

HOUSE BILL No. 4627

May 19, 2015, Introduced by Rep. Lane and referred to the Committee on Appropriations.

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
9 proper care and treatment of the individual. Necessary
10 hospitalization to provide dental care shall be provided if
11 certified by the attending dentist with the approval of the

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

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

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

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

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

27 (ii) For county owned facilities with per patient day updated

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

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

9 (iv) For the purposes of this section: "per patient day updated
10 variable costs and the variable cost limit for the county facility"
11 shall be determined according to the state plan for medical
12 assistance; for freestanding county facilities the "nursing home
13 class variable cost limit" shall be determined according to the
14 state plan for medical assistance and for hospital attached county
15 facilities the "nursing class variable cost limit" shall be
16 determined ~~pursuant~~ **ACCORDING** to the state plan for medical
17 assistance plus \$5.00 per patient day; and "freestanding" and
18 "hospital attached" shall be determined according to the federal
19 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, 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 **OF THE DEPARTMENT OF COMMUNITY HEALTH** shall
27 provide notice to the public, according to applicable federal

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

8 (3) IF THE DEPARTMENT OF COMMUNITY HEALTH REQUIRES A FEDERAL
9 WAIVER OR AMENDMENT TO THE STATE PLAN FOR MEDICAL ASSISTANCE TO
10 IMPLEMENT THE CHANGES TO THE PROVISIONS OF THIS SECTION, THE
11 DEPARTMENT OF COMMUNITY HEALTH SHALL APPLY IMMEDIATELY UPON
12 ENACTMENT OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION FOR THAT
13 FEDERAL WAIVER OR AMENDMENT TO THE STATE PLAN FOR MEDICAL
14 ASSISTANCE.

15 (4) ~~(3)~~—As used in this act:

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

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

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