



Senate Fiscal Agency
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Senate Bill 1011 (as introduced 7-16-14)
Sponsor: Senator Bruce Caswell
Committee: Judiciary

Date Completed: 9-2-14

CONTENT

The bill would amend the Social Welfare Act to require the Department of Community Health (DCH) to suspend, rather than terminate, a person's medical assistance eligibility if he or she had a serious mental illness or a serious emotional disturbance and were in a DCH inpatient program or a correctional facility.

The Act requires the DCH to establish a program for medical assistance for the medically indigent under Title XIX of the Social Security Act (Medicaid). One of the criteria for being a medically indigent individual is that the person is not an inmate of a public institution except as a patient in a medical institution. Under the bill, however, the State Medicaid Plan would have to require the DCH to suspend rather than terminate the medical assistance of a person with a serious mental illness or a serious emotional disturbance when either of the following applied:

- The person became an inmate residing in a public institution but otherwise remained eligible for medical assistance.
- An inmate was not eligible for medical assistance when he or she entered the public institution but subsequently was determined to be eligible for medical assistance while in the public institution.

The bill would define "public institution" as an inpatient program operated by the DCH for treatment of individuals with serious emotional disturbance or serious mental illness, or a local, State, or youth correctional facility. "Serious emotional disturbance" and "serious mental illness" would mean those terms as defined in the Mental Health Code (MCL 330.1100d).

The DCH would have to redetermine the medical assistance eligibility of an individual described above. Upon notification that the individual was no longer an inmate residing in a public institution, the DCH would have to reinstate his or her medical assistance if he or she were otherwise eligible.

The bill specifies that it would not extend medical assistance eligibility to an otherwise ineligible individual or extend medical assistance to a person if matching Federal funds were not available to pay for the assistance.

The bill would apply to the DCH, as well as a State agency or a private or nonprofit entity to which the DCH delegated the function of determining Medicaid eligibility.

MCL 400.106 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have a negative fiscal impact on State government and no fiscal impact on local government. If the DCH were required to suspend, rather than terminate, the medical assistance received by a person with a serious emotional disturbance or mental illness, the time between leaving a public institution and requalifying for medical assistance would become practically nonexistent. The increased costs would stem from the immediate resumption of medical assistance benefits upon exit from a public institution, while currently there is a period of time during which the individual is not covered by the State. The potential cost to the State would be partially offset by the requirement that matching Federal funds be available for the extension of medical assistance.

Fiscal Analyst: Ellyn Ackerman

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