

**SUBSTITUTE FOR
HOUSE BILL NO. 4670**

A bill to amend 2000 PA 499, entitled
"Elder prescription insurance coverage act,"
by amending section 3 (MCL 550.2003).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. (1) The EPIC program shall provide prescription
2 drug coverage, including related supplies as determined by the
3 department in consultation with the advisory committee
4 established in section 7, to each person to whom all of the
5 following apply:
- 6 (a) The person is a noninstitutionalized Michigan resident
7 65 years of age or older.
- 8 (b) The person has a household income at or below 200% of the
9 federal poverty guidelines.
- 10 (c) The person is not currently a medicaid recipient.
- 11 (d) Excluding medicare supplemental insurance or a federal

1 program described in section 9(2), the person is not covered by
2 other insurance that provides prescription drug coverage.

3 (2) The department shall give initial enrollment priority to
4 applicants who in the 12 months preceding ~~the effective date of~~
5 ~~this act~~ **October 1, 2001**, participated in the MEPPS. A second
6 enrollment priority will be afforded to applicants with annual
7 household incomes up to 150% of the federal poverty guidelines
8 who received a senior prescription tax credit in former section
9 273 of the income tax act of 1967, 1967 PA 281. Enrollment in
10 the EPIC program for eligible applicants who formerly
11 participated in the MEPPS program shall take effect not later
12 than October 1, 2001. Enrollment in the EPIC program for
13 eligible applicants who formerly received a senior prescription
14 tax credit shall take effect not later than December 1, 2001.
15 Other applicants with incomes up to 200% of the federal poverty
16 guidelines will be enrolled contingent upon available money.

17 (3) An individual or married couple meeting the basic
18 eligibility criteria established in subsection (1) may apply for
19 enrollment in the EPIC program as follows:

20 (a) Submit an annual application to the department, or the
21 department's designee, that, at a minimum, attests to the age,
22 residence, and household income of the individual applicant or
23 couple, if married. A nonrefundable administrative fee must be
24 included with the application. The administrative fee is
25 \$25.00.

26 (b) Upon notification of eligibility, the enrollee may access
27 the EPIC program by meeting the cost-sharing obligation through a

1 copayment on each prescription that does not exceed 20% of the
2 cost of the prescription being purchased, with a maximum monthly
3 copayment amount calculated based on 1 of the following:

4 (i) If the applicant's household income is at or below 100%
5 of the federal poverty guidelines, the monthly copayment is 1/12
6 of 1% of household income as established during the annual
7 application process.

8 (ii) If the applicant's household income is at or below 125%
9 but greater than 100% of the federal poverty guidelines, the
10 monthly copayment is 1/12 of 2% of household income as
11 established during the annual application process.

12 (iii) If the applicant's household income is at or below 150%
13 but greater than 125% of the federal poverty guidelines, the
14 monthly copayment is 1/12 of 3% of household income as
15 established during the annual application process.

16 (iv) If the applicant's household income is at or below 175%
17 but greater than 150% of the federal poverty guidelines, the
18 monthly copayment is 1/12 of 4% of household income as
19 established during the annual application process.

20 (v) If the applicant's household income is at or below 200%
21 but greater than 175% of the federal poverty guidelines, the
22 monthly copayment is 1/12 of 5% of household income as
23 established during the annual application process.

24 (4) Subsequent to enrollment in the EPIC program, an
25 applicant who has a household income at or below 100% of the
26 federal poverty guidelines shall be referred to the local family
27 independence agency for assessment of eligibility for medicaid.

(5) For the purpose of determining eligibility under this section, an institution is a facility in which an individual resides and receives medical care through the facility, including prescription drugs. An institution may include a hospital, nursing home, convalescent center, [] mental health or psychiatric facility, or jail, prison, or other

(6) For an owner of a sole proprietorship whose business has not more than 1 employee and has less than \$200,000.00 in assets or for the owner of a family-owned farm with less than \$200,000.00 in assets, household income for the purposes of determining income eligibility under this section shall be determined after excluding business or farm expenses deducted for federal tax purposes.