

**SUBSTITUTE FOR
SENATE BILL NO. 600**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 109 (MCL 400.109), as amended by 1996 PA
473.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 (a) Hospital services that an eligible person may receive
4 consist of medical, surgical, or obstetrical care, together with
5 necessary drugs, X-rays, physical therapy, prosthesis, transpor-
6 tation, and nursing care incident to the medical, surgical, or
7 obstetrical care. The period of inpatient hospital service shall
8 be the minimum period necessary in this type of facility for the
9 proper care and treatment of the individual. Necessary
10 hospitalization to provide dental care shall be provided if

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1 certified by the attending dentist with the approval of the
2 department of community health. A person who is receiving medi-
3 cal treatment as an inpatient because of a diagnosis of tubercu-
4 losis or mental disease may receive service under this section,
5 notwithstanding the mental health code, ~~Act No. 258 of the~~
6 ~~Public Acts of 1974, being sections 330.1001 to 330.2106 of the~~
7 ~~Michigan Compiled Laws~~ 1974 PA 258, MCL 330.1001 TO 330.2106,
8 and ~~Act No. 177 of the Public Acts of 1925, being sections~~
9 ~~332.151 to 332.164 of the Michigan Compiled Laws~~ 1925 PA 177,
10 MCL 332.151 TO 332.164. The department of community health shall
11 pay for hospital services in accordance with the state plan for
12 medical assistance adopted pursuant to section 10 and approved by
13 the United States department of health and human services.

14 (b) An eligible person may receive physician services autho-
15 rized by the department of community health. The service may be
16 furnished in the office of the physician, the eligible person's
17 home, a medical institution, or elsewhere in case of emergency.
18 A physician shall be paid a reasonable charge for the service
19 rendered. Reasonable charges shall be determined by the depart-
20 ment of community health and shall not be more than those paid in
21 this state for services rendered under title XVIII.

22 (c) An eligible person may receive nursing home services in
23 a state licensed nursing home, a medical care facility, or other
24 facility or identifiable unit of that facility, certified by the
25 appropriate authority as meeting established standards for a
26 nursing home under the laws and rules of this state and the
27 United States department of health and human services, to the

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

24 (i) For county owned facilities with per patient day updated
25 variable costs exceeding the variable cost limit for the county
26 facility, county maintenance of effort rate means 45% of the
27 difference between per patient day updated variable cost and the

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1 concomitant nursing home-class variable cost limit, the quantity
2 offset by the difference between per patient day updated variable
3 cost and the concomitant variable cost limit for the county
4 facility. The county rate shall not be less than zero.

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

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

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

25 (v) If the county maintenance of effort rate computed in
26 accordance with this section exceeds the county maintenance of
27 effort rate in effect as of September 30, 1984, the rate in

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1 effect as of September 30, 1984 shall remain in effect until such
2 time as the rate computed in accordance with this section is less
3 than the September 30, 1984 rate. This limitation shall remain
4 in effect until December 31, ~~1997~~ 2000. For each subsequent
5 county fiscal year the maintenance of effort may not increase by
6 more than \$1.00 per patient day each year.

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

10 (d) An eligible person may receive pharmaceutical services
11 from a licensed pharmacist of the person's choice as prescribed
12 by a licensed physician or dentist and approved by the department
13 of community health. In an emergency, but not routinely, the
14 person may receive pharmaceutical services rendered personally by
15 a licensed physician or dentist on the same basis as approved for
16 pharmacists.

17 (e) An eligible person may receive other medical and health
18 services as authorized by the department of community health.

19 (f) Psychiatric care may also be provided pursuant to the
20 guidelines established by the department of community health to
21 the extent of appropriations made available by the legislature
22 for the fiscal year.

23 (2) The director shall provide notice to the public, in
24 accordance with applicable federal regulations, and shall obtain
25 the approval of the committees on appropriations of the house of
26 representatives and senate of the legislature of this state, of
27 any proposed change in the statewide method or level of

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1 reimbursement for a service, if the proposed change is expected
2 to increase or decrease payments for that service by 1% or more
3 during the 12 months after the effective date of the change.

4 (3) As used in this act:

5 (a) "Title XVIII" means title XVIII of the social security
6 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,
7 1395c to 1395i, 1395i-2 to 1395i-4, 1395j to 1395t, 1395u to
8 1395w-2, 1395w-4 to 1395yy, and 1395bbb to ~~1395ccc~~ 1395ddd.

9 (b) "Title XIX" means title XIX of the social security act,
10 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f and 1396g-1 to
11 1396w.

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