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BILL ANALYSIS

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House Bill 5389 (Substitute H-3 as reported by the Committee of the Whole)

Sponsor: Representative Rick Shaffer

House Committee: Health Policy

Senate Committee: Health Policy

### **CONTENT**

The bill would amend the Social Welfare Act to require the Director of the Department of Community Health (DCH) to designate and maintain locally or regionally based single point of entry agencies for long-term care. ("Single point of entry" would mean a program from which a current or potential long-term care consumer could obtain long-term care information, screening, assessment of need, care planning, supports coordination, and referral to appropriate long-term care supports and services.) The bill would:

- Require the DCH initially to designate up to four agencies as single point of entry agencies; and prohibit the designation of additional agencies until the DCH had reported to the Legislature on the impact of the initially designated agencies.
- Require the DCH to: monitor designated agencies; require them to perform specified duties; annually evaluate the agencies' performance; and prescribe fiscal and performance standards for the agencies.
- Authorize the DCH to take disciplinary action against a designated agency that failed to meet the bill's criteria or intentionally provided biased information about long-term care.
- Provide that Medicaid reimbursement for health facilities or agencies and funding for the MI Choice waiver program could not be reduced below the level of rates and payments in effect on October 1, 2006, as a direct result of the four pilot single point of entry agencies.

The bill would not apply after December 31, 2011.

Proposed MCL 400.109i & 400.109j

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The Department began providing funds to four agencies to provide single point of entry for Medicaid long-term care recipients late in FY 2005-06. The FY 2006-07 DCH appropriation provides \$9.0 million Gross/\$4.5 million GF/GP for the single point of entry pilot projects, with anticipated need in FY 2007-08 of about \$18.9 million Gross/\$9.45 million GF/GP.

The DCH likely would have to devote additional financial and staff resources to meet the requirements of the bill. The fiscal impact of these tasks would be largely determined by what oversight efforts DCH has made to date in relation to the proposed requirements.

The final report of the Michigan Medicaid Long-Term Care Task Force estimated that statewide implementation of single point of entry would create a 1.7% gain in cost efficiency for Medicaid long-term care services. While it is difficult to determine the accuracy of this figure, if this gain were realized, it would provide about \$35 million Gross/\$15.2 million GF/GP in Medicaid savings to the State.

Date Completed: 12-7-06

Fiscal Analyst: David Fosdick

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