

HOUSE BILL No. 4801

June 5, 2013, Introduced by Rep. Johnson and referred to the Committee on Judiciary.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 109 (MCL 400.109), as amended by 2012 PA 48.

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

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

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

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

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

21 (i) For county owned facilities with per patient day updated
22 variable costs exceeding the variable cost limit for the county
23 facility, county maintenance of effort rate means 45% of the
24 difference between per patient day updated variable cost and the
25 concomitant nursing home-class variable cost limit, the quantity
26 offset by the difference between per patient day updated variable
27 cost and the concomitant variable cost limit for the county

1 facility. The county rate shall not be less than zero.

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

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

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

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

1 increase by more than \$1.00 per patient day each year.

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

5 (d) ~~An~~ **EXCEPT AS PROVIDED IN SUBSECTION (3), AN** eligible
6 individual may receive pharmaceutical services from a licensed
7 pharmacist of the person's choice as prescribed by a licensed
8 physician or dentist and approved by the department of community
9 health. In an emergency, but not routinely, the individual may
10 receive pharmaceutical services rendered personally by a licensed
11 physician or dentist on the same basis as approved for pharmacists.

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

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

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

27 (2) The director shall provide notice to the public, according

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

8 (3) IF AN INDIVIDUAL HAS BEEN CONVICTED OF A CRIME INVOLVING
9 THE POSSESSION OR DELIVERY OF A CONTROLLED SUBSTANCE, HE OR SHE IS
10 NOT ELIGIBLE TO RECEIVE PHARMACEUTICAL SERVICES UNDER THIS ACT.

11 (4) ~~(3)~~—As used in this act:

12 (A) "CONTROLLED SUBSTANCE" MEANS THAT TERM AS DEFINED IN
13 SECTION 7104 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.7104.

14 (B) ~~(a)~~—"Title XVIII" means title XVIII of the social security
15 act, 42 USC 1395 to 1395kkk-1.

16 (C) ~~(b)~~—"Title XIX" means title XIX of the social security
17 act, 42 USC 1396 to 1396w-5.

18 (D) ~~(c)~~—"Title XX" means title XX of the social security act,
19 42 USC 1397 to 1397m-5.