

Act No. 197
Public Acts of 1991
Approved by the Governor
December 31, 1991
Filed with the Secretary of State
January 2, 1992

**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1991**

Introduced by Senator Posthumus

ENROLLED SENATE BILL No. 510

AN ACT to make appropriations for the departments of management and budget and social services for the fiscal year ending September 30, 1992; to prescribe powers and duties for certain state agencies; and to provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the departments of management and budget and social services for the fiscal year ending September 30, 1992, from the following funds:

DEPARTMENT OF MANAGEMENT AND BUDGET

APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION	\$	2,500,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	2,500,000
Federal revenues:		
Total federal		0
Special revenue funds:		
Total local		0
Total private		0
Total other state restricted		2,500,000
State general fund/general purpose	\$	0

OFFICE OF SERVICES TO THE AGING

Michigan pharmaceutical program	\$	2,500,000
GROSS APPROPRIATION	\$	2,500,000
Appropriated from:		
Michigan pharmaceutical fund	\$	2,500,000

DEPARTMENT OF SOCIAL SERVICES

APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION	\$	64,300,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	64,300,000

For Fiscal Year
Ending Sept. 30,
1992

Federal revenues:	
Total federal	\$ 42,800,000
Special revenue funds:	
Total private	0
Total local	21,500,000
Total other state restricted	0
State general fund/general purpose	\$ 0
PUBLIC ASSISTANCE	
Emergency needs program	\$ (5,000,000)
Indigent medical care	(21,000,000)
Indigent medical care program	26,000,000
GROSS APPROPRIATION	\$ 0
Appropriated from:	
State general fund/general purpose	\$ 0
MEDICAL SERVICES	
Hospital services and therapy	\$ 64,300,000
GROSS APPROPRIATION	\$ 64,300,000
Appropriated from:	
Federal revenues:	
Total federal	42,800,000
Special revenue funds:	
County funds	21,500,000
State general fund/general purpose	\$ 0

Sec. 102. (1) From the funds appropriated in section 101 for hospital services and therapy, the department, subject to the requirements and limitations in this section, shall establish a funding pool of up to \$64,300,000.00 for the purpose of enhancing the aggregate payment for medicaid hospital outpatient services. Such payments, if any, may be made as a gross adjustment to hospital outpatient payments or by another mechanism or schedule as determined by the department, which meets the intent of this section.

(2) For counties with populations in excess of 2,000,000 persons, the department shall distribute \$34,760,000.00 to hospitals if \$15,500,000.00 is received by the state from such counties, which meets the criteria of an allowable state matching share as determined by applicable federal laws and regulations. If the state receives a lesser sum of an allowable state matching share from these counties, the amount distributed shall be reduced accordingly. In addition, the department may distribute up to an additional \$16,240,000.00 to hospitals in these counties, with the state's share funded by a transfer of up to \$7,310,000.00 in GF/GP authorization from the indigent medical care program account. The amount distributed, if any, to any given hospital in these counties shall be based on a formula determined by the department. If such distributions as indicated in this subsection are made, counties with populations in excess of 2,000,000 persons shall be responsible for providing for the health care needs of indigent persons as delineated in section 103.

(3) To hospitals in counties with populations less than 2,000,000 persons, the department shall distribute \$13,300,000.00 in the aggregate if \$6,000,000.00 is received in total from counties other than those meeting the population criteria in subsection (2) by the state in revenue which meets the criteria of an allowable state matching share. If the state receives a lesser sum of an allowable state matching share, the amount to be distributed shall be reduced accordingly. The amount to be distributed, if any, to any given hospital shall be based on a formula determined by the department.

(4) The department shall make no distributions from this pool until such time as the department has filed the necessary state plan amendments and made the required notifications, if any, and has received indications that federal approval, if required, will be forthcoming. Notwithstanding this restriction, the department shall immediately begin to prepare the various contracts, notices, and other processes necessary to implement this section and section 103 as expeditiously as possible.

(5) From the funds appropriated in section 101 of Act No. 111 of the Public Acts of 1991 for hospital services and therapy, up to 10 FTE positions may be authorized for the medical services operations to assist in carrying out the intent of this section.

Sec. 103. (1) From the funds appropriated in section 101 for the indigent medical care program, the department shall establish a program which provides for the basic health care needs of indigent persons as delineated in the following subsections.

(2) Eligibility for this program is limited to the following:

(a) Persons currently receiving cash grants under either the family assistance or state disability assistance programs who are not eligible for any other public or private health care coverage.

(b) Any other resident of this state who currently meets the income and asset requirements for the state disability assistance program and is not eligible for any other public or private health care coverage.

(3) All potentially eligible persons, except those defined in subsection (2)(a), who shall be automatically enrolled, may apply for enrollment in this program at local department of social services offices or other designated sites.

(4) The program shall provide for the following minimum level of services, subject to subsection (7), for enrolled individuals:

(a) Physician services provided in private, clinic, or outpatient office settings.

(b) Diagnostic laboratory and X-ray services.

(c) Pharmaceutical services.

(5) Program enrollees shall be required to receive services as follows:

(a) Physician services shall be obtained only from 1 of the following:

(i) An established managed care program designated by the department such as the Wayne county patient care management system.

(ii) Other managed care plans which enter into contracts with the department.

(iii) In sparsely populated areas or areas without available managed care plans, from individual providers on a contractual basis arranged by the department or other designated entity.

(b) Diagnostic laboratory and X-ray services must be ordered by the enrollee's assigned provider or authorized referral provider.

(c) Prescriptions may be filled by any medicaid program participating pharmacy, but the prescription must be written by the enrollee's assigned provider or authorized referral provider.

(6) The department shall expedite the establishment of this program and shall provide bi-weekly summaries of progress toward this end to the legislature. However, in the interim nothing in these subsections shall be construed as limiting the ability of the department to continue to provide for the health care needs from these appropriations based on current department policy.

(7) The department shall continuously monitor expenditures under this and its predecessor program. If it should appear that the rate of expenditures will exhaust the existing level of appropriations for these purposes prior to the end of this fiscal year, the department shall immediately present a plan to the senate and house appropriations committees which may include requests for transfers or supplementals or program limitations.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved.....

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Governor.