



**House
Legislative
Analysis
Section**

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NURSING HOMES: MEDICAID

House Bills 4261 and 4262

Sponsor: Rep. Paul Baade

Committee: Human Services & Children

Complete to 3-25-93

A SUMMARY OF HOUSE BILLS 4261 AND 4262 AS INTRODUCED 2-17-93

House Bill 4261 would amend the Public Health Code (MCL 333.21702 et al.) to prohibit a nursing home from making a waiver of Medicare or Medicaid a condition of admission, or similarly conditioning admission on an assurance that the applicant either is not eligible for the programs or will not apply for Medicare or Medicaid benefits. A nursing home could not require that a patient remain a private pay patient for a specified amount of time, or that someone make a gift or donation on behalf of a patient or applicant for admission.

Violation of the above provisions would be a misdemeanor punishable by up to one year in jail, and/or a fine of between \$1,000 and \$10,000. In addition, the offender would be liable to an applicant or a patient for treble the amount of actual damages or \$1,000, whichever was greater, plus costs and reasonable attorney fees.

A contract in conflict with the bill would be unenforceable as of the date the bill took effect, regardless of when the contract was made. Within 30 days after the bill took effect, a nursing home that participated in Medicaid and had contracts in conflict with the bill would have to notify each affected patient that the contract was no longer a bar to the patient applying for Medicaid.

The bill would allow a nursing home employee to request a guardian for an applicant or patient only if the employee reasonably believed that the individual met the legal requirements for appointment of a guardian.

A nursing home could require an individual who had legal access to a patient's income or resources to sign a contract to provide nursing home payment from that income without incurring personal liability.

In addition to matters covered by current law, a contract would have to specify the general and foreseeable terms upon which a deposit would be held and refunded.

House Bill 4262 would amend the Social Welfare Act (MCL 400.111b) to require a nursing home that withdraws from participation in the Medicaid program to continue to accept Medicaid payments for any Medicaid patients already admitted, including patients already admitted who may become eligible to receive medical assistance under the act.

House Bill 4261 (3-25-93)