



SENATE BILL No. 425

March 22, 1995, Introduced by Senators MC MANUS,
GEAKE and SCHWARZ and referred to the Committee
on Families, Mental Health and Human Services.

A bill to amend section 109 of Act No. 280 of the Public
Acts of 1939, entitled as amended

"The social welfare act,"

as amended by Act No. 352 of the Public Acts of 1994, being sec-
tion 400.109 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 109 of Act No. 280 of the Public Acts of
2 1939, as amended by Act No. 352 of the Public Acts of 1994, being
3 section 400.109 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 109. (1) The following medical services may be pro-
6 vided under this act:

7 (a) Hospital services that an eligible person may receive
8 consist of medical, surgical, or obstetrical care, together with
9 necessary drugs, X-rays, physical therapy, prosthesis,

1 transportation, and nursing care incident to the medical,
2 surgical, or obstetrical care. The period of inpatient hospital
3 service shall be the minimum period necessary in this type of
4 facility for the proper care and treatment of the individual.
5 Necessary hospitalization to provide dental care shall be pro-
6 vided if certified by the attending dentist with the approval of
7 the state department. A person who is receiving medical treat-
8 ment as an inpatient because of a diagnosis of tuberculosis or
9 mental disease may receive service under this section, notwith-
10 standing the mental health code, Act No. 258 of the Public Acts
11 of 1974, ~~as amended,~~ being sections 330.1001 to 330.2106 of the
12 Michigan Compiled Laws, and Act No. 177 of the Public Acts of
13 1925, as amended, being sections 332.151 to 332.164 of the
14 Michigan Compiled Laws. The state department shall pay for hos-
15 pital services in accordance with the state plan for medical
16 assistance adopted pursuant to section 10 and approved by the
17 United States department of health and human services.

18 (b) An eligible person may receive physician services autho-
19 rized by the state department. The service may be furnished in
20 the office of the physician, the eligible person's home, a medi-
21 cal institution, or elsewhere in case of emergency. A physician
22 shall be paid a reasonable charge for the service rendered.
23 Reasonable charges shall be determined by the state department
24 and shall not be more than those paid in this state for services
25 rendered under title XVIII.

26 (c) An eligible person may receive nursing home services in
27 a state licensed nursing home, a medical care facility, or other

1 facility or identifiable unit of that facility, certified by the
2 appropriate authority as meeting established standards for a
3 nursing home under the laws and rules of this state and the
4 United States department of health and human services, to the
5 extent found necessary by the attending physician, dentist, or
6 certified Christian Science practitioner. An eligible person may
7 receive nursing services in a short-term nursing care program
8 established under section 22210 of the public health code, Act
9 No. 368 of the Public Acts of 1978, being section 333.22210 of
10 the Michigan Compiled Laws, to the extent found necessary by the
11 attending physician when the combined length of stay in the acute
12 care bed and short-term nursing care bed exceeds the average
13 length of stay for medicaid hospital diagnostic related group
14 reimbursement. The state department shall not make a final pay-
15 ment pursuant to title XIX for benefits available under title
16 XVIII without documentation that title XVIII claims have been
17 filed and denied. The state department shall pay for nursing
18 home services in accordance with the state plan for medical
19 assistance adopted pursuant to section 10 and approved by the
20 United States department of health and human services. A county
21 shall reimburse a county maintenance of effort rate determined on
22 an annual basis for each patient day of medicaid nursing home
23 services provided to eligible persons in long term care facili-
24 ties owned by the county and licensed to provide nursing home
25 services. For purposes of determining rates and costs described
26 in this subdivision, all of the following apply:

1 (i) For county owned facilities with per patient day updated
2 variable costs exceeding the variable cost limit for the county
3 facility, county maintenance of effort rate means 45% of the dif-
4 ference between per patient day updated variable cost and the
5 concomitant nursing home-class variable cost limit, the quantity
6 offset by the difference between per patient day updated variable
7 cost and the concomitant variable cost limit for the county
8 facility. The county rate shall not be less than zero.

9 (ii) For county owned facilities with per patient day
10 updated variable costs not exceeding the variable cost limit for
11 the county facility, county maintenance of effort rate means 45%
12 of the difference between per patient day updated variable cost
13 and the concomitant nursing home class variable cost limit.

14 (iii) For county owned facilities with per patient day
15 updated variable costs not exceeding the concomitant nursing home
16 class variable cost limit, the county maintenance of effort rate
17 shall equal zero.

18 (iv) For the purposes of this section: "per patient day
19 updated variable costs and the variable cost limit for the county
20 facility" shall be determined pursuant to the state plan for med-
21 ical assistance; for freestanding county facilities the "nursing
22 home class variable cost limit" shall be determined pursuant to
23 the state plan for medical assistance and for hospital attached
24 county facilities the "nursing class variable cost limit" shall
25 be determined pursuant to the state plan for medical assistance
26 plus \$5.00 per patient day; and "freestanding" and "hospital

1 attached" shall be determined in accordance with the federal
2 regulations.

3 (v) If the county maintenance of effort rate computed in
4 accordance with this section exceeds the county maintenance of
5 effort rate in effect as of September 30, 1984, the rate in
6 effect as of September 30, 1984 shall remain in effect until such
7 time as the rate computed in accordance with this section is less
8 than the September 30, 1984 rate. This limitation shall remain
9 in effect until December 31, ~~1995~~ 2000. For each subsequent
10 county fiscal year the maintenance of effort may not increase by
11 more than \$1.00 per patient day each year.

12 (vi) For county owned facilities, reimbursement for plant
13 costs will continue to be based on interest expense and deprecia-
14 tion allowance unless otherwise provided by law.

15 (d) An eligible person may receive pharmaceutical services
16 from a licensed pharmacist of the person's choice as prescribed
17 by a licensed physician or dentist and approved by the state
18 department. In an emergency, but not routinely, the person may
19 receive pharmaceutical services rendered personally by a licensed
20 physician or dentist on the same basis as approved for
21 pharmacists.

22 (e) An eligible person may receive other medical and health
23 services as authorized by the state department.

24 (f) Psychiatric care may also be provided pursuant to the
25 guidelines established by the state department to the extent of
26 appropriations made available by the legislature for the fiscal
27 year.

1 (2) The director shall provide notice to the public, in
2 accordance with applicable federal regulations, and shall obtain
3 the approval of the committees on appropriations of the house of
4 representatives and senate of the legislature of this state, of
5 any proposed change in the statewide method or level of reim-
6 bursement for a service, if the proposed change is expected to
7 increase or decrease payments for that service by 1% or more
8 during the 12 months after the effective date of the change.

9 (3) As used in this act:

10 (a) "Title V" means title V of the social security act,
11 chapter 531, 49 Stat. 620, 42 U.S.C. 701 to 704a and 705 to 709.

12 (b) "Title XVIII" means title XVIII of the social security
13 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,
14 1395c to 1395i, 1395i-2 to 1395i-4, 1395j to 1395t, 1395u to
15 1395w-2, ~~and~~ 1395w-4 to 1395yy, AND 1395bbb TO 1395ccc.

16 (c) "Title XIX" means title XIX of the social security act,
17 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396g and 1396i to
18 1396v.

19 (d) "Title XX" means title XX of the social security act,
20 chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.