

HOUSE BILL No. 4498

March 15, 2005, Introduced by Rep. Green and referred to the Committee on Tax Policy.

A bill to create the fund for uninsured patients with grave illnesses; to provide for the investment and expenditure of money in the fund; to require the promulgation of rules; to provide for disbursement from the fund; to provide for appropriations; and to prescribe the powers and duties of certain state and local governmental officers and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "fund
2 for uninsured patients with grave illnesses act".

3 Sec. 2. As used in this act:

4 (a) "Applicant" means the individual who applies for
5 assistance under this act or, if the application is filed by

1 another, the individual on whose behalf the application is filed.

2 (b) "Department" means the department of community health.

3 (c) "Fund" means the fund for uninsured patients with grave
4 illnesses created in section 3.

5 (d) "Fund contract" means a contract between a local health
6 department and 1 or more health care providers that complies with
7 section 11 and implements and finances an approved treatment plan.

8 (e) "Grave illness" means a medical condition that meets both
9 of the following criteria:

10 (i) The condition requires specialized medical treatment,
11 hospitalization, or both.

12 (ii) The condition will more likely than not result directly in
13 death within 12 months if not treated.

14 (f) "Health care provider" means a person licensed, certified,
15 or registered under parts 161 to 182 of the public health code,
16 1978 PA 368, MCL 333.16101 to 333.18237.

17 (g) "Local health department" means that term as defined in
18 section 1105 of the public health code, 1978 PA 368, MCL 333.1105.

19 (h) "Physician" means that term as defined in section 17001 or
20 17501 of the public health code, 1978 PA 368, MCL 333.17001 and
21 333.17501.

22 (i) "Prescription drug" means that term as defined in section
23 17708 of the public health code, 1978 PA 368, MCL 333.17708.

24 (j) "Private money" means money or other assets available to
25 finance a treatment plan that do not legally belong to the
26 applicant and that are not from private insurance or a federal,
27 state, or local government medical assistance program.

1 (k) "Treatment plan" means a written plan of services
2 developed by a health care provider and certified by a physician
3 under section 8.

4 Sec. 3. (1) The fund for uninsured patients with grave
5 illnesses is created within the state treasury.

6 (2) The state treasurer may receive contributions under
7 section 441 of the income tax act of 1967, 1967 PA 281, MCL
8 206.441, and money from any other source for deposit into the fund.
9 The state treasurer shall direct the investment of the fund. The
10 state treasurer shall credit to the fund interest and earnings from
11 fund investments.

12 (3) Money in the fund at the close of the fiscal year shall
13 remain in the fund and shall not lapse to the general fund.

14 Sec. 4. The department shall expend money from the fund, upon
15 appropriation, only for 1 or both of the following purposes:

16 (a) To supply money for fund contracts for the treatment of
17 patients with uninsured grave illnesses.

18 (b) To pay the costs of a local health department for services
19 provided under this act if sufficient appropriations are not made
20 by the legislature to cover those costs and if money from the fund
21 is available. A local health department is not required to provide
22 services under this act if the legislature does not appropriate
23 funds to the local health department to pay those costs.

24 Sec. 5. The department shall promulgate rules pursuant to the
25 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
26 24.328, that do all of the following:

27 (a) Subject to section 7, establish approved medical services

1 for the treatment of specific grave illnesses based on existing
2 medicaid reimbursement rules, regulations, manuals, and policies.

3 (b) Establish criteria for the selection of patients to
4 receive the following organ and tissue transplant procedures:

5 (i) Kidney.

6 (ii) Liver.

7 (iii) Heart.

8 (iv) Lung.

9 (v) Bone marrow.

10 (c) Establish a schedule of fees for approved medical services
11 based on existing medicaid reimbursement rates.

12 (d) Establish methods and procedures to supervise and oversee
13 the implementation and administration of this act by local health
14 departments.

15 (e) Other procedures and policies the department considers
16 necessary to implement, administer, and enforce this act.

17 Sec. 6. (1) An individual is eligible to receive money from
18 the fund if all of the following apply:

19 (a) The individual is a citizen of the United States or a
20 legally resident alien.

21 (b) The individual is a resident of this state.

22 (c) The individual's household income is less than 300% of the
23 federal poverty guidelines. Private money shall not be considered
24 in determining eligibility. As used in this subdivision, "federal
25 poverty guidelines" means the poverty guidelines published annually
26 in the federal register by the United States department of health
27 and human services under its authority to revise the poverty line

1 under 42 USC 9902.

2 (d) The individual has a grave illness.

3 (e) The individual has no insurance coverage for the medical
4 services necessary to treat a grave illness on the date of
5 application and is not eligible for reimbursement or payment for
6 the medical services necessary to treat the grave illness through
7 private insurance or federal, state, or local government medical
8 assistance programs.

9 (2) An individual eligible for benefits under subsection (1)
10 becomes ineligible when 1 or more of the circumstances that made
11 him or her eligible no longer applies.

12 Sec. 7. (1) The department shall include in rules promulgated
13 under section 5(a) only medical services it determines to be
14 effective in treating or ameliorating a grave illness and
15 reflective of the standard of practice for treating that grave
16 illness.

17 (2) The department may include the following types of medical
18 services in rules promulgated under section 5(a):

19 (a) Inpatient hospital services.

20 (b) Outpatient hospital services and ambulatory surgical
21 center services.

22 (c) Ambulatory care.

23 (d) Laboratory and x-ray services.

24 (e) Physician's services.

25 (f) Services provided by a health care provider within the
26 scope of his or her practice.

27 (g) Prescription drugs.

1 (h) Rehabilitative services to the extent necessary to recover
2 from medical treatment or the grave illness.

3 (i) If the patient meets selection criteria contained in rules
4 promulgated under section 5, the following organ and tissue
5 transplant procedures, including the procurement of necessary
6 organs and tissues:

7 (i) Kidney.

8 (ii) Liver.

9 (iii) Heart.

10 (iv) Lung.

11 (v) Bone marrow.

12 (3) The department shall not include the following types of
13 medical services in rules promulgated under section 5(a):

14 (a) Experimental or investigational medical services.

15 (b) Treatment for an illness that is expected to be terminal
16 even with the treatment.

17 (c) Transportation services.

18 (d) Mental health services.

19 (e) Nursing facility services.

20 (f) Case management.

21 (g) Hospice care.

22 (h) Private duty nursing services.

23 (i) Prosthetic devices.

24 (j) Eyeglasses, dentures, hearing aids, and other similar
25 devices.

26 (k) Alternative medicine therapies, including, but not limited
27 to, homeopathic remedies, hypnosis, or herbal remedies.

1 (1) Emergency medical services.

2 Sec. 8. (1) An application for assistance from the fund shall
3 be on a form prescribed by the department. An application may be
4 filed for or on behalf of an applicant who is a minor or
5 incapacitated individual by a parent, guardian, conservator, agent
6 or attorney in fact operating under a power of attorney, or patient
7 advocate designated to exercise powers concerning the individual's
8 care, custody, and medical treatment as provided in section 5506 of
9 the estates and protected individuals code, 1998 PA 386, MCL
10 700.5506. The application shall be signed by the applicant or
11 person filing the application for the applicant, and filed with a
12 local health department that has jurisdiction over the area where
13 the applicant resides. An applicant or person filing the
14 application for the applicant shall fully disclose in the
15 application all private money available to pay for a treatment
16 plan.

17 (2) An applicant or person filing the application for the
18 applicant shall submit both of the following with an application
19 under subsection (1):

20 (a) A statement signed by a physician who has examined the
21 applicant certifying that the applicant has a grave illness and
22 identifying the illness.

23 (b) A plan containing a course of medical services developed
24 by a potential contracting health care provider and certified by a
25 physician as appropriate for the applicant's grave illness.

26 (3) It is the responsibility of an applicant or the person
27 filing the application for the applicant to provide all information

1 necessary for a local health department to determine eligibility
2 and decide whether to approve the treatment plan. Failure to
3 complete the application, submit the items enumerated in subsection
4 (2), or provide information requested by the local health
5 department within 45 days after the date the original application
6 is filed is grounds to deny an application.

7 Sec. 9. (1) A local health department shall determine
8 eligibility for assistance from the fund and approve, modify, or
9 deny the treatment plan within 60 days after the date it received
10 the original signed application. The local health department is not
11 required to evaluate an application fully if it has determined that
12 there is at least 1 cause for denial. A local health department
13 shall advise an applicant or the person filing the application for
14 the applicant of its determination in writing within 60 days after
15 the date it received the original signed application.

16 (2) A local health department may approve a treatment plan as
17 submitted, modify and approve the submitted treatment plan, or deny
18 the submitted treatment plan. An approved treatment plan shall only
19 contain medical services contained in rules promulgated under
20 section 5(a).

21 (3) A local health department shall calculate an aggregate fee
22 for all of the medical services in an approved treatment plan
23 according to the schedule of fees established by the department in
24 rules promulgated under section 5.

25 (4) A local health department shall notify the department of
26 the local health department's approval of a treatment plan, the
27 aggregate fee determined for the treatment plan under subsection

1 (3), and the date of receipt of the original signed application.

2 (5) When advised by the department that money is available
3 from the fund for an approved treatment plan, a local health
4 department shall enter into a fund contract.

5 (6) An application may be denied if a health care provider
6 necessary to the approved treatment plan does not enter into a fund
7 contract within 30 days after the date that the local health
8 department is advised of the availability of money under subsection
9 (5). It is the responsibility of the applicant or the person who
10 filed the application for the applicant to find all necessary
11 health care providers willing to enter into a fund contract.

12 (7) If more than 60 days have elapsed between the date that a
13 local health department initially determines that an applicant is
14 eligible and approves the treatment plan and the date that the
15 local health department is advised of the availability of money to
16 fund a treatment plan under subsection (5), the local health
17 department may review and revise the eligibility and treatment plan
18 decisions and may require an applicant to update the information
19 provided in or with the original application.

20 Sec. 10. (1) The department shall review the information
21 received under section 9 from a local health department and
22 determine whether money is available in the fund for each approved
23 treatment plan.

24 (2) The department shall promptly advise a local health
25 department of its determination under this section.

26 Sec. 11. (1) A fund contract shall contain and is subject to
27 all of the provisions of this section.

1 (2) Reimbursement for services under a fund contract shall be
2 the aggregate fee calculated under section 9(3).

3 (3) A contracting health care provider may agree to less than
4 the full aggregate fee calculated under section 9(3) if the
5 contracting health care provider agrees to complete the approved
6 treatment plan with no additional payment by the applicant or,
7 except as provided in subsection (4), on behalf of the applicant.

8 (4) A contracting health care provider may accept private
9 money as payment for services. The total of private money and money
10 committed by the fund may not exceed the aggregate fee under
11 subsection (2). A fund contract shall not be contingent on private
12 money to be raised in the future.

13 (5) A fund contract shall commit money from the fund to a
14 treatment plan for up to 1 year from the date the contract is
15 entered into. The fund contract shall not commit money or pay for
16 services provided before the date the contract is entered into.

17 (6) A local health department may establish a schedule of
18 payments in the fund contract consistent with phases of the
19 approved treatment plan. A contracting health care provider shall
20 be paid on completion of the approved treatment plan or phases of
21 the approved treatment plan as specified in the contract. Payment
22 under a fund contract shall only be made directly to a contracting
23 health care provider.

24 (7) Payment as agreed to in the fund contract is payment in
25 full. The fund, the department, and a local health department are
26 not responsible for maintenance medication or any additional
27 treatment or services not contained in the approved treatment plan.

1 (8) An approved treatment plan may be modified after a fund
2 contract is entered into by all necessary health care providers
3 only if the medical condition of the applicant substantially
4 changes and all contracting health care providers determine that
5 the original course of treatment is no longer appropriate. A
6 modification under this subsection shall comply with section 9(2)
7 and shall not exceed either the aggregate fee calculated under
8 section 9(3) or the time period of the initial fund contract.

9 (9) Money committed to be paid under a fund contract that is
10 not paid within 1 year from the date the contract is entered into
11 shall be made available for other applicants. If the applicant
12 becomes ineligible or dies during the period of the fund contract,
13 the fund is responsible to pay for only the completed portion of
14 the approved treatment plan. The remainder of the committed money
15 shall be made available for other applicants.

16 Sec. 12. (1) The department shall establish a waiting list if
17 money in the fund is insufficient to make commitments for all
18 approved treatment plans. An applicant shall be placed on the
19 waiting list in the order of the date the applicant's original
20 signed application was received by a local health department.

21 (2) An applicant shall be taken off the waiting list if 1 or
22 more of the following occur:

23 (a) The applicant is determined not to be eligible and does
24 not request an expedited appeal in a timely manner.

25 (b) The applicant's treatment plan is denied.

26 (c) The applicant requests to be taken off the waiting list.

27 (d) The applicant dies.

1 (3) An applicant who prevails on appeal will be restored to
2 the waiting list based on the date of receipt of the original
3 signed application, but the restoration does not affect any fund
4 contracts entered into in the interim.

5 Sec. 13. (1) Except as otherwise provided in this section, an
6 applicant may appeal an adverse determination regarding eligibility
7 or approval, modification, or denial of the treatment plan. The
8 appeal shall be conducted as a contested case under the
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
10 24.328. An applicant has no right to appeal a determination that
11 money for the applicant's treatment plan is not available in the
12 fund.

13 (2) An applicant shall remain on the waiting list established
14 under section 12 during an appeal if the applicant follows an
15 expedited appeal process. Taking an expedited appeal does not
16 affect the right to appeal under subsection (1). All of the
17 following apply to an expedited appeal:

18 (a) An expedited appeal shall be filed with the department
19 within 15 days of receiving an adverse determination.

20 (b) An expedited appeal shall be filed in writing by
21 facsimile, e-mail, or regular mail or in person.

22 (c) A department hearing officer shall make the decision on an
23 expedited appeal.

24 (d) A decision on an expedited appeal shall be made within 15
25 days of receiving the appeal.

26 (e) The department shall advise the appellant of its decision
27 within 1 day.

1 (f) The contested case provisions of the administrative
2 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, do not
3 apply to expedited appeals under this subsection.

4 Enacting section 1. This act does not take effect unless
5 Senate Bill No.____ or House Bill No. 4497(request no. 00284'05) of
6 the 93rd Legislature is enacted into law.