SUBSTITUTE FOR

SENATE BILL NO. 1

(As amended, February 21, 2007)

A bill to amend 1939 PA 280, entitled "The social welfare act,"

(MCL 400.1 to 400.119b) by adding section 105b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 105B. (1) THE DEPARTMENT OF COMMUNITY HEALTH SHALL <<
- 2 >> CREATE INCENTIVES FOR INDIVIDUAL MEDICAL
- 3 ASSISTANCE RECIPIENTS WHO PRACTICE SPECIFIED POSITIVE HEALTH
- 4 BEHAVIORS. THE INCENTIVES DESCRIBED IN THIS SUBSECTION MAY INCLUDE,
- 5 BUT ARE NOT LIMITED TO, EXPANDED BENEFITS AND INCENTIVES RELATING
- 6 TO PREMIUMS, CO-PAYS, OR BENEFITS. THE POSITIVE HEALTH BEHAVIORS
- 7 DESCRIBED IN THIS SUBSECTION MAY INCLUDE, BUT ARE NOT LIMITED TO,
- 8 PARTICIPATION IN HEALTH RISK ASSESSMENTS AND HEALTH SCREENINGS,
- 9 COMPLIANCE WITH MEDICAL TREATMENT, ATTENDANCE AT SCHEDULED MEDICAL

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- 1 APPOINTMENTS, PARTICIPATION IN SMOKING CESSATION TREATMENT,
- 2 EXERCISE, PRENATAL VISITS, IMMUNIZATIONS, AND ATTENDANCE AT
- 3 RECOMMENDED EDUCATIONAL HEALTH PROGRAMS.
- 4 (2) THE DEPARTMENT OF COMMUNITY HEALTH SHALL CREATE PAY-FOR-
- 5 PERFORMANCE INCENTIVES FOR CONTRACTED MEDICAID HEALTH MAINTENANCE
- 6 ORGANIZATIONS. THE MEDICAID HEALTH MAINTENANCE ORGANIZATION
- 7 CONTRACTS SHALL INCLUDE INCENTIVES FOR MEETING HEALTH OUTCOME
- 8 TARGETS FOR CHRONIC DISEASE STATES, INCREASING THE NUMBER OF
- 9 MEDICAL ASSISTANCE RECIPIENTS WHO PRACTICE POSITIVE HEALTH
- 10 BEHAVIORS, AND MEETING PATIENT COMPLIANCE TARGETS ESTABLISHED BY
- 11 THE DEPARTMENT OF COMMUNITY HEALTH. PRIORITY SHALL BE GIVEN TO
- 12 STRATEGIES THAT PREVENT AND MANAGE THE 10 MOST PREVALENT AND COSTLY
- 13 AILMENTS AFFECTING MEDICAL ASSISTANCE RECIPIENTS.
- 14 (3) THE DEPARTMENT OF COMMUNITY HEALTH SHALL ESTABLISH A
- 15 PREFERRED PRODUCT AND SERVICE FORMULARY PROGRAM FOR DURABLE MEDICAL
- 16 EQUIPMENT. THE DEPARTMENT OF COMMUNITY HEALTH SHALL WORK WITH THE
- 17 CENTERS FOR MEDICARE AND MEDICAID SERVICES TO DETERMINE IF A JOINT
- 18 PARTNERSHIP WITH MEDICARE IS POSSIBLE IN ESTABLISHING THE PROGRAM
- 19 DESCRIBED IN THIS SUBSECTION AS A MEANS OF ACHIEVING SAVINGS AND
- 20 EFFICIENCIES FOR BOTH THE MEDICAID AND MEDICARE PROGRAMS. THE
- 21 PREFERRED PRODUCT AND SERVICE FORMULARY PROGRAM FOR DURABLE MEDICAL
- 22 EQUIPMENT SHALL REQUIRE PARTICIPATION FROM THE DEPARTMENT OF
- 23 COMMUNITY HEALTH<< AND SHALL PERMIT>> THE CONTRACTED MEDICAID HEALTH MAINTENANCE
- 24 ORGANIZATIONS << AND PROVIDER ORGANIZATIONS TO PARTICIPATE.>>
- 25 (4) THE DEPARTMENT OF COMMUNITY HEALTH SHALL SEEK FINANCIAL
- 26 SUPPORT FOR ELECTRONIC HEALTH RECORDS, INCLUDING, BUT NOT LIMITED
- 27 TO, PERSONAL HEALTH RECORDS, E-PRESCRIBING, WEB-BASED MEDICAL

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- 1 RECORDS, AND OTHER HEALTH INFORMATION TECHNOLOGY INITIATIVES USING
- 2 MEDICAID FUNDS.

REGULATION.>>

- 3 (5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL INCLUDE IN ANY
- 4 FEDERAL WAIVER REQUEST THAT IS SUBMITTED WITH THE INTENT TO SECURE
- 5 FEDERAL MATCHING FUNDS TO COVER THE MEDICALLY UNINSURED NONMEDICAID
- 6 POPULATION IN THE STATE LANGUAGE TO ALLOW THE DEPARTMENT OF
- 7 COMMUNITY HEALTH TO ESTABLISH, AT A MINIMUM, THE PROGRAMS REQUIRED
- 8 UNDER SUBSECTIONS (1) AND (2).

 <<(6) THE DEPARTMENT OF COMMUNITY HEALTH SHALL NOT IMPLEMENT
 INCENTIVES UNDER THIS SECTION THAT CONFLICT WITH FEDERAL STATUTE OR