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COUNTY "MAINTENANCE OF EFFORT" RATES

House Bill 5507

Sponsor: Rep. Terry Geiger

First Committee: Family and Children
Services

Second Committee: Appropriations

Complete to 4-25-00

A SUMMARY OF HOUSE BILL 5507 AS INTRODUCED 3-14-00

Under the Social Welfare Act, counties providing Medicaid-funded nursing home services in county-owned facilities must reimburse the state according to a county "maintenance of effort" rate determined on an annual basis for each patient day of Medicaid nursing home services. The current formula for determining the maintenance of effort rates was placed in the statute in 1984; the 1984 legislation included a "hold harmless" provision, capping the payment rates of counties that would have had their payments increase under the new formula. The "hold harmless" provision expired in 1989, and in 1990 the legislature reinstated it and extended its life through December 31, 1994. The provision was extended again in 1995, 1996, and 1997. It is currently scheduled to expire on December 31, 2000.

House Bill 5507 would amend the Social Welfare Act to extend the "hold harmless" provision for county maintenance of effort payments for Medicaid-funded nursing home services in county-owned medical care facilities for three years, through December 31, 2003.

MCL 400.109

Analyst: D. Martens

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