



# HOUSE BILL No. 5666

June 22 1994 Introduced by Reps DeLange Horton McManus Jamian Kukuk Dolan, London, Gernaat Bodem Brackenridge and Whyman and referred to the Committee on Human Services and Children

A bill to amend Act No 280 of the Public Acts of 1939,  
entitled as amended

The social welfare act,"  
as amended, being sections 400 1 to 400 119b of the Michigan  
Compiled Laws, by adding sections 112a, 112b, 112c, and 112d

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Act No 280 of the Public Acts of 1939 as  
2 amended, being sections 400 1 to 400 119b of the Michigan  
3 Compiled Laws, is amended by adding sections 112a, 112b 112c,  
4 and 112d to read as follows

5 SEC 112A AS USED IN THIS SECTION AND SECTIONS 112B TO  
6 112D

7 (A) 'LONG-TERM CARE INSURANCE POLICY' MEANS A POLICY  
8 DESCRIBED IN CHAPTER 39 OF THE INSURANCE CODE OF 1956, ACT NO

1 218 OF THE PUBLIC ACTS OF 1956 BEING SECTIONS 500 3901 TO  
2 500 3955 OF THE MICHIGAN COMPILED LAWS

3 (B) 'MEDICAID MEANS THE PROGRAM OF MEDICAL ASSISTANCE  
4 ESTABLISHED BY THE DEPARTMENT PURSUANT TO SECTION 105

5 (C) "PARTNERSHIP POLICY MEANS A LONG-TERM CARE INSURANCE  
6 POLICY THAT MEETS THE REQUIREMENTS SET FORTH IN SECTION 112C

7 (D) "PARTNERSHIP PROGRAM' MEANS THE MICHIGAN PARTNERSHIP FOR  
8 LONG-TERM CARE PROGRAM ESTABLISHED PURSUANT TO SECTION 112B

9 SEC 112B (1) SUBJECT TO SUBSECTION (4), THE DEPARTMENT  
10 SHALL ESTABLISH THE MICHIGAN PARTNERSHIP FOR LONG-TERM CARE PRO-  
11 GRAM TO PROVIDE FOR THE FINANCING OF LONG-TERM CARE THROUGH A  
12 COMBINATION OF PRIVATE INSURANCE AND MEDICAID

13 (2) AN INDIVIDUAL IS ELIGIBLE TO PARTICIPATE IN THE PARTNER-  
14 SHIP PROGRAM IF HE OR SHE MEETS ALL OF THE FOLLOWING  
15 REQUIREMENTS

16 (A) IS A MICHIGAN RESIDENT

17 (B) PURCHASES A PARTNERSHIP POLICY THAT IS DELIVERED ISSUED  
18 FOR DELIVERY, OR RENEWED ON OR AFTER THE EFFECTIVE DATE OF THIS  
19 SECTION, AND MAINTAINS THE PARTNERSHIP POLICY IN EFFECT THROUGH-  
20 OUT THE PERIOD OF PARTICIPATION IN THE PARTNERSHIP PROGRAM

21 (C) EXHAUSTS THE MINIMUM BENEFITS UNDER THE PARTNERSHIP  
22 POLICY AS DESCRIBED IN SECTION 112C(1)(A)

23 (3) UPON APPLICATION OF AN INDIVIDUAL WHO MEETS THE REQUIRE-  
24 MENTS DESCRIBED IN SUBSECTION (2), THE DEPARTMENT SHALL DETERMINE  
25 THE INDIVIDUAL'S ELIGIBILITY FOR MEDICAID WITHOUT REGARD TO THE  
26 INDIVIDUAL S FINANCIAL RESOURCES

1 (4) THE DEPARTMENT SHALL SEEK APPROPRIATE AMENDMENTS TO THE  
2 MEDICAID STATE PLAN AND A WAIVER OF MEDICAID REQUIREMENTS BY THE  
3 FEDERAL HEALTH CARE FINANCING ADMINISTRATION TO IMPLEMENT THE  
4 PARTNERSHIP PROGRAM THE DEPARTMENT SHALL NOT IMPLEMENT THE  
5 PARTNERSHIP PROGRAM UNLESS A FEDERAL WAIVER OF MEDICAID REQUIRE-  
6 MENTS IS OBTAINED

7 SEC 112C (1) A PARTNERSHIP POLICY SHALL MEET ALL OF THE  
8 FOLLOWING REQUIREMENTS

9 (A) COVERAGE SHALL BE FOR A MINIMUM OF 4 YEARS OF NURSING  
10 HOME CARE OR CARE DESCRIBED IN SECTION 109C OR A COMBINATION OF  
11 BOTH TYPES OF CARE

12 (B) MINIMUM DAILY BENEFITS SHALL BE \$100 00 FOR NURSING HOME  
13 CARE OR \$50 00 FOR CARE DESCRIBED IN SECTION 109C THESE MINIMUM  
14 DAILY BENEFIT AMOUNTS SHALL BE ADJUSTED ANNUALLY BY THE  
15 DEPARTMENT

16 (C) A THIRD PARTY SHALL BE DESIGNATED TO RECEIVE NOTICE IF  
17 THE POLICY IS ABOUT TO LAPSE FOR NONPAYMENT OF PREMIUM, AND AN  
18 ADDITIONAL 30-DAY GRACE PERIOD FOR PAYMENT OF PREMIUM SHALL BE  
19 GRANTED IF THAT PERSON IS NOTIFIED

20 (D) THE POLICY SHALL COVER ALL OF THE FOLLOWING SERVICES

21 (i) NURSING HOME CARE

22 (ii) HOME HEALTH CARE

23 (iii) ADULT DAY CARE

24 (iv) PERSONAL CARE

25 (v) SKILLED NURSING CARE

26 (vi) RESPITE CARE

1 (vii) CARE MANAGEMENT

2 (viii) DAYS SPENT IN A HOSPITAL WHILE THE INDIVIDUAL IS  
3 WAITING FOR LONG-TERM CARE PLACEMENT

4 (E) CLAIMS SHALL BE PAID DESPITE NONPAYMENT OF PREMIUMS IF  
5 NONPAYMENT RESULTED FROM COGNITIVE IMPAIRMENT OF THE INSURED

6 (2) A PARTNERSHIP POLICY SHALL OFFER ALL OF THE FOLLOWING  
7 OPTIONS FOR THE PAYMENT OF AN ADDITIONAL PREMIUM

8 (A) AN ELIMINATION PERIOD OF LESS THAN 100 DAYS

9 (B) 5% INFLATION PROTECTION

10 (C) LEVEL PREMIUMS

11 (D) RETURN OF PREMIUM AND NONFORFEITURE BENEFITS FOR APPLI-  
12 CANTS BETWEEN THE AGES OF 18 AND 75

13 SEC 112D THE DEPARTMENT MAY PROMULGATE RULES PURSUANT TO  
14 THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO 306 OF THE  
15 PUBLIC ACTS OF 1969, BEING SECTIONS 24 201 TO 24 328 OF THE  
16 MICHIGAN COMPILED LAWS AS NECESSARY TO IMPLEMENT THE PARTNERSHIP  
17 PROGRAM