

# SENATE BILL No. 611

September 7, 2011, Introduced by Senators CASWELL, PAPPAGEORGE, WALKER, PROOS, SCHUITMAKER, GREEN, BOOHER, EMMONS and CASPERSON and referred to the Committee on Health Policy.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 109 (MCL 400.109), as amended by 2011 PA 53.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 109. (1) The following medical services may be provided  
2       under this act:

3       (a) Hospital services that an eligible individual may receive  
4       consist of medical, surgical, or obstetrical care, together with  
5       necessary drugs, X-rays, physical therapy, prosthesis,  
6       transportation, and nursing care incident to the medical, surgical,  
7       or obstetrical care. The period of inpatient hospital service shall  
8       be the minimum period necessary in this type of facility for the  
9       proper care and treatment of the individual. Necessary

1 hospitalization to provide dental care shall be provided if  
2 certified by the attending dentist with the approval of the  
3 department of community health. An individual who is receiving  
4 medical treatment as an inpatient because of a diagnosis of  
5 tuberculosis or mental disease may receive service under this  
6 section, notwithstanding the mental health code, 1974 PA 258, MCL  
7 330.1001 to 330.2106, and 1925 PA 177, MCL 332.151 to 332.164. The  
8 department of community health shall pay for hospital services  
9 according to the state plan for medical assistance adopted under  
10 section 10 and approved by the United States department of health  
11 and human services.

12 (b) An eligible individual may receive physician services  
13 authorized by the department of community health. The service may  
14 be furnished in the physician's office, the eligible individual's  
15 home, a medical institution, or elsewhere in case of emergency. A  
16 physician shall be paid a reasonable charge for the service  
17 rendered. Reasonable charges shall be determined by the department  
18 of community health and shall not be more than those paid in this  
19 state for services rendered under title XVIII.

20 (c) An eligible individual may receive nursing home services  
21 in a state licensed nursing home, a medical care facility, or other  
22 facility or identifiable unit of that facility, certified by the  
23 appropriate authority as meeting established standards for a  
24 nursing home under the laws and rules of this state and the United  
25 States department of health and human services, to the extent found  
26 necessary by the attending physician, dentist, or certified  
27 Christian Science practitioner. An eligible individual may receive

1 nursing services in an extended care services program established  
2 under section 22210 of the public health code, 1978 PA 368, MCL  
3 333.22210, to the extent found necessary by the attending physician  
4 when the combined length of stay in the acute care bed and short-  
5 term nursing care bed exceeds the average length of stay for  
6 medicaid hospital diagnostic related group reimbursement. The  
7 department of community health shall not make a final payment under  
8 title XIX for benefits available under title XVIII without  
9 documentation that title XVIII claims have been filed and denied.  
10 The department of community health shall pay for nursing home  
11 services according to the state plan for medical assistance adopted  
12 according to section 10 and approved by the United States  
13 department of health and human services. A county shall reimburse a  
14 county maintenance of effort rate determined on an annual basis for  
15 each patient day of medicaid nursing home services provided to  
16 eligible individuals in long-term care facilities owned by the  
17 county and licensed to provide nursing home services. For purposes  
18 of determining rates and costs described in this subdivision, all  
19 of the following apply:

20 (i) For county owned facilities with per patient day updated  
21 variable costs exceeding the variable cost limit for the county  
22 facility, county maintenance of effort rate means 45% of the  
23 difference between per patient day updated variable cost and the  
24 concomitant nursing home-class variable cost limit, the quantity  
25 offset by the difference between per patient day updated variable  
26 cost and the concomitant variable cost limit for the county  
27 facility. The county rate shall not be less than zero.

1           (ii) For county owned facilities with per patient day updated  
2 variable costs not exceeding the variable cost limit for the county  
3 facility, county maintenance of effort rate means 45% of the  
4 difference between per patient day updated variable cost and the  
5 concomitant nursing home class variable cost limit.

6           (iii) For county owned facilities with per patient day updated  
7 variable costs not exceeding the concomitant nursing home class  
8 variable cost limit, the county maintenance of effort rate shall  
9 equal zero.

10          (iv) For the purposes of this section: "per patient day updated  
11 variable costs and the variable cost limit for the county facility"  
12 shall be determined according to the state plan for medical  
13 assistance; for freestanding county facilities the "nursing home  
14 class variable cost limit" shall be determined according to the  
15 state plan for medical assistance and for hospital attached county  
16 facilities the "nursing class variable cost limit" shall be  
17 determined pursuant to the state plan for medical assistance plus  
18 \$5.00 per patient day; and "freestanding" and "hospital attached"  
19 shall be determined according to the federal regulations.

20          (v) If the county maintenance of effort rate computed under  
21 this section exceeds the county maintenance of effort rate in  
22 effect as of September 30, 1984, the rate in effect as of September  
23 30, 1984 shall remain in effect until a time that the rate computed  
24 under this section is less than the September 30, 1984 rate. This  
25 limitation remains in effect until December 31, ~~2012~~-2017. For each  
26 subsequent county fiscal year the maintenance of effort may not  
27 increase by more than \$1.00 per patient day each year.

1           (vi) For county owned facilities, reimbursement for plant costs  
2 will continue to be based on interest expense and depreciation  
3 allowance unless otherwise provided by law.

4           (d) An eligible individual may receive pharmaceutical services  
5 from a licensed pharmacist of the person's choice as prescribed by  
6 a licensed physician or dentist and approved by the department of  
7 community health. In an emergency, but not routinely, the  
8 individual may receive pharmaceutical services rendered personally  
9 by a licensed physician or dentist on the same basis as approved  
10 for pharmacists.

11           (e) An eligible individual may receive other medical and  
12 health services as authorized by the department of community  
13 health.

14           (f) Psychiatric care may also be provided according to the  
15 guidelines established by the department of community health to the  
16 extent of appropriations made available by the legislature for the  
17 fiscal year.

18           (g) An eligible individual may receive screening, laboratory  
19 services, diagnostic services, early intervention services, and  
20 treatment for chronic kidney disease under guidelines established  
21 by the department of community health. A clinical laboratory  
22 performing a creatinine test on an eligible individual under this  
23 subdivision shall include in the lab report the glomerular  
24 filtration rate (eGFR) of the individual and shall report it as a  
25 percent of kidney function remaining.

26           (2) The director shall provide notice to the public, according  
27 to applicable federal regulations, and shall obtain the approval of

1 the committees on appropriations of the house of representatives  
2 and senate of the legislature of this state, of a proposed change  
3 in the statewide method or level of reimbursement for a service, if  
4 the proposed change is expected to increase or decrease payments  
5 for that service by 1% or more during the 12 months after the  
6 effective date of the change.

7 (3) As used in this act:

8 (a) "Title XVIII" means title XVIII of the social security  
9 act, 42 USC 1395 to 1395kkk-1.

10 (b) "Title XIX" means title XIX of the social security act, 42  
11 USC 1396 to 1396w-5.

12 (c) "Title XX" means title XX of the social security act, 42  
13 USC 1397 to 1397m-5.