



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 702 (as reported without amendment)
Sponsor: Senator John Moolenaar
Committee: Regulatory Reform

CONTENT

The bill would amend the Public Health Code to change the beginning date of a requirement that an applicant for initial licensure or registration submit his or her fingerprints to the Michigan Department of State Police (MSP) for a criminal history check.

Under the Code, an applicant for initial licensure or registration in a health occupation must submit his or her fingerprints to the MSP to have a criminal history check conducted, and request that the MSP forward the fingerprints to the FBI for a national criminal history check. The beginning date of this requirement was May 1, 2006. The bill would change the date to October 1, 2008.

MCL 333.16174

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

As discussed above, the law requiring criminal background checks for certain licensed providers took effect on May 1, 2006. Due to the additional capacity required, the Michigan State Police was not able to do the background checks until October 1, 2008, so the licensing requirements were not implemented until that date. The Office of the Auditor General (OAG) has questioned Medicaid payments made to providers between May 1, 2006, and October 1, 2008, and the State has the potential for a Federal disallowance of up to \$14.9 million. The Department of Community Health (DCH) has stated that the Federal government would be likely to set aside most or all of this disallowance if the DCH can document that the providers did not have criminal histories. The DCH claims that the OAG will continue to question payments to these providers until the effective date of the background check requirement has been changed. If this is the case, passage of this bill would avert potential DCH disallowances amounting to tens of millions of dollars.

The bill would have no fiscal impact on the Department of State Police.

Date Completed: 12-9-11

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