



**House  
Legislative  
Analysis  
Section**

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## **WORK INCENTIVE WELFARE REDUCTION ACT**

**House Bill 4141**

**Sponsor: Rep. Sharon Gire**

**Committee: Human Services & Children**

**Complete to 5-26-93**

### **A SUMMARY OF HOUSE BILL 4141 AS INTRODUCED 2-3-93**

The bill would create a new public act to require the Department of Social Services (DSS) to fund medical and child care services for people newly hired off of public assistance; the bill also would authorize the DSS to provide grant support to community-based transportation services. The department would have to promptly seek any federal waivers necessary to implement the bill, and could not proceed with implementation until any such waivers were received. Any available federal funds would be utilized to the extent possible to fund the bill, and client eligibility for other federally-funded programs would be determined before using a program established under the bill. The department would have the program evaluated periodically by state-funded colleges and universities. Further details follow.

Eligibility. A Michigan resident would be eligible for assistance under the bill if both of the following conditions were met: (1) he or she received public assistance after the bill took effect and thereafter became financially ineligible for further public assistance because he or she became employed; and (2) his or her income, as determined for Medicaid eligibility, was less than or equal to 185 percent of the poverty level. The person would remain eligible until 48 months had elapsed, his or her income rose, he or she moved from the state, or his or her employment was terminated (except that eligibility would continue for 90 days, or for the duration of unemployment benefits, whichever was longer, but in no case past the expiration of the 48-month period). Someone whose income level crossed the eligibility threshold during the 48-month period would be eligible for those times when income was below the threshold level. The department would redetermine a person's eligibility every six months.

Medical care. The DSS would provide to eligible people and their dependents all medical services, except mental health services and long-term care, that are available to Medicaid recipients. A person receiving medical benefits under the bill would have to pay five or ten percent of the cost of the benefits, depending on his or her income. Medical benefits under the bill would be secondary to any employer-provided or other available benefits. Providers would be reimbursed in the same manner as is done under Medicaid, and would have to meet Medicaid standards. The state's payment to a provider under the bill would be considered payment in full.

Transportation. The department could award a grant for support of community-based programs that provide transportation to and from work and to and from child care facilities for people eligible for assistance under the bill. The state share could not exceed

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40 percent of the total cost of services rendered by a community-based program; that total cost could be calculated to include the value of in-kind contributions, including volunteer services.

Child care. The DSS would have to make licensed or DSS-operated child care services available to children of people eligible under the bill. The department would have to identify eligible people and document child care needs, develop a child care plan for each eligible person (including consultation and referrals to child care providers), assist recipients in completing any required forms (which the department would provide), and provide continual case management.

Penalties. Falsification of documents or fraud in receiving or attempting to receive benefits under the bill would be a felony punishable by up to four years in prison, a fine of up to \$50,000, or both. An employer who denied medical benefits or hired or fired a person based on his or her eligibility under the bill would be guilty of a misdemeanor punishable by up to 90 days in jail, a fine of up to \$1,000, or both.