

HOUSE BILL No. 5865

June 1, 1992, Introduced by Reps. Gire, Martin, Porreca, Byrum, Scott, Webb, Berman, Johnson, Hollister, Bartnik, Wozniak, Hoffman, Pitoniak, Baade, DeBeaussaert, Harder, Ostling, Stallworth and Richard A. Young and referred to the Committee on Social Services and Youth.

A bill to establish a system for providing medical services and certain other services to persons who leave public assistance to obtain employment; to provide for the powers and duties of certain state officers and agencies; to impose restrictions on certain employers; to provide for the promulgation of rules; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "work incentive welfare reduction act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of social services.

5 (b) "Medicaid" means the medical assistance program estab-
6 lished and operated under the social welfare act.

7 (c) "Poverty level" means the official poverty level
8 established by the federal government.

1 (d) "Public assistance" means aid to families with dependent
2 children or general assistance administered under the social wel-
3 fare act.

4 (e) "Social welfare act" means Act No. 280 of the Public
5 Acts of 1939, being sections 400.1 to 400.121 of the Michigan
6 Compiled Laws.

7 (f) "Unemployment benefits" means benefits paid to an unem-
8 ployed individual under the Michigan employment security act, Act
9 No. 1 of the Public Acts of the Extra Session of 1936, being sec-
10 tions 421.1 to 421.73 of the Michigan Compiled Laws.

11 Sec. 3. (1) The department shall establish and operate a
12 program that provides medical services to persons described in
13 subsection (2).

14 (2) A person who is a resident of this state is eligible for
15 medical services under this act if he or she meets both of the
16 following conditions:

17 (a) He or she received public assistance in this state after
18 the effective date of this act and thereafter became financially
19 ineligible for further public assistance because he or she became
20 employed.

21 (b) The income, as determined for medicaid eligibility, he
22 or she receives is equal to or less than 185% of the poverty
23 level.

24 (3) A person who qualifies as eligible under subsection (2)
25 shall remain eligible until 1 or more of the following occur:

26 (a) He or she is no longer eligible under subsection
27 (2)(b).

1 (b) A period of 48 months expires after the date on which
2 the person became ineligible for further public assistance
3 because of employment.

4 (c) His or her employment is terminated, except that he or
5 she shall remain eligible for an extension period of 90 days
6 after his or her employment is terminated, or for the duration of
7 his or her receipt of unemployment benefits, whichever is longer,
8 but in no case longer than expiration of the 48-month period
9 established in subdivision (b).

10 (d) He or she is no longer a resident of this state.

11 (4) A person who, at the time he or she becomes financially
12 ineligible for further public assistance because of employment,
13 and who is not eligible under subsection (2) because his or her
14 income is greater than the level established in subsection (2)(b)
15 is eligible at any time during the 48-month period established in
16 subsection (3)(b) in which his or her income decreases to the
17 limit established in subsection (2)(b). A person who becomes
18 eligible under this subsection is subject to the same conditions
19 of continuing eligibility prescribed in subsection (3).

20 (5) Every 6 months the department shall redetermine the eli-
21 gibility of a person who is receiving medical services under this
22 act.

23 Sec. 4. (1) The department shall provide to persons eligi-
24 ble under section 3(2) and their dependents all medical services
25 that are available to recipients of medicaid, with the exception
26 of mental health services and long-term care.

1 (2) A person who receives benefits under this act shall pay
2 a monthly premium in an amount equal to the following:

3 (a) If the person's income, as determined for medicaid eli-
4 gibility, is equal to or less than 150% of the poverty level, 5%
5 of the projected monthly cost of the benefit.

6 (b) If the person's income, as determined for medicaid eli-
7 gibility, is between 151% and 185% of the poverty level, 10% of
8 the projected monthly cost of the benefit.

9 (3) If a person or his or her dependents are eligible for
10 health insurance or health care coverage from the person's
11 employer, or from any source other than the program established
12 under this act, the medical services provided under this act
13 shall be secondary to any other available health insurance or
14 health care coverage.

15 (4) The department shall reimburse providers of medical
16 services provided under this act in the same manner as providers
17 are reimbursed pursuant to medicaid. A provider of medical serv-
18 ices under this act shall meet the same standards required of
19 participants in medicaid as to licensure, quality of medical
20 services, financial accountability, and other factors determined
21 by the department. The state's payment to providers of medical
22 services under this act shall be considered payment in full.

23 Sec. 5. (1) The state department may award a grant for sup-
24 port of community-based programs that provide transportation to
25 and from work and to and from child day care facilities, if
26 needed, for persons eligible for medical services under this
27 act.

1 (2) The state share payable under this section shall not
2 exceed 40% of the total cost of the services rendered by a
3 community-based program. The total cost of the services rendered
4 by a community-based program may include the fair market value of
5 in-kind contributions by the community-based program, including,
6 but not limited to, volunteer services.

7 (3) A person is eligible for transportation services under
8 this section, if available, as long as he or she is eligible for
9 medical services under this act.

10 Sec. 6. (1) The department shall make day care services
11 available to the children of persons eligible for medical serv-
12 ices under this act through day care programs licensed or oper-
13 ated by the department that provide direct care to infants, pre-
14 school children, or school age children of persons who are
15 employed, including programs funded under title XX of the social
16 security act, 42 U.S.C. 1397 to 1397e.

17 (2) The department shall:

18 (a) Identify eligible persons whose children require day
19 care services.

20 (b) Verify the eligibility of persons.

21 (c) Document child day care needs.

22 (d) Establish a child day care plan for each eligible
23 person, including consultation and referral to qualified child
24 day care providers.

25 (e) Provide all required forms and assistance in completing
26 the forms.

1 (f) Verify all required child day care authorizations.

2 (g) Provide continual and ongoing case management as
3 prescribed in subdivisions (a) to (f).

4 (h) Provide information related to licensed day care
5 providers.

6 (3) A person is eligible for child day care services under
7 this section as long as he or she is eligible for medical serv-
8 ices under this act.

9 Sec. 7. (1) The department shall promptly seek any waivers
10 of federal law or regulation that are required to implement any
11 part of this act, including a waiver that allows the state to
12 retain the savings obtained by implementation of this act.

13 (2) The department shall utilize federal funds to the extent
14 possible to pay for the services and programs established under
15 this act.

16 (3) The department shall determine client eligibility for
17 other federally funded programs before using a program estab-
18 lished under this act.

19 Sec. 8. If a provision of this act would result in noncom-
20 pliance with a requirement of federal law under medicaid or aid
21 to families with dependent children and if the noncompliance
22 would result in a loss of federal funds, the department shall
23 comply with the federal requirement as it applies to those indi-
24 viduals receiving aid under the federal program.

25 Sec. 9. (1) A person shall not knowingly make or cause to
26 be made a false statement or false representation of a material
27 fact in an application for benefits under this act.

1 (2) A person shall not knowingly make or cause to be made a
2 false statement or false representation of a material fact for
3 use in determining rights to a benefit under this act.

4 (3) A person who has knowledge of the occurrence of an event
5 affecting his or her initial or continued right to receive a ben-
6 efit under this act or the initial or continued right of any
7 other person on whose behalf he or she has applied for or is
8 receiving a benefit shall not conceal or fail to disclose that
9 event with intent to obtain a benefit to which the person or any
10 other person is not entitled or in an amount greater than that to
11 which the person or any other person is entitled.

12 (4) A person who violates this section is guilty of a
13 felony, punishable by imprisonment of not more than 4 years, or a
14 fine of not more than \$50,000.00, or both.

15 Sec. 10. (1) An employer shall not do any of the
16 following:

17 (a) Deny health insurance or health care coverage or fail to
18 provide health insurance or health care coverage to a person, or
19 revoke the provision of health insurance or health care coverage
20 to a person, for the purpose of allowing that person to become or
21 remain eligible for medical services under this act.

22 (b) Hire or offer to hire a person on the condition that the
23 person be or become eligible for medical services under this
24 act.

25 (c) Discharge or lay off an employee for the purpose of
26 hiring a person who is eligible for medical services under this
27 act.

1 (2) An employer who violates this section is guilty of a
2 misdemeanor, punishable by a fine of not more than \$1,000.00, or
3 by imprisonment for not more than 90 days, or both.

4 Sec. 11. The director of the department shall obtain
5 periodic evaluations of the effect of this act through arrange-
6 ments with public colleges and universities in this state that
7 receive state funding.

8 Sec. 12. The department may promulgate rules to implement
9 this act pursuant to the administrative procedures act of 1969,
10 Act No. 306 of the Public Acts of 1969, being sections 24.201 to
11 24.328 of the Michigan Compiled Laws.

12 Sec. 13. The department shall not implement this act unless
13 federal waivers necessary for implementation are obtained pursu-
14 ant to section 7.