MEMBERS:

19 (A) THE DIRECTOR.

20 (B) THE COMMISSIONER OF INSURANCE OR HIS OR HER DESIGNEE.

21 (C) THE DIRECTOR OF PUBLIC HEALTH OR HIS OR HER DESIGNEE.

22 (D) THE DIRECTOR OF THE DEPARTMENT OF MANAGEMENT AND BUDGET
23 OR HIS OR HER DESIGNEE.

24 (E) THE DIRECTOR OF SOCIAL SERVICES OR HIS OR HER DESIGNEE.

25 (F) TWO REPRESENTATIVES OF THE BOARD OF PHARMACY, APPOINTED
26 BY THE DIRECTOR OF THE DEPARTMENT OF LICENSING AND REGULATION.

1 (G) THREE REPRESENTATIVES OF OLDER PERSONS, APPOINTED BY THE
2 DIRECTOR.

3 (2) THE DIRECTOR SHALL SERVE AS THE CHAIRPERSON OF THE TASK
4 FORCE. THE MEMBERS OF THE TASK FORCE DESCRIBED IN SUBSECTION
5 (1)(F) AND (G) SHALL SERVE FOR TERMS OF 3 YEARS AND SHALL NOT
6 SERVE FOR MORE THAN 2 CONSECUTIVE TERMS.

7 (3) THE TASK FORCE SHALL DO ALL OF THE FOLLOWING:

8 (A) OVERSEE THE OPERATION OF THE PROGRAM.

9 (B) EVALUATE THE EFFECTIVENESS OF THE PROGRAM.

10 (C) ANNUALLY REVIEW THE INCOME LIMITS SET FORTH IN SECTION
11 15B AND MAKE RECOMMENDATIONS TO THE HOUSE AND SENATE APPROPRIA-
12 TIONS COMMITTEES CONCERNING ANY CHANGES TO THE LIMITS WITHIN THE
13 CONSTRAINTS OF AVAILABLE FUNDING.

14 (D) MAKE ANNUAL RECOMMENDATIONS TO THE DIRECTOR FOR IMPROVE-
15 MENTS IN THE PROGRAM.

16 (E) REPORT ANNUALLY TO THE DIRECTOR ON THE ACTIVITIES OF THE
17 TASK FORCE.

18 SEC. 15D. (1) WITHIN 2 YEARS AFTER THE EFFECTIVE DATE OF
19 THIS SECTION, THE TASK FORCE SHALL REPORT TO THE HOUSE AND SENATE
20 COMMITTEES HAVING JURISDICTION OVER LEGISLATION RELATING TO OLDER
21 PERSONS ON THE FEASIBILITY OF CONTINUING THE PROGRAM.

22 (2) IF, AFTER THE EFFECTIVE DATE OF THIS SECTION, THERE IS
23 ESTABLISHED UNDER FEDERAL LAW AN OLDER PERSON'S PRESCRIPTION DRUG
24 COVERAGE PROGRAM THAT IS SUBSTANTIALLY SIMILAR TO THE PROGRAM
25 ESTABLISHED UNDER SECTIONS 15 TO 15B, THE OFFICE SHALL DISCON-
26 TINUE THE PROGRAM.

1 (3) THIS SECTION AND SECTIONS 15 TO 15C ARE REPEALED
2 EFFECTIVE UPON THE EXPIRATION OF 3 YEARS AFTER THE EFFECTIVE DATE
3 OF THIS SECTION.

4 Section 2. This amendatory act shall take effect upon the
5 expiration of 1 year after the date of its enactment.

6 Section 3. This amendatory act shall not take effect unless
7 all of the following bills of the 84th Legislature are enacted
8 into law:

9 (a) Senate Bill No. 546.

10 (b) House Bill No. 4611.