

HOUSE BILL No. 5826

March 7, 2006, Introduced by Rep. Kolb and referred to the Committee on Senior Health, Security, and Retirement.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
(MCL 400.1 to 400.119b) by adding section 107a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 107A. IN ESTABLISHING FINANCIAL ELIGIBILITY FOR THE
2 MEDICALLY INDIGENT, RESOURCES SHALL BE DISREGARDED ACCORDING TO
3 STANDARDS ESTABLISHED FOR THE RELATED MEDICAL ASSISTANCE PROGRAM.
4 FOR DETERMINING ELIGIBILITY FOR THE MEDICAL ASSISTANCE PROGRAM
5 ONLY, THE VALUE OF AN ANNUITY AS A RESOURCE WILL ONLY BE
6 DISREGARDED IF AN IRREVOCABLE ANNUITY IS COMMERCIALY ISSUED BY AN
7 AGENT LICENSED IN THE UNITED STATES AND RETURNS THE PRINCIPAL AND
8 INTEREST IN EQUAL MONTHLY PAYMENTS STARTING WITH THE FIRST PAYMENT,
9 WITH THE RETURN OF THE PRINCIPAL AND INTEREST WITHIN THE

1 PURCHASER'S LIFE EXPECTANCY. THE DEPARTMENT HAS FIRST PRIORITY TO
2 RECOVER THE COSTS OF MEDICAL ASSISTANCE PAID ON BEHALF OF THE
3 INDIVIDUAL FROM THE REMAINING PRINCIPAL OF THE ANNUITY UPON THE
4 DEATH OF THE ANNUITANT. ANY ANNUITY NOT MEETING THE CRITERIA
5 DESCRIBED IN THIS SECTION IS CONSIDERED A TRANSFER OF AN ASSET FOR
6 LESS THAN FAIR MARKET VALUE AND MAY BE SUBJECT TO DIVESTMENT
7 PENALTIES AS OUTLINED BY THE DEPARTMENT.