



# HOUSE BILL No. 4141

February 3, 1993, Introduced by Reps. Gire, Schroer, Anthony, Freeman, Scott, Points, Rivers, Ciaramitaro, Bennane, Kilpatrick, Saunders, Dolan, Bobier, Martin, Stallworth, Jondahl and Brown and referred to the Committee on Human Services and Children.

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 400.119b 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 qualifies under subsection (2)(a) is eligi-  
12 ble for medical services at any time during the 48-month period  
13 established in subsection (3)(b) in which his or her income  
14 decreases to the limit established in subsection (2)(b). A  
15 person who becomes eligible under this subsection is subject to  
16 the same conditions of continuing eligibility prescribed in sub-  
17 section (3).

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

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

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

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

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

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

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

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

26 (2) The state share payable under this section shall not  
27 exceed 40% of the total cost of the services rendered by a

1 community-based program. The total cost of the services rendered  
2 by a community-based program may include the fair market value of  
3 in-kind contributions by the community-based program, including,  
4 but not limited to, volunteer services.

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

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

15 (2) The department shall:

16 (a) Identify eligible persons whose children require day  
17 care services.

18 (b) Verify the eligibility of persons.

19 (c) Document child day care needs.

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

23 (e) Provide all required forms and assistance in completing  
24 the forms.

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

26 (g) Provide continual and ongoing case management.

1 (h) Provide information related to licensed day care  
2 providers.

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

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

10 (2) The department shall utilize federal funds to the extent  
11 possible to pay for the services and programs established under  
12 this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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