

# HOUSE BILL No. 5507

March 14, 2000, Introduced by Rep. Geiger and referred to the Committee on Family and Children Services.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 109 (MCL 400.109), as amended by 1997 PA  
173.

## 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

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, 1974 PA 258, MCL 330.1001  
6 to 330.2106, and 1925 PA 177, MCL 332.151 to 332.164. The  
7 department of community health shall pay for hospital services in  
8 accordance with the state plan for medical assistance adopted  
9 pursuant to section 10 and approved by the United States depart-  
10 ment of health and human services.

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

19 (c) An eligible person may receive nursing home services in  
20 a state licensed nursing home, a medical care facility, or other  
21 facility or identifiable unit of that facility, certified by the  
22 appropriate authority as meeting established standards for a  
23 nursing home under the laws and rules of this state and the  
24 United States department of health and human services, to the  
25 extent found necessary by the attending physician, dentist, or  
26 certified Christian Science practitioner. An eligible person may  
27 receive nursing services in a short-term nursing care program

1 established under section 22210 of the public health code, 1978  
2 PA 368, MCL 333.22210, to the extent found necessary by the  
3 attending physician when the combined length of stay in the acute  
4 care bed and short-term nursing care bed exceeds the average  
5 length of stay for medicaid hospital diagnostic related group  
6 reimbursement. The department of community health shall not make  
7 a final payment pursuant to title XIX for benefits available  
8 under title XVIII without documentation that title XVIII claims  
9 have been filed and denied. The department of community health  
10 shall pay for nursing home services in accordance with the state  
11 plan for medical assistance adopted pursuant to section 10 and  
12 approved by the United States department of health and human  
13 services. A county shall reimburse a county maintenance of  
14 effort rate determined on an annual basis for each patient day of  
15 medicaid nursing home services provided to eligible persons in  
16 long term care facilities owned by the county and licensed to  
17 provide nursing home services. For purposes of determining rates  
18 and costs described in this subdivision, all of the following  
19 apply:

20       (i) For county owned facilities with per patient day updated  
21 variable costs exceeding the variable cost limit for the county  
22 facility, county maintenance of effort rate means 45% of the dif-  
23 ference between per patient day updated variable cost and the  
24 concomitant nursing home-class variable cost limit, the quantity  
25 offset by the difference between per patient day updated variable  
26 cost and the concomitant variable cost limit for the county  
27 facility. The county rate shall not be less than zero.

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

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

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

21       (v) If the county maintenance of effort rate computed in  
22 accordance with this section exceeds the county maintenance of  
23 effort rate in effect as of September 30, 1984, the rate in  
24 effect as of September 30, 1984 shall remain in effect until  
25 ~~such~~ A time ~~as~~ THAT the rate computed in accordance with this  
26 section is less than the September 30, 1984 rate. This  
27 limitation ~~shall remain~~ REMAINS in effect until December 31,

1 ~~2000~~ 2003. For each subsequent county fiscal year the  
2 maintenance of effort may not increase by more than \$1.00 per  
3 patient day each year.

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

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

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

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

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

**HB5507, As Passed House, May 10, 2000**

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1       (3) As used in this act:

2       (a) "Title XVIII" means title XVIII of the social security  
3 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,  
4 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to  
5 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28,  
6 1395x to 1395yy, and 1395bbb to 1395ggg.

7       (b) "Title XIX" means title XIX of the social security act,  
8 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f, 1396g-1 to  
9 1396r-6, and 1396r-8 to 1396v.

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