

HOUSE BILL No. 5772

July 13, 2016, Introduced by Reps. LaFontaine, Kosowski, Darany, Santana, Heise, Cox and Inman and referred to the Committee on Families, Children, and Seniors.

A bill to amend 1939 PA 280, entitled

"The social welfare act,"

by amending the title and sections 1, 1c, 3, 6, 10, 11a, 11b, 12, 13, 14, 14b, 14f, 14g, 14h, 17, 18d, 18e, 19, 20, 24, 25, 32, 35, 36, 37, 38, 41, 43, 43b, 45, 46, 47, 50, 53, 55, 56i, 58, 58b, 58c, 59, 59a, 60, 61, 63a, 66, 66a, 66b, 66e, 66h, 66i, 66j, 67, 68, 68a, 69, 70, 71, 73a, 76, 77, 77a, 80, 83, 84, 85, 86, 90, 100, 105, 105a, 105b, 105c, 105d, 105e, 105f, 106, 106a, 106b, 107, 108, 109, 109c, 109e, 109f, 109g, 109h, 109k, 109l, 111a, 111i, 111k, 111l, 112b, 112c, 112e, 112g, 112i, 112j, 114, 115f, 115o, 115s, 116, and 117c (MCL 400.1, 400.1c, 400.3, 400.6, 400.10, 400.11a, 400.11b, 400.12, 400.13, 400.14, 400.14b, 400.14f, 400.14g, 400.14h, 400.17, 400.18d, 400.18e, 400.19, 400.20, 400.24, 400.25, 400.32, 400.35, 400.36, 400.37, 400.38, 400.41, 400.43, 400.43b,

400.45, 400.46, 400.47, 400.50, 400.53, 400.55, 400.56i, 400.58, 400.58b, 400.58c, 400.59, 400.59a, 400.60, 400.61, 400.63a, 400.66, 400.66a, 400.66b, 400.66e, 400.66h, 400.66i, 400.66j, 400.67, 400.68, 400.68a, 400.69, 400.70, 400.71, 400.73a, 400.76, 400.77, 400.77a, 400.80, 400.83, 400.84, 400.85, 400.86, 400.90, 400.100, 400.105, 400.105a, 400.105b, 400.105c, 400.105d, 400.105e, 400.105f, 400.106, 400.106a, 400.106b, 400.107, 400.108, 400.109, 400.109c, 400.109e, 400.109f, 400.109g, 400.109h, 400.109k, 400.109l, 400.111a, 400.111i, 400.111k, 400.111l, 400.112b, 400.112c, 400.112e, 400.112g, 400.112i, 400.112j, 400.114, 400.115f, 400.115o, 400.115s, 400.116, and 400.117c), the title and sections 14, 66, and 66i as amended and section 66j as added by 1987 PA 266, sections 1, 6, 17, 32, and 45 as amended and sections 14f, 14g, and 63a as added by 1995 PA 223, sections 3 and 10 as amended by 1996 PA 483, section 11a as amended by 1990 PA 122, section 11b as amended by 2012 PA 175, section 14h as added by 2001 PA 280, section 18e as added by 2004 PA 18, section 43b as added by 2002 PA 573, section 55 as amended by 2015 PA 90, section 56i as added by 1997 PA 162, section 58 as amended by 2006 PA 200, section 60 as amended by 1999 PA 194, section 83 as amended by 1985 PA 161, sections 105, 105a, 107, 108, and 109c as amended and sections 105c, 105d, 105e, and 105f as added by 2013 PA 107, section 105b as added by 2007 PA 100, section 106 as amended and section 106b as added by 2014 PA 452, section 106a as amended by 2014 PA 518, section 109 as amended by 2012 PA 48, section 109e as added by 1996 PA 124, section 109f as amended by 2005 PA 84, section 109g as added by 2000 PA 409, section 109h as added by 2004 PA 248, section

109k as added by 2012 PA 375, section 109l as added by 2014 PA 167, section 111a as amended by 2012 PA 472, section 111i as added by 2000 PA 187, section 111k as added by 2004 PA 55, section 111l as added by 2006 PA 286, sections 112b, 112c, and 112e as amended by 2006 PA 674, sections 112g, 112i, and 112j as added by 2007 PA 74, section 115f as amended by 2014 PA 308, section 115o as added and sections 116 and 117c as amended by 1998 PA 516, and section 115s as added by 2002 PA 648, and by adding section 1d; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to protect the welfare of the people of this state; to
 3 provide general assistance, hospitalization, infirmity, and medical
 4 care to poor or unfortunate persons; to provide for compliance by
 5 this state with the social security act; to provide protection,
 6 welfare and services to aged persons, dependent children, the
 7 blind, and the permanently and totally disabled; to administer
 8 programs and services for the prevention and treatment of
 9 delinquency, dependency, and neglect of children; to create a state
 10 department of ~~social~~ **HEALTH AND HUMAN** services; to prescribe the
 11 powers and duties of the department; to provide for the interstate
 12 and intercounty transfer of dependents; to create county and
 13 district departments; ~~of social services;~~ to create within certain
 14 county departments, bureaus, ~~of social aid and~~ certain divisions,
 15 and offices; ~~thereunder;~~ to prescribe the powers and duties of the
 16 departments, bureaus, and officers; to provide for appeals in
 17 certain cases; to prescribe the powers and duties of the state

1 department with respect to county and district departments; to
 2 prescribe certain duties of certain other state departments,
 3 officers, and agencies; to make an appropriation; to prescribe
 4 penalties for the violation of the provisions of this act; and to
 5 repeal certain parts of this act on specific dates.

6 Sec. 1. (1) A department of state government is created that
 7 shall be known and designated as the ~~family independence agency,~~
 8 ~~and that shall possess~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES,**
 9 **WHICH DEPARTMENT POSSESSES** the powers granted and ~~perform~~ **PERFORMS**
 10 the duties imposed in this act. The ~~family independence agency~~
 11 **DEPARTMENT** shall consist of a director and the assistants and
 12 employees appointed or employed in the ~~family independence~~
 13 ~~agency.~~ **DEPARTMENT.**

14 (2) The ~~family independence agency~~ **DEPARTMENT** is responsible
 15 for the operation and supervision of the institutions and
 16 facilities established within the ~~family independence~~
 17 ~~agency.~~ **DEPARTMENT.** The institutions and facilities may be operated
 18 on a coeducational basis. The ~~family independence agency~~ **DEPARTMENT**
 19 shall make and enforce its own rules, not inconsistent with the law
 20 governing the institutions or facilities under its control,
 21 respecting the conduct of the institutions and facilities,
 22 discipline in the institutions and facilities, the care of
 23 property, and the welfare of the residents.

24 (3) The ~~family independence agency shall be,~~ **DEPARTMENT IS,** in
 25 all respects, the legal successor to the powers, duties and
 26 responsibilities of the juvenile institute commission.

27 ~~—— (4) A reference in this act to "the state department of social~~

1 ~~services", "the state department", or "department" means the family~~
2 ~~independence agency.~~

3 Sec. 1c. (1) A person employed by the department ~~of social~~
4 ~~services at the W.J. Maxey campus in Whitmore lake or any of its~~
5 ~~affiliated facilities, at the Adrian training school in Adrian, the~~
6 ~~Arbor Heights center in Ann Arbor, Camp Nokomis in Prudenville, **AT**~~
7 ~~Camp Shawano in Grayling, or a similar facility under the~~
8 ~~jurisdiction of the department established or funded by the state~~
9 ~~after the effective date of this section, **MAY 4, 1978,** who is~~
10 ~~injured during the course of his or her employment as a result of~~
11 ~~an assault by a recipient of social services shall receive his or~~
12 ~~her full wages by the state department until worker's compensation~~
13 ~~benefits begin and then shall receive in addition to worker's~~
14 ~~compensation benefits a supplement from the state department ~~which~~~~
15 **THAT** ~~together with the worker's compensation benefits shall equal~~
16 ~~but not exceed the weekly net wage of the employee at the time of~~
17 ~~the injury. This supplement ~~shall only apply~~ **APPLIES** while the~~
18 ~~person is on the state department's payroll and is receiving~~
19 ~~worker's compensation benefits and ~~shall include~~ **INCLUDES** an~~
20 ~~employee who is currently receiving worker's compensation due to an~~
21 ~~injury covered by this section. Fringe benefits normally received~~
22 ~~by an employee shall be in effect during the time the employee~~
23 ~~receives the supplement provided by this section from the~~
24 ~~department.~~

25 (2) Subsection (1) ~~shall apply~~ **APPLIES** whether the employee
26 was directly assaulted or was assaulted as a result of aiding
27 another employee in subduing a recipient.

1 SEC. 1D. AS USED IN THIS ACT:

2 (A) "ADMINISTRATIVE PROCEDURES ACT OF 1969" MEANS THE
3 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
4 24.328.

5 (B) "DEPARTMENT" OR "STATE DEPARTMENT" MEANS THE DEPARTMENT OF
6 HEALTH AND HUMAN SERVICES.

7 (C) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

8 (D) "FEDERAL POVERTY GUIDELINES" MEANS THE POVERTY GUIDELINES
9 PUBLISHED ANNUALLY IN THE FEDERAL REGISTER BY THE UNITED STATES
10 DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER ITS AUTHORITY TO
11 REVISE THE POVERTY LINE UNDER SECTION 673(2) OF SUBTITLE B OF TITLE
12 VI OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, 42 USC 9902.

13 (E) "MEDICAID" MEANS THE PROGRAM OF MEDICAL ASSISTANCE
14 ADMINISTERED BY THE STATE UNDER SECTION 105.

15 (F) "PUBLIC HEALTH CODE" MEANS THE PUBLIC HEALTH CODE, 1978 PA
16 368, MCL 333.1101 TO 333.25211.

17 (G) "SOCIAL SECURITY ACT" MEANS THE FEDERAL SOCIAL SECURITY
18 ACT, 42 USC 301 TO 1397MM.

19 (H) "TITLE XVI" MEANS TITLE XVI OF THE SOCIAL SECURITY ACT, 42
20 USC 1381 TO 1383F.

21 (I) "TITLE XVIII" MEANS TITLE XVIII OF THE SOCIAL SECURITY
22 ACT, 42 USC 1395 TO 1395KKK-1.

23 (J) "TITLE XIX" MEANS TITLE XIX OF THE SOCIAL SECURITY ACT, 42
24 USC 1396 TO 1396W-5.

25 (K) "TITLE XX" MEANS TITLE XX OF THE SOCIAL SECURITY ACT, 42
26 USC 1397 TO 1397M-5.

27 Sec. 3. (1) ~~The director of the family independence agency~~

1 shall be appointed by the governor with the advice and consent of
2 the senate, and shall serve at the pleasure of the governor. The
3 director shall be the executive officer of the ~~family independence~~
4 ~~agency-DEPARTMENT~~ and shall be responsible to the governor for
5 performing his or her duties.

6 (2) The director shall receive ~~such~~ ^A salary as shall be
7 appropriated by the legislature, and shall receive actual and
8 necessary traveling and other expenses incurred in the discharge of
9 his or her official duties, to be paid in the same manner as
10 salaries and expenses of other state employees are paid.

11 ~~—— (3) Whenever reference is made in this act to the "bureau of~~
12 ~~social security", or the "state bureau", reference shall be deemed~~
13 ~~to be intended to be made to the family independence agency.~~

14 ~~—— (4) Whenever reference is made in this act to the "supervisor~~
15 ~~of the state bureau", reference shall be deemed to be made to the~~
16 ~~director of the family independence agency.~~

17 ~~—— (5) For counties having a population of 600,000 or less and~~
18 ~~for all cities regardless of population, whenever reference is made~~
19 ~~in this act to the "county bureau of social aid", reference shall~~
20 ~~be deemed to be made to the county or city family independence~~
21 ~~agency.~~

22 Sec. 6. (1) The ~~family independence agency-DEPARTMENT~~ may
23 promulgate all rules necessary or desirable for the administration
24 of programs under this act. Rules shall be promulgated under the
25 administrative procedures act of 1969. ~~, Act No. 306 of the Public~~
26 ~~Acts of 1969, being sections 24.201 to 24.328 of the Michigan~~
27 ~~Compiled Laws. Beginning 2 years after the effective date of~~

1 ~~subsection (2), if the Michigan supreme court rules that sections~~
2 ~~45 and 46 of Act No. 306 of the Public Acts of 1969, being sections~~
3 ~~24.245 and 24.246 of the Michigan Compiled Laws, are~~
4 ~~unconstitutional and a statute requiring legislative review of~~
5 ~~administrative rules is not enacted within 90 days after the~~
6 ~~Michigan supreme court ruling, this subsection does not apply.~~

7 (2) The ~~family independence agency~~ **DEPARTMENT** may develop
8 regulations to implement the goals and principles of assistance
9 programs created under this act, including all standards and
10 policies related to applicants and recipients that are necessary or
11 desirable to administer the programs. These regulations are
12 effective and binding on all those affected by the assistance
13 programs. ~~Except for policies described in subsections (3) and (4),~~
14 ~~regulations described in this subsection, setting standards and~~
15 ~~policies necessary or desirable to administer the programs, are~~
16 ~~exempt until the expiration of 12 months after the effective date~~
17 ~~of this subsection from the rule promulgation requirements of the~~
18 ~~administrative procedures act of 1969, Act No. 306 of the Public~~
19 ~~Acts of 1969, being sections 24.201 to 24.328 of the Michigan~~
20 ~~Compiled Laws. Upon the expiration of 12 months after the effective~~
21 ~~date of this subsection, regulations described in this subsection~~
22 ~~are not effective and binding unless processed as emergency rules~~
23 ~~under section 48 of Act No. 306 of the Public Acts of 1969, being~~
24 ~~section 24.248 of the Michigan Compiled Laws, or promulgated in~~
25 ~~accordance with Act No. 306 of the Public Acts of 1969.~~

26 (3) The ~~family independence agency~~ **DEPARTMENT** may develop
27 policies to establish income and asset limits, types of income and

1 assets to be considered for eligibility, and payment standards for
 2 assistance programs administered under this act. Policies developed
 3 under this subsection are effective and binding on all those
 4 affected by the assistance programs. Policies described in this
 5 subsection are exempt from the rule promulgation requirements of
 6 ~~Act No. 306 of the Public Acts~~ **THE ADMINISTRATIVE PROCEDURES ACT** of
 7 1969. Not less than 30 days before policies developed under this
 8 subsection are implemented, they shall be submitted to the senate
 9 and house standing committees and appropriation subcommittees with
 10 oversight of human services.

11 (4) The ~~family independence agency~~ **DEPARTMENT** may develop
 12 policies to implement requirements that are mandated by federal
 13 statute or regulations as a condition of receipt of federal funds.
 14 Policies developed under this subsection are effective and binding
 15 on all those affected by the programs. Policies described in this
 16 subsection are exempt from the rule promulgation requirements of
 17 ~~Act No. 306 of the Public Acts~~ **THE ADMINISTRATIVE PROCEDURES ACT** of
 18 1969.

19 (5) All rules, regulations, and policies established by the
 20 ~~family independence agency~~ **DEPARTMENT** shall be in writing, shall be
 21 provided to the legislature, and shall be made available for
 22 inspection ~~by~~ **TO** any member of the public at all offices of the
 23 ~~family independence agency~~ **DEPARTMENT** during regular business
 24 hours.

25 ~~— (6) Until the expiration of 12 months after the effective date~~
 26 ~~of this subsection, a bipartisan task force of legislators~~
 27 ~~appointed in the same manner as members are appointed to standing~~

~~committees of the legislature shall meet regularly with the family independence agency to review proposed policies and regulations for the family independence program. Meetings of the bipartisan task force are subject to the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.~~

(6) ~~(7)~~ Subsection (2) does not apply to standards and policies related to the providers of services ~~which~~ **THAT** have a written contractual relationship or are an enrolled ~~medicaid~~ **MEDICAID** provider with the ~~family independence agency~~. **DEPARTMENT**.

Sec. 10. (1) The ~~family independence agency~~ **DEPARTMENT** is designated as the state agency to cooperate with the federal government in the administration of the social security act. ~~7 chapter 531, 49 Stat. 620. The family independence agency~~ **DEPARTMENT** may administer the food stamp act of 1977, ~~Public Law 88-525, 7 U.S.C. 2011 to 2012 and 2013 to 2032, 2008, 7 USC 2011 TO 2036C~~, and any other law ~~which~~ **THAT** the governor or the legislature of the state may designate. The ~~family independence agency~~ **DEPARTMENT** may cooperate with the proper departments or agencies of the federal government and with all other departments or agencies of the state and local governments, and supervise the administration by local governmental departments or agencies of any plans established by the state in cooperation with the federal government under these provisions and the rules promulgated ~~pursuant thereto.~~ **UNDER THESE PROVISIONS.** The director shall make reports, in ~~such~~ **THE** form and containing ~~such~~ **THE** information, required under the social security act, and shall comply with the

1 requirements made to ~~assure~~**ENSURE** the correctness and verification
2 of the reports.

3 (2) The director, with the approval of the governor, may
4 cooperate with the federal government, or any of its agencies or
5 instrumentalities, in handling the welfare and relief problems and
6 needs of the people of this state, to the extent authorized by the
7 laws of this state.

8 (3) The director may adopt any plan required or desirable to
9 participate in the distribution of federal ~~moneys~~**MONEY** or the
10 assistance of the federal government, and may accept on behalf of
11 the state any allotment of federal ~~moneys~~**MONEY**. The state
12 treasurer may forward state ~~moneys~~**MONEY** to the federal ~~social~~
13 ~~security administration~~**SOCIAL SECURITY ADMINISTRATION** for federal
14 administration of the state supplemental program of the social
15 security act in accordance with an agreement pertaining ~~thereto~~**TO**
16 **ADMINISTRATION OF THAT PROGRAM**. The director may promulgate rules
17 and the director or his or her designee may enter into any
18 agreement or agreements with federal, state, or local units of
19 government or private agencies necessary to enable the state or
20 ~~such~~**THOSE** units to participate in any plan the director ~~deems~~
21 **CONSIDERS** desirable for the welfare of the people of this state.

22 (4) For the purpose of ~~assuring~~**ENSURING** full federal approval
23 of the activities of the department and local departments with
24 respect to the operation of a plan, the director may do all things
25 reasonable and proper to conform with federal requirements
26 pertaining to methods and standards of administration. In making
27 rules with respect ~~thereto~~**TO THAT**, there shall be included ~~such~~

1 methods and standards of administration for the conduct of the work
2 of local units, including the necessary supervision thereof, ~~OF THE~~
3 **LOCAL UNITS**, as may be required for the receipt of aid from the
4 federal government.

5 Sec. 11a. (1) A person who is employed, licensed, registered,
6 or certified to provide health care, educational, social welfare,
7 mental health, or other human services; an employee of an agency
8 licensed to provide health care, educational, social welfare,
9 mental health, or other human services; a law enforcement officer;
10 or an employee of the office of the county medical examiner who
11 suspects or has reasonable cause to believe that an adult has been
12 abused, neglected, or exploited shall make immediately, by
13 telephone or otherwise, an oral report to the county department ~~of~~
14 ~~social services~~ of the county in which the abuse, neglect, or
15 exploitation is suspected of having or believed to have occurred.
16 After making the oral report, the reporting person may file a
17 written report with the county department. A person described in
18 this subsection who is also required to make a report ~~pursuant to~~
19 **UNDER** section 21771 of the public health code, ~~Act No. 368 of the~~
20 ~~Public Acts of 1978, as amended, being section 333.21771 of the~~
21 ~~Michigan Compiled Laws~~ **MCL 333.21771**, and who makes that report is
22 not required to make a duplicate report to the county department ~~of~~
23 ~~social services~~ under this section.

24 (2) A report made by a physician or other licensed health
25 professional ~~pursuant to~~ **UNDER** subsection (1) ~~shall~~ **IS** not be
26 ~~considered~~ a violation of any legally recognized privileged
27 communication or a violation of article 15 of the public health

code, ~~Act No. 368 of the Public Acts of 1978, being sections~~
~~333.16101 to 333.18838 of the Michigan Compiled Laws.~~ **MCL 333.16101**
TO 333.18838.

(3) In addition to those persons required to make an oral report under subsection (1), any person who suspects that an adult has been abused, neglected, or exploited may make a report to the county department ~~of social services~~ of the county in which the abuse, neglect, or exploitation is suspected of having occurred.

(4) A report made under this section shall contain the name of the adult and a description of the abuse, neglect, or exploitation. If possible, the report shall contain the adult's age and the names and addresses of the adult's guardian or next of kin, and of the persons with whom the adult resides, including their relationship to the adult. The report shall contain other information available to the reporting person that may establish the cause of the abuse, neglect, or exploitation and the manner in which the abuse, neglect, or exploitation occurred or is occurring. The county department shall ~~reduce to~~ **PUT IN** writing the information provided in an oral report received ~~pursuant to~~ **UNDER** this section.

(5) The county department shall report to a police agency any criminal activity that it believes to be occurring, upon receipt of the oral report.

(6) This section ~~shall~~ **DOES** not ~~be construed as limiting~~ **LIMIT** the responsibilities of the police agency of a local unit of government to enforce the laws of this state or ~~as precluding~~ **PRECLUDE** the police agency from reporting and investigating, as appropriate, alleged criminal conduct.

1 Sec. 11b. (1) Within 24 hours after receiving a report made or
2 information obtained under section 11a, the county department shall
3 commence an investigation to determine whether the person suspected
4 of being or believed to be abused, neglected, or exploited is an
5 adult in need of protective services. A reasonable belief on the
6 part of the county department that the person is an adult in need
7 of protective services is a sufficient basis for investigation. If
8 an investigation pertains to an adult residing in an adult foster
9 care facility licensed by the department of ~~human services,~~
10 **LICENSING AND REGULATORY AFFAIRS**, the county department shall
11 provide the adult foster care licensee with the substance of the
12 abuse or neglect allegations as soon as practicable after the
13 beginning of the investigation. The licensee shall have the
14 opportunity to respond to the allegations, and the response shall
15 be included in the record.

16 (2) Upon a request by the county department, local law
17 enforcement officers shall cooperate with the county department in
18 an investigation of suspected abuse, neglect, or exploitation.
19 ~~However, the~~ **THE** investigation required by this section ~~shall~~ **IS**
20 not ~~be~~ in place of an investigation by the appropriate police
21 agency regarding suspected criminal conduct arising from the
22 suspected abuse, neglect, or exploitation.

23 (3) The investigation shall include a determination of the
24 nature, extent, and cause of the abuse, neglect, or exploitation;
25 examination of evidence; identification, if possible, of the person
26 responsible for the abuse, neglect, or exploitation; the names and
27 conditions of other adults in the place of residence; an evaluation

1 of the persons responsible for the care of the adult, if
2 appropriate; the environment of the residence; the relationship of
3 the adult to the person responsible for the adult's care; an
4 evaluation as to whether or not the adult would consent to
5 receiving protective services; and other pertinent data.

6 (4) The investigation shall include an in-person interview
7 with the adult. The county department shall conduct the interview
8 by means of a personal visit with the adult in the adult's dwelling
9 or in the office of the county department. In attempting to conduct
10 a personal visit with the adult in the adult's dwelling, if
11 admission to the dwelling is denied, the county department may seek
12 to obtain a search warrant as provided in 1966 PA 189, MCL 780.651
13 to 780.659.

14 (5) The investigation may include a medical, psychological,
15 social, vocational, and educational evaluation and review.

16 (6) In the course of an investigation, the county department
17 shall determine if the adult is or was abused, neglected, or
18 exploited. The county department shall make available to the adult
19 the appropriate and least restrictive protective services, directly
20 or through the purchase of services from other agencies and
21 professions, and shall take necessary action to safeguard and
22 enhance the welfare of the adult, if possible. The county
23 department also shall collaborate with law enforcement officers,
24 courts of competent jurisdiction, and appropriate state and
25 community agencies providing human services, which services are
26 provided in relation to preventing, identifying, and treating adult
27 abuse, neglect, or exploitation. If the abuse, neglect, or

1 exploitation involves substance abuse, the county department shall
2 collaborate with the local ~~substance abuse coordinating agency~~
3 **DEPARTMENT-DESIGNATED COMMUNITY MENTAL HEALTH ENTITY** as designated
4 by ~~the office of substance abuse services in the department of~~
5 ~~community health~~ for a referral for substance abuse **USE DISORDER**
6 services. The county department may petition for a finding of
7 incapacity and appointment of a guardian or temporary guardian as
8 provided in section 5303 or 5312 of the estates and protected
9 individuals code, 1998 PA 386, MCL 700.5303 and 700.5312, and may
10 petition for the appointment of a conservator as provided in
11 section 5401 of the estates and protected individuals code, 1998 PA
12 386, MCL 700.5401, for a vulnerable adult.

13 (7) Upon completion of an investigation, the county department
14 shall prepare a written report of the investigation and its
15 findings. A copy of this written report shall be forwarded to the
16 **STATE** department ~~of human services~~ upon the **STATE DEPARTMENT'S**
17 request. ~~of the department of human services.~~

18 (8) The county department may provide a copy of the written
19 report to the prosecuting attorney for the county in which the
20 adult suspected of being or believed to be abused, neglected, or
21 exploited resides or is found.

22 (9) A representative from the department, ~~of human services,~~
23 the department of state police, the department of **THE** attorney
24 general, and the office of services to the aging, and an individual
25 who is a representative of long-term care providers and is
26 designated by the ~~state~~ attorney general, shall meet and develop a
27 state model protocol for the investigation of vulnerable adult

1 abuse cases. This state model protocol shall be developed not ~~more~~
 2 ~~than 1 year after the effective date of the amendatory act that~~
 3 ~~added this subsection.~~ **LATER THAN JUNE 19, 2013.** A county
 4 prosecuting attorney, in cooperation with the local county
 5 department and local law enforcement agencies, may adopt a local
 6 protocol for the investigation of vulnerable adult abuse cases that
 7 is based on the state model protocol.

8 Sec. 12. All funds ~~in the hands of~~ **HELD BY** the state treasurer
 9 or on deposit to the credit of any of the departments, boards,
 10 commissions, and offices ~~which~~ **THAT** are hereby abolished shall be
 11 transferred to and are hereby appropriated for the state
 12 department, ~~of social welfare,~~ and shall be disbursed on its order.

13 Sec. 13. The ~~commission~~ **DEPARTMENT** is ~~hereby~~ authorized,
 14 subject to the approval of the attorney general, to enter into
 15 reciprocal agreements with corresponding state agencies of other
 16 states, regarding the interstate transportation of indigent
 17 persons, and to arrange with the proper officials in this state for
 18 the acceptance, transfer, and support of persons receiving any form
 19 of public aid or relief in other states in accordance with the
 20 terms of ~~such~~ **A** reciprocal agreement. ~~+- Provided, That this~~ **THIS**
 21 state shall not, nor shall any county or any county department ~~of~~
 22 ~~social welfare,~~ in this state, be committed to the support of
 23 persons ~~whom~~ **WHO** the ~~commission~~ **DEPARTMENT** determines are not
 24 entitled to public support under the laws of this state. This
 25 section shall be so interpreted and construed as to effectuate its
 26 general purpose to make uniform laws of ~~such~~ states ~~as~~ **THAT** enact
 27 similar legislation.

1 Sec. 14. (1) The state department has all of the following
2 additional powers and duties:

3 (a) To allocate and distribute to the county and district
4 departments, ~~of social services,~~ as provided in section 18, and in
5 accordance with the rules promulgated by the director, money
6 appropriated by the legislature, or received from the federal
7 government for the relief of destitution or unemployment within the
8 state ~~, or a political subdivision of the state.~~

9 (b) To distribute, as provided in this act, subject to federal
10 rules and regulations, and in accordance with the rules promulgated
11 by the director, money appropriated by the legislature, or received
12 from the federal government for the granting of ~~aid to dependent~~
13 ~~children~~ **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES** and supplemental
14 security income; for medical, dental, optometric, nursing,
15 pharmaceutical, and burial relief; for services furnished by
16 professions under the public health code; ~~, Act No. 368 of the~~
17 ~~Public Acts of 1978, as amended, being sections 333.1101 to~~
18 ~~333.25211 of the Michigan Compiled Laws,~~ and for other relief or
19 welfare services provided by law.

20 (c) To operate a ~~day~~ **CHILD** care program in rural and urban
21 areas and assist in the development of sound programs and standards
22 for ~~day~~ **CHILD** care by public organizations throughout the state. If
23 the director ~~, commissioner,~~ or those officials responsible for
24 enforcing a state or local building code determine that a dwelling
25 unit fails to meet the standards of that code through fault of the
26 landlord, the department may refuse to pay public assistance grants
27 authorized under this act for payment of rent on the dwelling unit.

1 A written notice of the refusal, stating the grounds for the
2 refusal and listing the defects to be corrected, shall be mailed
3 immediately to the landlord by certified mail. During the period of
4 refusal, the landlord may bring an action against the department in
5 the nature of quo warranto, but may not maintain an action for the
6 rent or possession of the premises. If the defects have been
7 corrected or if the department's refusal to pay is determined by a
8 court of competent jurisdiction to be wrongful, the department
9 shall pay the rent that is owed, but not more than the amount of
10 the grants withheld.

11 (D) ~~(g)~~ To assist other departments, agencies, and
12 institutions of the federal and state governments, when ~~so~~
13 requested, in performing services in conformity with the purposes
14 of this act. The director shall act as certifying agent for federal
15 departments or agencies in determining eligibility of applicants
16 for aid or service rendered by those departments or agencies. The
17 rules of the state departments under this subsection ~~shall be~~ **ARE**
18 binding upon the county departments. ~~of social services.~~

19 (E) ~~(h)~~ To collect and compile statistics, make special fact-
20 finding studies, and publish reports in reference to the field of
21 welfare, including a biennial report as provided in section 17.

22 (F) ~~(i)~~ To arbitrate and decide disputed or contested claims
23 between 2 or more counties relative to the settlement or domicile
24 of a person or family given or in need of any form of public aid or
25 relief, and to determine and declare the county of settlement or
26 domicile in any instance when ~~so~~ requested or on the department's
27 own volition. All decisions and determinations made under this

1 subdivision ~~shall be~~ **ARE** binding upon the county departments. ~~of~~
2 ~~social services.~~

3 (G) ~~(j)~~ To administer or supervise relief or welfare functions
4 vested in the department by law, and to provide for the progressive
5 codification of the laws governing relief and welfare problems.

6 (H) ~~(k)~~ To inspect county infirmaries and places of detention
7 for juveniles for the purpose of obtaining facts pertaining to the
8 usefulness and proper management of the infirmaries and places of
9 detention, and of promoting proper, efficient, and humane
10 administration of those infirmaries and places of detention. A
11 reasonable order of the department fixing minimum standards of
12 sanitation, fire protection, food, and comfortable lodging may be
13 enforced, through mandamus or injunction in the circuit court for
14 the county where the county infirmary or place of detention for the
15 juveniles is located, through proper proceedings instituted by the
16 attorney general on behalf of the department. The burden of proof
17 ~~shall be~~ **IS** on the department to establish the reasonableness of
18 the order.

19 (I) ~~(l)~~ To promulgate by rules a recommended schedule of
20 payment for care and maintenance, ~~pursuant~~ **ACCORDING** to the
21 administrative procedures act of 1969, ~~Act No. 306 of the Public~~
22 ~~Acts of 1969, as amended, being sections 24.201 to 24.328 of the~~
23 ~~Michigan Compiled Laws,~~ to be used, as provided by law, in
24 determining the amount of payment to be made by patients, their
25 guardians, or relatives who are liable for the care and maintenance
26 of persons entitled to treatment under the mental health code, ~~Act~~
27 ~~No. 258 of the Public Acts of 1974, as amended, being sections~~

~~330.1001 to 330.2106 of the Michigan Compiled Laws. 1974 PA 258,~~
MCL 330.1001 TO 330.2106. The department in promulgating the
 schedule may give consideration to the person's income, the number
 of other persons he or she is obligated to support, his or her
 estate, medical and other necessary expenses, and other relevant
 matters.

(J) ~~(n)~~ To provide or contract for legal services for persons
 receiving assistance under this act in guardianship and support
 proceedings.

(K) ~~(p)~~ To provide services to adults and aging persons ~~7~~
~~which~~ **THAT** shall include:

(i) Services for the blind in accordance with the
 rehabilitation act of 1973, 29 U.S.C. ~~USC~~ 701 to ~~796i~~ **796l**.

(ii) Services authorized in title XX of the social security
 act, 42 U.S.C. ~~USC~~ 1397 to ~~1397e~~ **1397h**.

(l) ~~(q)~~ To license and regulate child care organizations and
 programs as described in ~~Act No. 116 of the Public Acts of 1973, as~~
~~amended, being sections 722.111 to 722.128 of the Michigan Compiled~~
~~Laws. 1973 PA 116, MCL 722.111 TO 722.128.~~

(2) Other sections of this act notwithstanding, all powers and
 duties of the county ~~social services~~ boards to develop, implement,
 and administer a program of general public relief, are transferred
 to the state department effective beginning with the first county
 fiscal year following December 1, 1975. ~~However, in~~ **IN** a county
 that operates a patient care management system ~~pursuant to~~ **UNDER**
 section 66j, the county ~~social services~~ board may change the
 eligibility standards and coverages for medical care for persons

1 eligible for services under a patient care management system
2 subject to the consent of the county board of commissioners, or, in
3 a charter county, subject to the consent of the county board of
4 commissioners and the county executive.

5 Sec. 14b. The director, and under his **OR HER** supervision,
6 county, city, and district departments, ~~of social welfare,~~ may
7 provide written or oral notice to recipients of public assistance
8 of the availability of advice and treatment in family planning.
9 ~~Such~~ **THE** notice shall include a statement that receipt of public
10 assistance is in no way dependent upon a request or nonrequest for
11 family planning services. No effort shall be made to suggest or
12 persuade recipients to request or not request family planning
13 services. The director, and under his **OR HER** supervision, county,
14 city, and district departments, ~~of social welfare~~ may make
15 available upon request of recipients of public assistance advice
16 and treatment in family planning by referral upon request of the
17 recipient to a licensed medical doctor, licensed osteopathic
18 physician, public agency, or, on a contractual basis, to a private
19 agency of the recipient's choice. Necessary drugs and recognized
20 medical appliances for use in family planning may also be made
21 available through licensed pharmacists upon prescription issued by
22 a licensed physician. ~~Such~~ **THE** family planning services shall be
23 made available in accordance with rules and regulations promulgated
24 by the director under law.

25 Sec. 14f. Subject to section 5 of article XI of the state
26 constitution of 1963, the ~~family independence agency~~ **DEPARTMENT** may
27 contract with a private individual or agency to administer a

1 program created under this act or to perform a duty of the ~~family~~
 2 ~~independence agency~~ **DEPARTMENT** under this act.

3 Sec. 14g. In order to achieve more efficient and effective use
 4 of funds for public assistance, to reduce dependency, or to improve
 5 the living conditions and increase the incomes of individuals
 6 receiving public assistance, the ~~family independence agency~~
 7 **DEPARTMENT** may establish and conduct pilot projects in 1 or more
 8 county or district offices. The ~~family independence agency~~
 9 **DEPARTMENT** may apply different policies in the pilot programs than
 10 it applies in the rest of the county or district offices, and may
 11 conduct the pilot projects as long as is necessary to provide a
 12 reasonable test of the policy being evaluated. Pilot projects shall
 13 be consistent with principles and goals set forth in this act.

14 Sec. 14h. (1) The ~~family independence agency~~ **DEPARTMENT** shall
 15 use an electronic benefit transfer system for ~~food stamp~~
 16 distribution **OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS.**

17 (2) To the extent that rules or parts of rules promulgated
 18 under this act conflict with the provisions of this section, the
 19 provisions of this section supersede those rules or parts of rules.

20 (3) The following rules are rescinded:

21 (a) R 400.3002 of the Michigan ~~administrative~~
 22 ~~code~~ **ADMINISTRATIVE CODE.**

23 (b) R 400.3003 of the Michigan ~~administrative code~~.
 24 **ADMINISTRATIVE CODE.**

25 (c) R 400.3004 of the Michigan ~~administrative code~~.
 26 **ADMINISTRATIVE CODE.**

27 (d) R 400.3007 of the Michigan ~~administrative code~~.

1 **ADMINISTRATIVE CODE.**

2 (e) R 400.3008 of the Michigan ~~administrative code.~~

3 **ADMINISTRATIVE CODE.**

4 (f) R 400.3012 of the Michigan ~~administrative code.~~

5 **ADMINISTRATIVE CODE.**

6 (g) R 400.3013 of the Michigan ~~administrative code.~~

7 **ADMINISTRATIVE CODE.**

8 (h) R 400.3125 of the Michigan ~~administrative code.~~

9 **ADMINISTRATIVE CODE.**

10 Sec. 17. (1) The ~~family independence agency~~ **DEPARTMENT** shall
 11 establish program goals consistent with section 57a. ~~and shall~~
 12 ~~report these goals to the governor and the legislature within 6~~
 13 ~~months after the effective date of this subsection.~~

14 (2) The ~~family independence agency~~ shall prepare and on or
 15 before the fifteenth day of December in each even-numbered year
 16 make a report to the governor, setting forth the operation of the
 17 ~~family independence agency~~ **DEPARTMENT** during the preceding fiscal
 18 biennium of the state, reporting on progress toward the goals
 19 established under subsection (1), and containing any findings and
 20 recommendations of the ~~family independence agency.~~ **DEPARTMENT.** The
 21 report shall also be submitted to the legislature.

22 Sec. 18d. The county department, ~~of social welfare,~~ upon
 23 authorization of the county board of supervisors, may operate an
 24 emergency receiving facility for the temporary care of homeless,
 25 dependent, or neglected children for whom ~~such~~ **THAT** care is
 26 necessary, pending foster care placement or restoration to their
 27 own homes or any other plan ~~deemed~~ **CONSIDERED** best for the health,

1 safety, and welfare of ~~such~~ **THE** children. The county department
2 operating an emergency receiving facility shall maintain the
3 standards of the state department established in respect to places
4 of detention for juveniles under section 14. ~~of this act.~~

5 Sec. 18e. (1) The ~~family independence agency~~ **DEPARTMENT** shall
6 establish and administer a state plan for foster care according to
7 the provisions of part E of title IV of the social security act, 42
8 USC 670 to ~~679b.~~ **679C**. The state plan shall include programs and
9 services that promote, implement, and support foster care focus
10 groups. When developing and annually reviewing the state plans to
11 carry out foster care policy and services, the ~~family independence~~
12 ~~agency~~ **DEPARTMENT** shall utilize input from ~~locally based~~ **LOCALLY**
13 **BASED** foster care focus groups.

14 (2) Foster care focus groups shall be composed of youth in
15 foster care or independent living programs, youth previously in
16 foster care, foster parents or relatives caring for youth in foster
17 care, and adults previously in foster care or independent living
18 programs. The majority of the focus group consists of youth in
19 foster care or independent living programs.

20 (3) In order to inform the legislature, the executive office,
21 the judiciary, and the public of the needs and interests of youth
22 in foster care, foster parents, and relatives caring for youth in
23 foster care, the foster care focus groups are encouraged to be
24 established in both of the following:

25 (a) Licensed child placing agencies with which the ~~family~~
26 ~~independence agency~~ **DEPARTMENT** contracts for youth foster care
27 services that have an annual average daily foster care caseload of

1 150 or more cases or that ~~derives~~ **DERIVE** more than 50% of ~~its~~ **THEIR**
 2 operating budget from contracts with the ~~family independence agency~~
 3 **DEPARTMENT** for youth foster care services.

4 (b) Counties in which the ~~family independence agency~~
 5 **DEPARTMENT** has an annual average daily foster care caseload of 150
 6 or more cases.

7 (4) State and federal funds appropriated to implement state
 8 plans in compliance with part E of title IV of the social security
 9 act, 42 USC 670 to ~~679b~~ **679C**, and state laws may be used to meet
 10 the provisions of this section.

11 Sec. 19. The powers and duties vested by law in the board of
 12 corrections and charities and transferred to the state welfare
 13 ~~commission, in the state welfare department, in the director of the~~
 14 ~~state welfare department, in the state welfare commission and in~~
 15 ~~the state institute commission as relating to the Michigan~~
 16 ~~employment institution for the blind at Saginaw~~ **OR A SUCCESSOR**
 17 **AGENCY**, are hereby transferred to and vested in the state
 18 ~~department. of social welfare herein created. Immediately on the~~
 19 ~~taking effect of this act, the~~ **A REFERENCE MADE IN ANY LAW OF THIS**
 20 **STATE TO THE** departments, boards, commissions, and officers whose
 21 powers and duties are hereby transferred ~~shall be abolished, and,~~
 22 ~~whenever reference thereto is made in any law of the state,~~
 23 ~~reference shall be deemed to be intended to be made~~ **UNDER THIS**
 24 **SECTION IS CONSIDERED TO BE A REFERENCE** to the state department. ~~of~~
 25 ~~social welfare.~~

26 Sec. 20. All of the powers and duties prescribed in any law of
 27 this state with respect to any subject matter vested in the state

1 department of ~~social welfare shall be~~ **ARE** transferred to and be
2 vested in ~~said~~ **THE** department.

3 Sec. 24. The state department, for programs financed in whole
4 or in part with federal funds, may make ~~such rules as are necessary~~
5 for guiding and regulating the county departments. ~~of social~~
6 ~~services.~~ The state department shall prepare and have printed all
7 blanks and books of record used in the county departments, ~~of~~
8 ~~social services,~~ to the end that a uniform system shall be employed
9 in all counties. The state department shall establish eligibility
10 and financial standards for all forms of general public relief and
11 burial. Differential area standards may be established to
12 correspond to the characteristics of the community. Recommended
13 standards for general relief and burial shall annually be submitted
14 to the department by the Michigan ~~county social services~~
15 ~~association.~~ **COUNTY SOCIAL SERVICES ASSOCIATION.** A county ~~social~~
16 ~~services board which~~ **THAT** is dissatisfied with general relief and
17 burial standards established for its county shall, within 30 days
18 after notification of those standards, be given the opportunity to
19 meet with the state director to review the determination.
20 Eligibility and financial standards shall not be affected by a
21 county decision to supplement individual payments to recipients of
22 general public relief.

23 Sec. 25. An applicant for assistance or a third party acting
24 responsibly in his **OR HER** behalf shall deliver his **OR HER**
25 application in writing to the county department ~~of social services~~
26 in the manner and form prescribed by the state department. All
27 statements in the application shall be over the signature or

1 witnessed mark of the applicant or ~~such~~**THE** third party and shall
2 include a declaration under the penalties of perjury that the
3 application has been examined by or read to the applicant or third
4 party, and, to the best of the applicant's or third party's
5 knowledge, that all facts are true in each material point and are
6 complete. ~~and the~~**THE** applicant or third party shall empower the
7 county department ~~of social services~~ and the state department to
8 obtain all necessary information concerning the recipient of social
9 services for whom the application is made and his **OR HER** resources
10 in order to determine the eligibility of the applicant. No
11 question, inquiry, or recommendation shall relate to the political
12 opinions or religious affiliations of any person, and no grant or
13 denial of aid under this act shall be in any manner affected or
14 influenced by ~~such~~**THOSE** opinions or affiliations.

15 Sec. 32. (1) Subject to section 14g, a person qualified for
16 and receiving assistance under this act in any county in this state
17 who moves or is taken to another county in this state may continue
18 to receive assistance in the county to which the person has moved
19 or is taken, and the county ~~family independence agency~~**DEPARTMENT**
20 of the county from which the person has moved shall transfer all
21 necessary records relating to the person to the county ~~family~~
22 ~~independence agency~~**DEPARTMENT** of the county to which the person
23 has moved.

24 (2) For purposes of the family independence program and
25 medical assistance under this act, a resident of this state is a
26 person who is living in this state voluntarily with the intention
27 of making his or her home in this state and not for a temporary

purpose and who is not receiving assistance from another state. For purposes of medical assistance, a resident of this state also includes a person and the dependents of a person who, at the time of application, is living in this state, is not receiving assistance from another state, and entered the state with a job commitment or seeking employment in this state. For purposes of determining eligibility to receive assistance under this act, excluding recipients of supplemental security income under title XVI of the social security act, ~~chapter 531, 49 Stat. 620, 42 U.S.C. USC 1381 to 1382, and 1383 to 1383d-1385,~~ or state supplementation under this act, the continued absence of a recipient from this state, unless the absence is temporary or intent to return is established as provided by applicable federal regulations, ~~shall constitute~~ **IS** abandonment by the recipient of residence in this state. Any existing rule that has been promulgated under this act that defines temporary absence for the purpose of eligibility for family independence **PROGRAM** assistance or medical assistance, or that provides for continuation of eligibility if the absence is not temporary, is not applicable.

(3) For purposes of medical assistance eligibility the requirements in subsection (2) apply except as otherwise provided in federal regulations for the administration of the medical assistance program under title XIX of the social security act, 42 U.S.C. ~~USC 1396 to 1396g and 1396i to 1396v.~~ **1396W-5.**

(4) The residence of ~~a husband shall not be~~ **1 SPOUSE IS NOT** considered to be the residence of the ~~wife~~ **OTHER SPOUSE** if they are living separate and apart. If ~~a husband and wife~~ **THE SPOUSES** are

1 living separate and apart, each may have a separate residence
 2 dependent upon proof of the fact and not upon legal presumption.
 3 This subsection ~~shall~~ **DOES** not be construed to prohibit a person
 4 from acquiring or retaining a legal residence.

5 Sec. 35. ~~Notwithstanding section 2(6), records~~ **RECORDS**
 6 relating to categorical assistance, including medical assistance,
 7 ~~shall be~~ **ARE** confidential and ~~shall~~ **ARE** not be open to inspection
 8 except as prescribed in section 64. The state department ~~of social~~
 9 ~~services~~ may promulgate and enforce rules for the use of the
 10 records as may be necessary for purposes related to federal, state,
 11 or local public assistance, ~~pursuant~~ **ACCORDING** to ~~Act No. 306 of~~
 12 ~~the Public Acts of 1969, as amended.~~ **THE ADMINISTRATIVE PROCEDURES**
 13 **ACT OF 1969.**

14 Sec. 36. When assistance is given to any person under the
 15 provisions of this act with respect to old age assistance, ~~aid to~~
 16 ~~dependent children~~ **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**, aid to
 17 the blind, and aid to the permanently and totally disabled, the
 18 county department ~~of social welfare~~ shall comply with all
 19 requirements of the state department.

20 Sec. 37. Whenever an application **IS** made for assistance, the
 21 county department ~~of social welfare~~ shall make a thorough
 22 investigation and report to the state department in the manner
 23 prescribed by it, giving its recommendation of the amount of
 24 assistance, if any, to be allowed. If the application ~~be~~ **IS**
 25 disallowed, or if the applicant is dissatisfied with the amount of
 26 assistance he **OR SHE** is receiving, or is to receive, he **OR SHE** may
 27 demand, in writing, a hearing of his **OR HER** case, as provided for

1 in section 9 or section 65. The applicant or recipient may appeal
 2 to the circuit court of the county in which he **OR SHE** resides,
 3 which court shall have power to review questions of law involved in
 4 any final decision or determination of the state department. ~~Said~~
 5 **THE** petition shall be filed within 30 days of the receipt of ~~such~~
 6 **THE** decision or determination. The petitioner ~~shall~~**IS** not be
 7 required to furnish any bond and costs shall not be taxed against
 8 him **OR HER**. If the court ~~shall decide~~**DECIDES** in favor of the
 9 petitioner, assistance shall be paid from the first day of the
 10 month following the date of the application ~~therefor~~ or of the date
 11 of the original application for the relief in question.

12 Sec. 38. Upon receipt of the recommendations of the county
 13 department, ~~of social services,~~ the state department shall
 14 determine the amount of categorical assistance to be allowed
 15 monthly, if any, and the date for which the first payment shall be
 16 made, to be payable as the state department ~~shall decide.~~**DECIDES**.
 17 If a person has been authorized to receive a payment in respect to
 18 his **OR HER** requirements for any month for categorical assistance,
 19 no assistance shall be allowed nor shall eligibility exist for him
 20 **OR HER** for that month for any other categorical assistance. The
 21 state department shall cause to be made due record of all
 22 authorizations of assistance with the address of the recipient and
 23 shall furnish the county department ~~of social services~~ with a copy
 24 ~~thereof.~~**OF THE RECORD**. Whenever payment of assistance is made,
 25 warrants shall be drawn upon the appropriation made, ~~therefor,~~ or
 26 other ~~moneys~~**MONEY** available for these forms of assistance, and
 27 delivered to the recipients, or third parties acting responsibly in

1 their behalf or the providers of goods or services authorized by
 2 the state department in accordance with ~~such~~ **THE** regulations as ~~may~~
 3 ~~be made~~ by the state department.

4 Sec. 41. If at any time after approval of a grant of
 5 assistance the recipient, or the spouse of the recipient, becomes
 6 possessed of any property or income of which the county department
 7 ~~of social welfare~~ has no knowledge, ~~it shall be the duty of the~~
 8 recipient ~~to~~ **SHALL** notify ~~said~~ **THE** county department, ~~of social~~
 9 ~~welfare~~ which shall report and make recommendations to the state
 10 department, which in turn may cancel, suspend, or alter the
 11 certificate of allowance.

12 Sec. 43. All assistance granted under this act shall be
 13 reconsidered from time to time, or as frequently as ~~may be required~~
 14 ~~by the state department~~ **REQUIRES**. After further investigation by
 15 the county department, ~~of social welfare,~~ the amount and manner of
 16 giving assistance may be changed, or the assistance may be
 17 withdrawn if the state department finds **THAT** the recipient's
 18 circumstances have changed sufficiently to warrant ~~such~~ **THAT**
 19 action. ~~It shall be within the power of the~~ **THE** state department
 20 **MAY**, at any time, ~~to~~ cancel and revoke assistance for cause. ~~, and~~
 21 ~~it~~ **THE STATE DEPARTMENT** may, for cause, suspend payments for
 22 assistance as it ~~may deem~~ **CONSIDERS** proper, subject to appeal and
 23 hearing by the recipient as provided for in section 9. The
 24 provisions of this section ~~shall be~~ **ARE** mandatory only with respect
 25 to old age assistance, ~~aid to dependent children,~~ **TEMPORARY**
 26 **ASSISTANCE FOR NEEDY FAMILIES**, aid to the blind, aid to the
 27 permanently and totally disabled, or any other function financed in

1 whole or in part by federal funds.

2 Sec. 43b. An office of inspector general is established as a
3 criminal justice agency in the ~~family independence agency~~.

4 **DEPARTMENT.** The primary duty of the inspector general is to
5 investigate cases of alleged fraud within the department. The
6 inspector general shall also perform the following activities:

7 (a) Investigate fraud, waste, and abuse in the programs
8 administered by the ~~family independence agency~~. **DEPARTMENT.**

9 (b) Make referrals for prosecution and disposition of
10 appropriate cases as determined by the inspector general.

11 (c) Review administrative policies, practices, and procedures.

12 (d) Make recommendations to improve program integrity and
13 accountability.

14 Sec. 45. (1) A county ~~family independence agency~~ **DEPARTMENT** is
15 created in each county of this state, which shall ~~possess~~ **POSSESSES**
16 the powers granted and ~~perform~~ **PERFORMS** the duties imposed in this
17 act. The county ~~family independence agency~~ **DEPARTMENT** shall consist
18 of a county ~~family independence agency~~ board and the director of
19 the county ~~family independence agency~~, **DEPARTMENT**, together with
20 assistants and employees as may be necessary to operate the county
21 **DEPARTMENT.** ~~family independence agency. As used in this act,~~
22 ~~references to "county department of social services" or "county~~
23 ~~department" mean the county family independence agency and~~
24 ~~references to "county social services board" and "county board"~~
25 ~~mean the county family independence agency board.~~

26 (2) The powers and duties of the county ~~family independence~~
27 ~~agency board~~ include all of the following:

1 (a) Supervision of and responsibility for the administration
2 of the county infirmary and county medical care facility and child
3 caring institution, except as provided in sections 55(c) and 58.

4 (b) Conduct, in conjunction with the ~~family independence~~
5 ~~agency,~~ **DEPARTMENT**, an annual review of social service programs
6 operating within the county.

7 (c) Development of policy and supervision of the
8 administration of social service programs authorized by the county
9 board of commissioners or financed solely from county funds or
10 county administered funds.

11 (d) Development and administration of employment programs and
12 work training projects complementary to and not in conflict with
13 state programs.

14 (e) Review and submit recommendations on contracts involving
15 programs administered by the ~~family independence agency~~ **DEPARTMENT**
16 proposed to be entered into between the ~~family independence agency~~
17 **DEPARTMENT** and public or private agencies within the county,
18 including proposed purchases of service contracts from applicant
19 agencies within the county eligible for funding under title XX of
20 the social security act, ~~chapter 531, 49 Stat. 620, 42 U.S.C. USC~~
21 ~~1397 to 1397f.~~ **1397M-5**. A contract shall not be entered into
22 between the ~~family independence agency~~ **DEPARTMENT** and a public or
23 private agency within the county until the board has been provided
24 an opportunity for review of the contract. The board shall be
25 advised by the ~~family independence agency~~ **DEPARTMENT** within 30 days
26 after contracts have been signed with an explanation of the
27 differences between contracts recommended by the board and those

1 actually entered into.

2 (f) Act as the agent for the county board of commissioners in
3 the development of coordinated or consolidated approaches to the
4 delivery of social services and cooperative service delivery
5 arrangements between the ~~family independence agency~~ **DEPARTMENT** and
6 each public and private social service agency within the county.

7 (g) Represent the county board of commissioners in all
8 negotiations between the county and the ~~family independence~~
9 ~~agency~~ **DEPARTMENT**.

10 (h) Make annual policy recommendations to the Michigan ~~county~~
11 ~~social services association~~ **COUNTY SOCIAL SERVICES ASSOCIATION** on
12 annual departmental appropriations, priorities for utilization of
13 title XX funds, eligibility standards for general public relief and
14 burial, employment programs, work training projects, and other
15 related issues.

16 (3) The ~~family independence agency~~ **DEPARTMENT** shall provide
17 suitable office accommodations for programs funded in whole or in
18 part with state funds. The county ~~family independence agency~~ board
19 shall review and recommend to the director proposed office sites
20 within the county. The director shall notify the board before final
21 site selection with an explanation of the selection of a site other
22 than that proposed by the board.

23 (4) The salary and expenses of each member of the county board
24 shall be fixed by the county board of commissioners according to
25 the amount of time the member devotes to the performance of
26 official duties. A member of the county board may not serve as the
27 director or an employee of the county ~~family independence agency~~.

1 **DEPARTMENT.** The members of the county boards shall be appointed at
2 the annual October session of commissioners, and members shall
3 qualify by taking and filing the oath of office with the county
4 clerk, and shall assume their duties as prescribed by this act not
5 later than November 1 of the year appointed.

6 (5) The director, employees, and assistants of the county
7 ~~family independence agency~~ **DEPARTMENT** shall be appointed by the
8 ~~family independence agency~~ **DEPARTMENT** from among persons certified
9 as qualified by the state civil service commission. The county
10 ~~family independence agency~~ board shall review the qualifications of
11 and interview each applicant for the position of county ~~family~~
12 ~~independence agency~~ **DEPARTMENT** director. The county director shall
13 be appointed from among persons certified as eligible and
14 recommended by the ~~family independence agency~~ **DEPARTMENT** and by the
15 county board. These appointment provisions do not apply under
16 conditions of reduction in state work force, in which case the
17 administrative employment preference rules for bumping promulgated
18 by the Michigan civil service commission apply. The county board
19 shall advise and make recommendations to the state director
20 regarding the performance of the county director within 6 months
21 after the appointment of the county director and annually after
22 that time. A copy of each evaluation shall be provided to the
23 county director.

24 (6) Except as prescribed in sections 35 and 64, a writing
25 prepared, owned, used, in the possession of, or retained by the
26 county ~~family independence agency~~ **DEPARTMENT** in the performance of
27 an official function shall be made available to the public in

1 compliance with the freedom of information act, ~~Act No. 442 of the~~
2 ~~Public Acts of 1976, being sections 15.231 to 15.246 of the~~
3 ~~Michigan Compiled Laws. 1976 PA 442, MCL 15.231 TO 15.246.~~

4 Sec. 46. (1) The administration of the powers and duties of
5 the county department ~~shall be~~ **ARE** vested in a county ~~social~~
6 ~~services~~ board of 3 members, appointed from persons residing within
7 the county and not holding an elective office, for 3-year terms as
8 follows: 2 members shall be appointed by the county board of
9 commissioners, and 1 member by the director of ~~social services.~~
10 ~~Members appointed before October 27, 1965, shall continue in office~~
11 ~~until the expiration of their terms and until successors are~~
12 ~~appointed and qualified.~~ **THE DEPARTMENT.** Each member shall qualify
13 by taking and filing with the county clerk the constitutional oath
14 of office, and shall hold office until the appointment and
15 qualification of a successor. Vacancies in the membership of the
16 board shall be filled for the expiration of the unexpired term, in
17 the same manner as provided for appointment of the original
18 members.

19 (2) The business ~~which~~ **THAT** the county ~~social services~~ board
20 may perform shall be conducted at a public meeting of the county
21 ~~social services~~ board held in compliance with ~~Act No. 267 of the~~
22 ~~Public Acts of 1976.~~ **THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261**
23 **TO 15.275.** Public notice of the time, date, and place of the
24 meeting shall be given in the manner required by ~~Act No. 267 of the~~
25 ~~Public Acts of 1976.~~ **THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261**
26 **TO 15.275.** A majority of the board constitutes a quorum for the
27 transaction of business. The board shall meet on the call of the

1 chairperson, or on a written request to the chairperson signed by 2
2 members of the board, or at times and places as prescribed by the
3 rules of the board. The board shall hold not less than 12 meetings
4 each fiscal year with an interval of not more than 5 weeks between
5 2 meetings.

6 (3) At the first meeting following the appointment of a new
7 member to the board, the members shall choose 1 member as
8 chairperson, who shall continue to act as chairperson of the board
9 until the selection of a successor.

10 (4) If a member of the county ~~social services~~ board, upon
11 receiving notification, fails to attend 3 consecutive regularly
12 scheduled meetings of the board, the county board of commissioners
13 after notification from the county ~~social services~~ board of the
14 failure of a member to attend without reasonable cause such as
15 illness or other circumstances beyond the member's control shall by
16 formal vote excuse the member or declare the office vacant. The
17 vacancy shall be filled for the remainder of the unexpired term in
18 the same manner as the original appointment was made.

19 (5) Members of the board shall be reimbursed for necessary
20 travel and other expenses, and shall be paid ~~such~~ **AN** amount as
21 ~~shall be fixed~~ by the board of commissioners or board of county
22 auditors.

23 (6) Except as prescribed in sections 35 and 64, a writing
24 prepared, owned, used, in the possession of, or retained by the
25 county ~~social services~~ board in the performance of an official
26 function shall be made available to the public in compliance with
27 ~~Act No. 442 of the Public Acts of 1976.~~ **THE FREEDOM OF INFORMATION**

1 ACT, 1976 PA 442, MCL 15.231 TO 15.246.

2 Sec. 47. (1) Two or more counties may organize a district
3 ~~department of social welfare and medical relief by a majority vote~~
4 ~~of the members elect of the county board of commissioners of each~~
5 ~~county. The administration of the powers and duties of the~~
6 ~~department shall be vested in a district social welfare board and~~
7 ~~medical advisory council. The district social welfare board and~~
8 ~~medical advisory council shall consist of members appointed from~~
9 ~~persons who are residents within the district, for 3-year terms as~~
10 ~~follows: 1 member shall be appointed by the state social welfare~~
11 ~~commission~~ **COUNTY DEPARTMENT** and the county board of commissioners
12 of each county included in the district shall each appoint 2
13 members. ~~Of the members first appointed the member appointed by the~~
14 ~~state social welfare commission shall be appointed for a term of 1~~
15 ~~year; 1 member appointed by the county board of commissioners of~~
16 ~~each county shall be appointed for the term of 2 years, and 1~~
17 ~~member for the term of 3 years.~~ A reference in this act to a county
18 ~~department of social services or to a county social services board~~
19 ~~, shall be deemed to apply~~ **APPLIES** to a district department of
20 ~~social welfare or a district social welfare board, where a district~~
21 ~~has been created as provided in this section. A member of a~~
22 ~~district board shall not hold an elective office. The members of~~
23 ~~the district social welfare board shall choose a chairperson as~~
24 ~~provided in section 46.~~

25 (2) The business ~~which~~ **THAT** a district ~~social welfare board~~
26 may perform shall be conducted at a public meeting of the board
27 held in compliance with ~~Act No. 267 of the Public Acts of 1976.~~ **THE**

1 **OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.** Public notice
 2 of the time, date, and place of the meeting shall be given in the
 3 manner required by ~~Act No. 267 of the Public Acts of 1976.~~ **THE OPEN**
 4 **MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.**

5 (3) Except as prescribed in sections 35 and 64, a writing
 6 prepared, owned, used, in the possession of, or retained by a
 7 district department ~~of social welfare~~ or a district ~~social welfare~~
 8 board in the performance of an official function shall be made
 9 available to the public in compliance with ~~Act No. 442 of the~~
 10 ~~Public Acts of 1976.~~ **THE FREEDOM OF INFORMATION ACT, 1976 PA 442,**
 11 **MCL 15.231 TO 15.246.**

12 Sec. 50. Any county employee or officer who transports,
 13 brings, or causes to be transported or brought, any other person
 14 receiving general relief, hospitalization, or infirmary care, or in
 15 need of general relief, hospitalization, or infirmary care from any
 16 county or from any city operating a separate department ~~of social~~
 17 ~~welfare~~ under this act into any other county or city operating a
 18 separate department without legal authority and ~~there leave~~ **LEAVES**
 19 the person **THERE** receiving general relief or in need of general
 20 relief; or who induces ~~such~~ **A** person by threat or other means to
 21 remove to another county or city operating a separate department,
 22 with the intent to make the county or city to which the removal is
 23 made chargeable with the support of the person receiving or in need
 24 of public assistance, is guilty of a misdemeanor.

25 Sec. 53. ~~Said~~ **A** board shall cooperate with the state
 26 department ~~of social welfare~~ in handling the welfare and relief
 27 problems and needs of the people of its county, and ~~to such end may~~

1 adopt any plan or plans required or desirable in order to
2 participate in the distribution of federal or state ~~moneys,~~ **MONEY,**
3 or in order to receive the assistance of the federal or state
4 governments. The board may adopt any rules and regulations or do
5 any act in order to enable participation of the county in ~~any such~~
6 A plan or plans.

7 Sec. 55. The county department shall administer a public
8 welfare program, as follows:

9 (a) To grant general assistance, including medical care and
10 care in the county medical care facility, but not including
11 hospitalization and infirmity care except for care in the county
12 medical care facility or a county infirmity existing on January 1,
13 1981, to any person domiciled in the county who has a legal
14 settlement in this state. General assistance may also be granted to
15 a person who has a legal settlement in this state but no domicile
16 in the county, and a recoupment may be made when appropriate in the
17 manner provided in cases of emergency hospitalization under this
18 act. In a temporary emergency, general assistance may be given to
19 indigents without a settlement in this state as the county
20 department considers necessary, including, if other funds are not
21 available for the purpose, all necessary expenses in transporting
22 an indigent to his or her domicile in this state, or in another
23 state or nation, when information reasonably tends to show that the
24 person has a home available in his or her place of domicile in this
25 state or a legal residence in another state or nation. A legal
26 settlement in this state is acquired by an emancipated person who
27 has lived continuously in this state for 1 year with the intent to

1 make it his or her home and who, during the 1-year period has not
2 received public assistance, other than assistance received during
3 and as a direct result of a civil defense emergency, or support
4 from relatives. Time spent in a public institution shall not be
5 counted in determining settlement. A legal settlement shall be lost
6 by remaining away from this state for an uninterrupted period of 1
7 year except that absence from this state for labor or other special
8 or temporary purpose shall not occasion loss of settlement.

9 (b) To administer categorical assistance including medical
10 care.

11 (c) To supervise and be responsible for the operation of the
12 county infirmary and county medical care facility. In a county
13 having a population of 1,000,000 or more that maintains a county
14 infirmary or county hospital or a joint infirmary and hospital
15 providing for mental patients, the institution and the admissions
16 to the institution are subject to the control of a board to be
17 known as the board of county institutions. The board shall consist
18 of 5 members appointed by the county board of commissioners, except
19 that in a county having a board of county auditors, 3 members of
20 the board of county institutions shall be appointed by the county
21 board of commissioners and 2 members shall be appointed by the
22 board of county auditors. Each member of the board shall hold
23 office for a term and receive compensation as the county board of
24 commissioners provides by ordinance. In relation to the
25 administration of the institutions, the board has and succeeds to
26 all powers and duties formerly vested by law, general, local, or
27 special, in the superintendents of the poor in the county and the

1 board of county institutions as constituted on April 13, 1943. The
2 board of county institutions of the county may also maintain
3 outpatient facilities for the treatment of needy persons suffering
4 from mental disorders.—**ILLNESS**. The board also has the same powers
5 as ~~are~~ given to the county board in section 78.

6 (d) To furnish in all cases, insofar as practicable, care and
7 treatment that will tend to restore needy persons to a condition of
8 financial and social independence.

9 (e) To require that each applicant shall furnish proof
10 satisfactory to the county board that the applicant is entitled to
11 the aid, assistance, or benefit sought.

12 (f) To investigate, in respect to each application for any
13 form of public aid or assistance, the circumstances of the
14 applicant, both at the time of application and periodically during
15 the receipt of aid or assistance.

16 (g) To maintain adequate social and financial records
17 pertaining to each recipient of aid or assistance and so far as is
18 practicable engage in the prevention of social disabilities.

19 (h) Except as otherwise provided in this subdivision, to
20 investigate, when requested by the probate court or the family
21 division of circuit court, matters pertaining to dependent,
22 neglected, and delinquent children and wayward minors under the
23 court's jurisdiction, to provide supervision and foster care as
24 provided by court order, and to furnish the court, on request,
25 investigational service in respect to the hospitalization of
26 children under the program of services for children and youth with
27 special health care needs established under part 58 of the public

1 health code, ~~1978 PA 368~~, MCL 333.5801 to 333.5879, which services
2 shall include the follow-up investigation and continuing
3 observations. If the county is a county juvenile agency as defined
4 in section 2 of the county juvenile agency act, 1998 PA 518, MCL
5 45.622, the county department's obligations under this subdivision
6 are limited to public wards within the county's jurisdiction under
7 the youth rehabilitation services act, 1974 PA 150, MCL 803.301 to
8 803.309, and county juvenile agency services as defined in section
9 117a.

10 (i) To assist other departments, agencies, and institutions of
11 the federal, state, and county governments, when requested, in
12 performing services in conformity with the purposes of this act.

13 (j) To assist in the development of sound programs and
14 standards of child welfare, and promote programs and policies
15 looking toward the prevention of dependency, neglect, and
16 delinquency and other conditions affecting adversely the welfare of
17 families and children.

18 (k) To create within the county department a division of
19 medical care. The county board may appoint a properly qualified and
20 licensed doctor of medicine as the head of the division and an
21 advisory committee. The advisory committee shall consist of 1
22 doctor of medicine, nominated by the county medical society; 1
23 dentist, nominated by the district dental society; and 1
24 pharmacist, nominated by the district pharmaceutical association,
25 to assist in formulating policies of medical care and auditing and
26 reviewing bills. "Medical care" as used in this act means medical
27 care rendered under the supervision of a licensed physician in an

1 organized ~~out-patient~~ **OUTPATIENT** department of a hospital licensed
2 by the department of ~~community health~~ under article 17 of the
3 public health code, ~~1978 PA 368~~, MCL 333.20101 to 333.22260, or
4 home and office attendance by a physician, osteopathic physician
5 and surgeon, or podiatrist licensed or otherwise authorized to
6 engage in practice under article 15 of the public health code, ~~1978~~
7 ~~PA 368~~, MCL 333.16101 to 333.18838; and when prescribed by the
8 physician, osteopathic physician and surgeon, or podiatrist,
9 diagnostic services requiring the use of equipment not available in
10 his or her offices, if the services do not require overnight care,
11 dental service, optometric service, bedside nursing service in the
12 home, or pharmaceutical service. The private physician-patient
13 relationship shall be maintained. The normal relationships between
14 the recipients of dental, optometric, nursing, and pharmaceutical
15 services, and the services furnished by a physician, osteopathic
16 physician and surgeon, podiatrist, or a chiropractor licensed or
17 otherwise authorized to engage in practice under article 15 of the
18 public health code, ~~1978 PA 368~~, MCL 333.16101 to 333.18838, and
19 the persons furnishing these services shall be maintained. This
20 section does not affect the office of a city physician or city
21 pharmacist established under a city charter, a county health
22 officer, or the medical superintendent of a county hospital. This
23 section permits the use of a case management system, a patient care
24 management system, or other alternative system for providing
25 medical care.

26 (l) To cause to be suitably buried the body of a deceased
27 indigent person who has a domicile in the county, when requested by

1 the person's relative or friend, or of a stranger, when requested
2 by a public official following an inquest.

3 (m) To administer additional welfare functions as are vested
4 in the department, including hospitalization.

5 (n) To act as an agent for the state department in matters
6 requested by the state department under the rules of the state
7 department.

8 (o) To provide temporary general assistance for each family
9 found ineligible for family independence **PROGRAM** assistance by
10 reason of unsuitable family home as provided in section 56.

11 Sec. 56i. (1) The ~~family independence agency~~ **DEPARTMENT** shall
12 establish and enforce standards and procedures to do all of the
13 following:

14 (a) Screen and identify individuals who are receiving
15 assistance under section 57b who have a history of domestic
16 violence, while maintaining the confidentiality of that
17 information.

18 (b) Refer those individuals identified under subdivision (a)
19 to counseling and supportive services.

20 (c) In accordance with a determination of good cause, waive
21 certain program requirements of the family independence program
22 established in section 57a in cases where compliance with those
23 requirements would make it more difficult for individuals receiving
24 assistance to escape domestic violence or would unfairly penalize
25 individuals who are or have been victimized by domestic violence or
26 individuals who are at risk of further domestic violence.

27 (2) The ~~family independence agency~~ **DEPARTMENT** shall include in

1 the state plan required for federal temporary assistance for needy
2 families block grants a certification by the governor that the
3 state has established and is enforcing the standards and procedures
4 described in subsection (1).

5 (3) The ~~family independence agency~~ **DEPARTMENT** shall collect
6 and compile data regarding administration of the waiver authorized
7 under subsection (1)(c), including information regarding
8 individuals screened and identified under subsection (1)(a) and
9 information regarding individuals actually granted a waiver. The
10 ~~family independence agency~~ **DEPARTMENT** shall annually report to the
11 legislature on the information collected and compiled under this
12 subsection.

13 Sec. 58. (1) A county board may, with the approval of the
14 county board of commissioners, supervise and be responsible for the
15 operation of a county medical care facility in, auxiliary to, or
16 independent of the county infirmary. If a county has a board of
17 county institutions, a county medical care facility shall be
18 supervised and operated by the board of county institutions, and
19 all references in this section to the county board ~~means,~~ **MEAN**, for
20 that county, the board of county institutions. The county board in
21 a county that has established a county medical care facility may
22 collect from any available source for the cost of care given in the
23 facility, and the collections shall be deposited in the social
24 welfare fund created under section 73a. The facility shall provide
25 a program of planned and continuing medical treatment and nursing
26 care under the general direction and supervision of a licensed
27 physician employed ~~full~~ **FULL-TIME** or part-time who shall be known

1 as the medical director.

2 (2) Medical treatment and nursing care provided in a county
3 medical care facility shall consist of services given to persons
4 suffering from prolonged illness, defect, infirmity, or senility,
5 or recovering from injury or illness. The services provided shall
6 include some or all of the procedures commonly employed, such as
7 physical examination, diagnosis, minor surgical treatment,
8 administration of medicines, providing special diets, giving
9 bedside care, and carrying out any required treatment prescribed by
10 a licensed physician that are within the ability of the facility to
11 provide.

12 (3) Services provided in a county medical care facility shall
13 be consistent with the needs of the type of patient admitted and
14 cared for, professionally supervised and planned, and provided on a
15 continuing basis. A person shall not be admitted or retained for
16 care if he or she requires special medical or surgical treatment or
17 treatment for a psychosis, tuberculosis, or contagious disease,
18 except that the facility may contain a supervised psychiatric ward
19 for the temporary detention of mentally ill patients if the ward
20 has been inspected and approved by the department of ~~community~~
21 ~~health~~ and certified by the department of ~~community health~~ to the
22 county board, and if no other facility for temporary detention of
23 mentally ill patients exists in the county. A county department may
24 provide for the support of poor persons who may be feeble-minded or
25 mentally ill at some other place or places and in a manner that
26 best promotes the interests of the county and the comfort and
27 recovery of ~~such~~ **THOSE** persons, at the expense of the county.

1 (4) A county board, in seeking approval to establish, extend,
2 and operate a county medical care facility in an existing building,
3 shall apply in writing to the department. The county board shall
4 include with the application a proposed plan with specifications,
5 including standards of operation, for the examination and
6 recommendations of the department.

7 (5) A county board of commissioners may determine to erect a
8 county infirmary or county medical care facilities for the
9 reception and care of the poor and unfortunate of the county. The
10 county medical care facilities may be on different sites than the
11 county infirmary. On filing the determination with the county
12 clerk, the county board of commissioners may direct the county
13 board to purchase 1 or more tracts of land, not exceeding 320
14 acres, and to erect on the land 1 or more suitable buildings for
15 the county infirmary or county medical care facilities. Before any
16 county infirmary or county medical care facility is erected or any
17 existing buildings are remodeled, added to, or substantially
18 altered under this section, before plans for the county infirmary
19 or county medical care facilities are finally accepted, and before
20 any contract is entered into for construction, the plans shall be
21 submitted to the department for examination and approval. The
22 determination reached shall be certified to the county clerk and
23 presented to the county board of commissioners at the next regular
24 meeting of the county board of commissioners. A county infirmary or
25 county medical care facility shall not be constructed unless the
26 plans have been certified under this subsection. A contract for the
27 erection of a county infirmary or county medical care facility is

1 not valid or binding unless the plans referred to in the contract
2 and actually followed in the construction have been approved. Money
3 shall not be paid from county funds for construction until the
4 plans have been approved and the determination filed.

5 (6) The department shall review the proposals and plans of a
6 county board submitted in connection with an application for the
7 establishment, extension, and operation of a county medical care
8 facility or county infirmary and shall consult with and give advice
9 to the county department as to plans, procedures, and programs
10 required for the proper establishment, extension, and operation of
11 the county medical care facility or county infirmary.

12 (7) The department shall approve the county medical care
13 facilities by proper notice to the county department. After
14 approval, the department shall inspect the facility as frequently
15 as it considers necessary, but at least once each year. A county
16 department shall comply with any reasonable order issued by the
17 department. The county department may appeal an order in writing,
18 within 30 days of receiving the order, to the director of the
19 department.

20 (8) Any reasonable order of the department for the
21 establishment, extension, operation, or closing of a county
22 infirmary or county medical care facility may be enforced by
23 mandamus or injunction in the circuit court for the county where
24 the facility is located in proceedings instituted by the attorney
25 general on behalf of the department.

26 (9) A county medical care facility shall not be opened for
27 operation until it has been inspected and approved in writing to

1 the department by the bureau of fire services created in section 1b
 2 of the fire ~~protection~~**PREVENTION** code, 1941 PA 207, MCL 29.1b, and
 3 the department. ~~of community health.~~The county department shall
 4 comply with any reasonable directive issued by the bureau of fire
 5 services or the department ~~of community health~~with regard to the
 6 fire safety and sanitation of the county infirmary or county
 7 medical care facility. A directive may be enforced by the
 8 department in the same manner as are orders of the department.
 9 After receiving the approval of the department, the county
 10 department shall represent the facility to the public as the county
 11 medical care facility and shall make reasonable and continuing
 12 effort to divorce the facility from an association in the public
 13 mind with the words "poor house" or "poor farm".

14 Sec. 58b. The state department in accordance with its rules
 15 and regulations may pay for medical care that a recipient of aid to
 16 the blind, aid to disabled, ~~aid to dependent children,~~**TEMPORARY**
 17 **ASSISTANCE FOR NEEDY FAMILIES**, or old age assistance, receives in
 18 the county medical care facility. Other persons admitted to care in
 19 the facility shall be charged for the cost of their care to the
 20 extent of their financial ability as determined by the county
 21 department and ~~such~~**THEIR** financial ability shall ~~shall~~**DOES** not preclude
 22 their eligibility for ~~such~~care. Prior consideration shall be given
 23 to any person who comes within the definition of a "poor person"
 24 set forth in section 1 of chapter 1 of ~~Act No. 146 of the Public~~
 25 ~~Acts of 1925, as amended, being section 401.1 of the Compiled Laws~~
 26 ~~of 1948.~~**1925 PA 146, MCL 401.1.** No poor persons ~~as so~~**PERSON AS**
 27 defined **IN SECTION 1 OF CHAPTER 1 OF 1925 PA 146, MCL 401.1,** shall

1 be refused admittance to a county medical care facility if there
2 are then within ~~such~~ **A** county medical care facility persons who are
3 not senile and who are paying the total cost of their care.

4 Any county department ~~which shall accept~~ **THAT ACCEPTS** state
5 financial aid for capital expenditures related to the
6 establishment, extension or improvement of its facilities shall
7 accept for care any patient eligible for admission as provided in
8 section 58a, and having a domicile in the county and any patient
9 for whom care is requested by the state department because of being
10 found in the county without either a known domicile in the state or
11 a place of residence outside the state to which he **OR SHE** may be
12 returned.

13 Direct state financial aid to meet part of the cost of capital
14 expenditures for the establishment, extension, or improvement of a
15 county medical care facility may be provided from the general funds
16 of the state or from ~~such~~ federal funds as may be made available in
17 the following manner: The county ~~social welfare~~ board with the
18 approval of the county board of supervisors will make an
19 application to the state department as otherwise provided in
20 section 58 but shall make in addition, a showing of need, in the
21 same manner as provided in section 18, that it is unable to meet
22 all of the capital expenses of a county medical care facility. The
23 state department shall determine the percentage of the total
24 capital cost of the facility ~~which~~ **THAT** the county will be unable
25 to meet and shall request from the legislature an appropriation
26 from the general fund of the state or ~~such~~ federal funds as may be
27 made available for this purpose to meet this amount. Requests of

1 the legislature from the state department for ~~such~~ **THESE**
 2 appropriations shall be separate items for each medical care
 3 facility. The amount of state aid actually granted the county by
 4 the state department shall not exceed ~~(1)~~ the amount appropriated
 5 by the legislature in respect to the amount of the item in the
 6 budget, or ~~(2)~~ the percentage of state aid required as previously
 7 determined by the state department, whichever is the lesser.

8 To defray the cost of construction in the establishment or
 9 extension of the medical care facility, the board of supervisors
 10 may raise in any 1 year a sum not exceeding .1 mill of each dollar
 11 of assessed valuation of the county, ~~such~~ **THE** tax ~~to~~ **SHALL** be
 12 regarded as a special tax collected in the same manner as other
 13 county charges, and ~~moneys~~ **MONEY** received ~~therefrom~~ **FROM THAT TAX**
 14 shall be transmitted to the treasurer of the county, who shall
 15 deposit same in a special fund to be used solely for the purposes
 16 for which the tax is spread. Money expended for construction in the
 17 establishment or extension of the facility shall be paid out by the
 18 county treasurer on the order of the county ~~social welfare~~ board.

19 Sec. 58c. Notwithstanding any other provision of this act,
 20 patients suffering from contagious diseases may be admitted to any
 21 county medical care facility where the facility is constructed or
 22 operated with the approval of the state department ~~of social~~
 23 ~~welfare~~ and is able to provide an isolated area for ~~such~~ care
 24 approved by the ~~state health commissioner~~ **DIRECTOR**.

25 Sec. 59. All applications for aid, relief, or assistance
 26 provided under this act shall be made to the county department ~~of~~
 27 ~~social welfare~~ in ~~such~~ **THE** manner and upon ~~such~~ **THE** forms as may be

1 prescribed by the state department. When any person applies for or
2 requires public aid as a poor person under this act other than
3 hospitalization or those forms of aid financed in whole or in part
4 by federal funds, the county department shall ascertain the legal
5 settlement and domicile of the person. The county department shall
6 ascertain the settlement and domicile of other persons when
7 requested by the county health department or by the ~~state health~~
8 ~~commissioner.~~ **DIRECTOR.** Except as otherwise provided in this act,
9 general relief granted to persons with a legal settlement in this
10 state may be charged to the county of domicile. The sending of
11 notices, billings, and appeals in respect to charges to the county
12 of domicile ~~,~~ shall be made in accordance with regulations of the
13 ~~commission.~~ **DEPARTMENT.** Wherever in this act a chargeback or return
14 to the county or city of "settlement" or "legal settlement" is
15 authorized, a chargeback or return to the county or city of
16 "domicile" shall be ~~deemed~~ **CONSIDERED** to be intended. Hospitals,
17 jails, nursing homes, convalescent homes, homes for the aged, and
18 prisons are not places of domicile. General relief and
19 hospitalization granted to persons who, while receiving assistance
20 under this act, move into a county to receive care in a home for
21 the aged, convalescent home, or other institution shall be a charge
22 against the county of their domicile just prior to the move
23 regardless of other provisions of this act and even though domicile
24 in the home for the aged or other institutions is intended.
25 Temporary relief granted to persons with no settlement in this
26 state shall be at the expense of the county where found. In the
27 case of persons illegally brought or induced to come into the

1 county, necessary relief shall be a charge against the county where
2 they were living when transported or induced to move.

3 Sec. 59a. The county or city department, ~~of social welfare,~~ as
4 part of its general relief program, may provide funds and necessary
5 attendants for the return of a person to his **OR HER** place of
6 residence as authorized in section 55, or to a new place of
7 residence under the conditions of ~~sections~~ **SECTION** 59 or 59f. State
8 or county funds shall not be used for the return of a person to
9 another nation who may be deported under federal law.

10 If the probable place of legal settlement is in ~~Michigan~~ **THIS**
11 **STATE** and the probable place of domicile is in some other county of
12 this state, the county department where application for aid was
13 made, within 60 calendar days following the application, shall give
14 notice and necessary information in writing to the county
15 department of the county of probable domicile on forms prescribed
16 for that purpose by the state department. If it appears that
17 domicile may lie in any 1 of 2 or more counties, notices shall be
18 sent to all ~~such~~ **OF THOSE** counties. If the notice is not given to
19 the county of probable domicile within 60 days following the
20 application for aid, the county granting relief to the applicant
21 shall have no claim whatsoever, irrespective of any other
22 provisions of this act, for reimbursement for the relief granted
23 the applicant prior to 60 calendar days preceding the date the
24 notice is given to the county of probable domicile.

25 Sec. 60. (1) Any person who by means of willful false
26 statement or representation, by impersonation or other fraudulent
27 device, or by using an access device obtains or attempts to obtain,

1 or aids or abets any person to obtain or attempt to obtain ~~—(a)~~
2 assistance or relief to which the person is not entitled ~~—or (b)—~~a
3 larger amount of assistance or relief than that to which the person
4 is justly entitled; or any officer or employee of a county, city,
5 or district ~~family independence agency~~ **DEPARTMENT** who authorizes or
6 recommends relief to persons known to the officer or employee to be
7 ineligible or to have fraudulently created their eligibility; or
8 any person who knowingly buys or aids or abets in buying or in
9 disposal of the property of a person receiving assistance or relief
10 without the consent of the director or supervisor of the state
11 department, ~~shall,~~ if the amount involved ~~shall be~~ **IS** of the value
12 of \$500.00 or less, ~~be deemed~~ **IS** guilty of a misdemeanor and,
13 ~~shall,~~ if the amount involved ~~shall be~~ **IS** of the value of more than
14 \$500.00, ~~be deemed~~ **IS** guilty of a felony, and upon conviction shall
15 be punished as provided by the laws of this state. The amount
16 involved as used in this subsection shall be defined as the
17 difference between the lawful amount of assistance or aid and the
18 amount of assistance or aid actually received. If anyone receives
19 assistance or relief through means enumerated in this section, in
20 which prosecution is ~~deemed~~ **CONSIDERED** unnecessary, the state
21 department or county departments may take the necessary steps to
22 recover from the recipient the amount involved, plus interest at 5%
23 per annum. On conviction of the violation of the provisions of this
24 section of any officer or employee of any county, city, or district
25 department, ~~of social welfare,~~ the officer or employee shall be
26 removed or dismissed from office. For the purpose of this
27 subsection, "access device" means that term as ~~it is~~ defined in

1 section 300a of the Michigan penal code, 1931 PA 328, MCL 750.300a.

2 (2) There is imposed upon every person receiving relief under
3 this act either upon the person's own application or by the
4 person's inclusion, to his or her knowledge, in the application of
5 another the continuing obligation to supply to the department
6 issuing the relief: (a) the complete circumstances in regard to the
7 person's income from employment or from any other source or the
8 existence of income, if known to the person, of other persons
9 receiving relief through the same application; (b) information
10 regarding each and every offer of employment for the person or, if
11 known to him or her, of the other persons receiving relief through
12 the same application; (c) information concerning changes in the
13 person's circumstances or those of other persons receiving relief
14 through the same application ~~which~~ **THAT** would decrease the need for
15 relief; and (d) the circumstances or whereabouts, known to the
16 person, of relatives legally responsible for the person's support
17 or for the support of other persons receiving relief through the
18 same application if changes in those circumstances or whereabouts
19 could affect the amount of assistance available from those
20 relatives or affect their legal liability to furnish support. Any
21 person who ~~shall neglect or refuse~~ **NEGLECTS OR REFUSES** to submit to
22 the department issuing relief the information required by this
23 section, if the amount of relief granted as a result of the neglect
24 or refusal is less than \$500.00, is guilty of a misdemeanor, and if
25 the amount of relief granted as a result of the neglect or refusal
26 is \$500.00 or more, is guilty of a felony, and upon conviction
27 shall be punished as provided by the laws of this state.

1 Sec. 61. (1) Except as provided in subsections (2) and (3), a
 2 person who violates this act for which a penalty is not
 3 specifically provided is guilty of a misdemeanor and, upon
 4 conviction, shall be sentenced as provided in the laws of this
 5 state. If a person receiving aid, relief, or assistance is
 6 convicted of an offense under this act, or of another crime or
 7 offense and punished by imprisonment for 1 month or longer, the
 8 county board may direct that payments for aid, relief, or
 9 assistance under this act shall cease and shall not be made during
 10 the period of that person's imprisonment.

11 (2) A member of ~~the Michigan social welfare commission, a~~
 12 county ~~social services board, or the parole and review board who~~
 13 intentionally violates section ~~2(3), 46(2), or 121(2), shall be IS~~
 14 subject to the penalties prescribed in ~~Act No. 267 of the Public~~
 15 ~~Acts of 1976.~~ **THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO**
 16 **15.275.**

17 (3) If ~~the Michigan social welfare commission, a county~~
 18 department, ~~of social services, a county social services board, A~~
 19 district department, ~~of social welfare, A district social welfare~~
 20 board, or the parole and review board arbitrarily and capriciously
 21 violates section ~~2(6), 45(6), 46(6), or 64(3), the commission,~~
 22 department, ~~or board shall be IS~~ subject to the penalties
 23 prescribed in ~~Act No. 442 of the Public Acts of 1976.~~ **THE FREEDOM OF**
 24 **INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.**

25 Sec. 63a. The ~~family independence agency~~ **DEPARTMENT** shall not
 26 award contracts to specific organizations that have not been
 27 competitively bid unless the award is permissible under state

1 contracting procedures.

2 Sec. 66. As to those forms of relief ~~which~~ **THAT** are in no part
3 financed by state or federal funds, the decision of the county or
4 district department ~~of social services~~ as to the denial, granting,
5 form, and amount of that relief ~~shall be~~ **IS** final, except as
6 provided in section 66i. In a county that establishes a patient
7 care management system under section 66j, the decision of the
8 county as to the denial, granting, form, and amount of medical care
9 ~~shall be~~ **IS** final. This section does not prevent the state
10 department from ~~making~~ investigations, collecting statistics, and
11 otherwise gaining information concerning the administration of
12 welfare in any county or district as the state department considers
13 advisable.

14 Sec. 66a. The county ~~social welfare~~ boards shall make
15 provision for hospitalization ~~which~~ **THAT** is necessary and not more
16 advantageously provided to the recipient under other law or
17 provided under other sections of this act for every person found in
18 their respective counties under rules of financial eligibility
19 established by the boards and shall be reimbursed 100% by the state
20 for the monthly net cost of the hospitalization for nonresidents of
21 the state. The county department, in its discretion, may direct
22 that the patient be conveyed to the university hospital at Ann
23 Arbor or any other hospital for hospitalization. As used in this
24 act, "hospitalization" means medical, surgical, or obstetrical care
25 in the university hospital or in a hospital licensed under article
26 17 of ~~Act No. 368 of the Public Acts of 1978, as amended, being~~
27 ~~sections 333.20101 to 333.22190 of the Michigan Compiled Laws, THE~~

1 PUBLIC HEALTH CODE, MCL 333.20101 TO 333.22260, together with
2 necessary drugs, x-rays, physical therapy, prosthesis,
3 transportation, and nursing care incidental to the medical,
4 surgical, or obstetrical care. ~~but shall~~ **HOSPITALIZATION DOES** not
5 include medical care as defined in section 55. Before a patient
6 ~~shall be~~ **IS** admitted, except in an emergency, to any hospital other
7 than the university hospital, a definite agreement, statement, or
8 schedule of charges, expenses, and fees to be received by the
9 hospital and physicians or surgeons performing necessary services
10 under this act shall be filed with the county department of the
11 county in which the hospital is located and approved by the county
12 department, except as provided for in section 66i. The hospital
13 shall, at the conclusion of the treatment, make a report of the
14 treatment and an itemized statement of the expenses of the
15 treatment to the county department ~~which~~ **THAT** issued the order, but
16 charges for special nurses shall not be made without the consent of
17 the county ~~social welfare~~ director. The expenses for sending the
18 patient home or to other institutions after being discharged from
19 the hospital may be paid by the hospital and charged in the regular
20 bill for maintenance unless different instructions have been
21 received from the county department ~~which~~ **THAT** issued the order for
22 admission.

23 Sec. 66b. The county ~~social welfare~~ board shall require the
24 county department to act promptly on all applications for
25 hospitalization and shall provide for retroactive authorizations
26 for emergency care in accordance with rules ~~which~~ **THAT** the board
27 shall establish including ~~one~~ **A RULE** defining "emergency". When the

1 person hospitalized in an emergency is found to be eligible for
 2 hospitalization at public expense under section 66a ~~of this act and~~
 3 is found to be a transient in the county with a domicile elsewhere
 4 in the state, the county in which his **OR HER** domicile is located
 5 ~~shall be~~ **IS** responsible for the cost of hospitalization to the
 6 county department ~~which~~ **THAT** has authorized the care. When a
 7 patient is taken without authorization in an emergency across a
 8 county line to a hospital in a county other than the county of
 9 domicile of the patient, the county department in which the
 10 emergency occurred ~~shall be~~ **IS** responsible, in accordance with its
 11 own rules governing emergency care, to the hospital for the expense
 12 of the emergency care subject to reimbursement by the county of
 13 domicile as provided by this section. The state department shall
 14 provide rules governing intercounty payments and shall arbitrate
 15 and decide disputes arising ~~thereunder~~. **UNDER THOSE RULES.**

16 Sec. 66e. The admitting officer of the university hospital,
 17 upon receiving a patient with an authorization issued by a county
 18 department ~~of social services~~ under this act, may provide a bed in
 19 the hospital and designate the clinic of the hospital to which ~~such~~
 20 **THE** person ~~shall be~~ **IS** assigned for treatment. The physician or
 21 surgeon in charge of the patient shall proceed with proper care to
 22 perform ~~such~~ **THE** operation and bestow ~~such~~ treatment upon the
 23 patient as in his **OR HER** judgment ~~shall be~~ **IS** necessary. No
 24 compensation shall be charged or received by the admitting officer,
 25 or by the medical faculty or by the physician, surgeon, or nurses
 26 of the university hospital, who ~~shall treat~~ **TREATS** and ~~care~~ **CARES**
 27 for the patients, other than the salaries received by them provided

1 by the board of regents of the university. If any ~~such~~ patient has
2 medical or surgical insurance coverage, the university hospital may
3 then charge for the service of its medical and surgical staff in
4 amounts not to exceed the amounts available from ~~such~~ insurance
5 coverage. The superintendent shall make and file with the county
6 board ~~of social services~~ an affidavit containing ~~so~~ **AS** far as
7 possible an itemized statement of all expenses of hospitalization
8 incurred at ~~said~~ **THE** hospital in care of patients admitted under
9 this act in accordance with the usual rates ~~therefor~~ fixed by the
10 regents of the university. He **OR SHE** shall also make reports at
11 suitable intervals to the county department ~~which~~ **THAT** issued the
12 order, stating the condition of the patient and the expense
13 incurred. No county ~~shall be~~ **IS** liable for expenses incurred after
14 the expiration date of the order of the county department unless a
15 new order is obtained.

16 Sec. 66h. Nothing in this act ~~shall be construed as empowering~~
17 **EMPOWERS** any physician or surgeon, or any officer or representative
18 of the state or county departments, ~~of social welfare,~~ in carrying
19 out the provisions of this act, to compel any person, either child
20 or adult, to undergo a surgical operation, or to accept any form of
21 medical treatment contrary to the wishes of ~~said~~ **THE** person. If the
22 person for whom surgical or medical treatment is recommended is not
23 of sound mind, or is not in a condition to make decisions for
24 himself **OR HERSELF**, the written consent of ~~such~~ **THAT** person's
25 nearest relative, or legally appointed guardian, or person standing
26 in loco parentis, shall be secured before ~~such~~ medical or surgical
27 treatment is given. This provision is not intended to prevent

1 temporary first aid from being given in case of an accident or
2 sudden acute illness where the consent of those concerned cannot be
3 immediately obtained.

4 Sec. 66i. (1) Except as provided in subsection (4), the state
5 department, on behalf of a county, shall reimburse the hospital in
6 accordance with established hospital reimbursement principles under
7 title XIX of the social security act. , ~~42 U.S.C. 1396 to 1396d,~~
8 ~~1396f to 1396s. However, if~~ **IF** state law provides for a different
9 level of reimbursement, the state, on behalf of the county, shall
10 reimburse the hospital at that level of reimbursement.
11 Reimbursement will be based on eligibility information provided to
12 the state department by the county department.

13 (2) Except as provided in subsection (4), a county department
14 ~~of social services~~ shall reimburse the state an amount equal to the
15 sum of the following:

16 (a) The total amount the state department approves for payment
17 under subsection (1) to a hospital owned by that county.

18 (b) The total amount the state department approves for payment
19 to all other hospitals, on behalf of the county, less either
20 \$100.00 per day of hospital care or an amount per day established
21 by state law for the county, whichever is higher.

22 (3) Subsection (2)(b) does not require a county department to
23 reimburse the state under that subdivision when the amount of
24 payments made to the hospitals described in subsection (2)(b), on
25 behalf of the county, is less than either \$100.00 per day of
26 hospital care or an amount established by state law for the county,
27 whichever is higher. In addition, subsection (2) does not require

1 the county department to reimburse the state for the cost of the
2 hospitalization for nonresidents of this state.

3 (4) If the total payments to hospitals by the state department
4 for hospitalization of persons determined by the county department
5 of a county to be eligible for hospitalization under section 66a
6 were less than \$2,000,000.00 during the county's full fiscal year
7 immediately before October 1, 1982, the county department ~~of social~~
8 ~~services~~ of that county may elect to reimburse hospitals directly
9 in accordance with reimbursement principles established by the
10 county department. A county department ~~which~~ **THAT** elects to
11 reimburse hospitals directly shall notify the state department
12 before the beginning of the county's fiscal year in which the
13 election is to become effective. If the county's fiscal year in
14 which the election is to become effective begins in 1983 or a
15 subsequent year, the notice to the state department shall be made
16 at least 60 days before the beginning of the county's fiscal year.

17 (5) The rules of financial eligibility established ~~pursuant to~~
18 **UNDER** section 66a in a county on whose behalf the state makes
19 payments to hospitals under subsection (1) shall not be made less
20 restrictive than the rules in effect in the county during the
21 county department's fiscal year ending in 1979.

22 Sec. 66j. (1) As an alternative to sections 55(k), 66a, and
23 66i, a county other than a county described in subsection (2) may
24 establish a patient care management system as described in this
25 section and sections 66k to ~~66p~~ **66N**.

26 (2) If a county intending to establish a patient care
27 management system is ~~one~~ **A COUNTY** in which the total payments to

1 hospitals in the county for the county's resident county
2 hospitalization program was less than \$10,000,000.00 during the
3 county's full fiscal year immediately preceding ~~the effective date~~
4 ~~of this section, DECEMBER 28, 1987,~~ the county shall apply to the
5 state department for certification of its proposed patient care
6 management system, and the state department shall approve or
7 disapprove the application based upon minimum standards that are
8 established by the state department for county patient care
9 management systems and are based ~~upon~~ **ON** this section and sections
10 66k to 66n. The department shall submit recommended procedures to
11 the appropriate standing committees of the legislature for approval
12 in order to allow other counties to adopt a patient care management
13 system ~~pursuant to UNDER~~ this act. ~~Such procedures shall be~~
14 ~~submitted by January 1, 1989.~~ If a county's original application
15 for certification of a patient care management system is approved
16 under this section, the county shall apply to the state department
17 in each subsequent year for recertification of its patient care
18 management system according to the standards established under this
19 subsection. The application for recertification shall be submitted
20 not later than April 1 of each year, and shall be considered
21 automatically approved by the state department unless denied by the
22 state department, based upon the standards established under this
23 section, within 30 days after being received by the state
24 department. An approval or disapproval of a patient care management
25 system by the state department may be reversed by the legislature
26 by subsequent appropriations legislation or other legislation. An
27 original application for certification or an application for

1 recertification shall be in a form as prescribed by the department.

2 (3) Under a patient care management system, a county shall
3 establish sufficient rates of reimbursement and appropriate length
4 of stay for inpatient treatments for hospitals and other health
5 care providers and shall contract with hospitals and other health
6 care providers for medical care of persons determined to be
7 eligible by the county. The county shall enter into sufficient
8 contracts to ~~assure~~ **ENSURE** that persons determined to be eligible
9 by the county have access to hospital services, physician services,
10 and other medical services considered appropriate by the county
11 board. ~~of social services.~~

12 (4) A county that establishes a patient care management system
13 ~~annually~~ shall **ANNUALLY** submit a report to the state department
14 containing information on the number of patients served, the
15 services rendered for those patients, the amount of funds spent for
16 those services, and the terms of the contracts entered into
17 ~~pursuant to~~ **UNDER** subsection (3). The report shall be submitted not
18 later than 90 days after the end of the county's fiscal year. A
19 county's expenditures for the operation and administration of a
20 patient care management system are subject to audit by the state.

21 (5) A county that establishes a patient care management system
22 shall create a system to provide the data specified in subsection
23 (4) and to keep track of records of admissions, diagnoses,
24 treatments, and payment records for individuals eligible under the
25 patient care management system.

26 Sec. 67. If any application for aid financed in whole or in
27 part by federal funds is not acted upon by the county department of

1 ~~social welfare~~ within a reasonable time after the filing of the
2 application, or is denied or revoked, in whole or in part, the
3 applicant may appeal to the state department in the manner and form
4 prescribed by the state department and an opportunity for a fair
5 hearing shall be granted by ~~said~~**THE** department as provided in
6 section 9. The state department may also, upon its own motion,
7 review any decision of a county department, ~~of social welfare,~~ and
8 may consider any ~~such~~ application upon which a decision has not
9 been made by the county department ~~of social welfare~~ within a
10 reasonable time. The state department may make ~~such~~**AN** additional
11 investigation as it ~~may deem~~**CONSIDERS** necessary, and shall make
12 ~~such~~**A** decision as to the granting of aid financed in whole or in
13 part by federal funds and the amount ~~thereof~~ to be granted **TO** the
14 applicant as in its opinion is justified and in conformity with the
15 laws of this state. In ~~such~~**THOSE** cases, the decisions of the state
16 department ~~shall be~~**ARE** binding upon the county department ~~of~~
17 ~~social welfare~~ involved and shall be complied with by ~~such~~**THE**
18 county department.

19 Sec. 68. The county board shall apply to the state department
20 ~~of social welfare~~ at ~~such~~**A** time, on ~~such~~**THE** forms, and in ~~such~~
21 **THE** manner, as the state department ~~shall prescribe~~**PRESCRIBES** for
22 the allocation and distribution under section 18 ~~of this act~~ of
23 state or federal ~~moneys~~**MONEY** available for the several forms of
24 public aid and relief, and with respect to ~~such~~**THE** application
25 shall be governed by the requirements and rules and regulations of
26 the state department.

27 Sec. 68a. The county department furnishing general relief,

1 including medical care, hospitalization, or infirmity care, to any
 2 poor person at the expense of another county in this state, shall
 3 present to the department ~~of social welfare~~ of the county liable
 4 for the aid and infirmity care, from time to time as the case might
 5 be, a sworn, itemized statement of the expense, which shall be
 6 allowed and paid by the department ~~of social welfare~~ of the county
 7 **THAT IS** liable, ~~therefor~~, within 60 days after being presented. No
 8 item of the itemized statement of expense shall be a proper and
 9 collectible charge against the county ~~which~~ **THAT** has been
 10 determined to be or has agreed to be liable ~~therefor~~ unless
 11 submitted within 180 days from the end of the month during which
 12 services covered by the item were rendered. In the case of an item,
 13 the exact amount of which the county department furnishing care is
 14 unable to determine during the ~~180 days~~ **180-DAY** period or prior
 15 ~~thereto~~, **TO THAT**, notice of the existence of ~~such~~ an item of
 16 undetermined amount shall be given **TO** the county liable during the
 17 180 days, ~~whereupon~~ **AFTER WHICH** the county furnishing care ~~shall~~
 18 ~~have~~ **HAS** an additional 180 days in which to include the amount of
 19 the item in an itemized statement.

20 Sec. 69. The county ~~social welfare~~ board shall prepare and
 21 submit to the county board of supervisors, at the annual meeting of
 22 ~~said~~ **THE COUNTY** board of supervisors or at ~~such other~~ **ANOTHER** time
 23 as the ~~said~~ **COUNTY** board of supervisors shall request, an estimate
 24 of the funds necessary to carry out the provisions of this act,
 25 including funds needed for the several institutions under the
 26 jurisdiction of the county ~~social welfare~~ board. The county ~~social~~
 27 ~~welfare~~ board shall also render an account of all ~~moneys~~ **MONEY**

1 received and expended by them. In the case of a district
 2 department, ~~of social welfare~~ the district ~~social welfare~~ board
 3 shall submit ~~such~~ an estimate to the **COUNTY** board of supervisors of
 4 each county forming a part of ~~such~~ **THE** district.

5 Sec. 70. The county board of supervisors shall, within its
 6 discretion, make ~~such~~ appropriations as ~~are~~ necessary to maintain
 7 the various ~~welfare~~ **HUMAN** services within the county, as provided
 8 in this act, and to defray the cost of administration of these
 9 services. In the case of a district department, ~~of social welfare~~
 10 the county board of supervisors of each county forming a part of
 11 ~~said~~ **THE** district shall appropriate funds necessary to care for the
 12 ~~welfare~~ **HUMAN** services of ~~such~~ **THAT** county, and the administrative
 13 expenses of the district department shall be defrayed by all of the
 14 counties in ~~said~~ **THE** district in the proportion that the population
 15 of each county, according to the last federal census, bears to the
 16 population of the entire district.

17 Sec. 71. Except in respect to a city maintaining a separate
 18 department ~~of social welfare~~ under section 48, ~~of this act,~~ the
 19 distinction between township, city, and county poor is abolished.

20 Sec. 73a. (1) The county treasurer is designated as the
 21 custodian of all ~~moneys~~ **MONEY** provided for the use of the county
 22 department. ~~of social services.~~ The treasurer shall create and
 23 maintain a social welfare fund. The following ~~moneys,~~ **MONEY,**
 24 exclusive of funds ~~which~~ **THAT** must be deposited in the child care
 25 fund, shall be deposited in the social welfare fund:

26 (a) All ~~moneys~~ **FUNDS** raised by the county for the use of the
 27 county department. ~~of social services.~~

1 (b) All funds made available to the county department ~~of~~
2 ~~social services~~ by the state and federal governments.

3 (c) All refunds and collections arising out of reimbursements
4 to the county department. ~~of social services.~~

5 (d) All funds made available to the county department from any
6 other source. ~~whatsoever.~~

7 (2) Money in the social welfare fund shall remain separate and
8 apart from all other funds of the county and shall not be
9 transferred to or commingled with other funds of the county. The
10 fund shall be used exclusively for carrying out the purposes
11 authorized by this act.

12 (3) The state department shall prescribe, with respect to the
13 social welfare fund, ~~such~~ subaccounts and expenditure
14 classifications as the state department ~~deems~~ **CONSIDERS** suitable,
15 to comply with requirements to secure federal funds, to facilitate
16 uniform reporting, and for other purposes. The state department may
17 promulgate rules, plans, procedures, and controls with respect to
18 accounting, disbursements, and any other kind of element of
19 financial transactions in connection with the social welfare fund.
20 The county board of commissioners may establish further financial
21 practices not inconsistent with the above. The state department
22 shall prescribe the manner and extent to which the county
23 department shall keep on file vouchers or other authorizations to
24 show the items and reasons for which money is disbursed.

25 Sec. 76. (1) This act ~~shall~~ **DOES** not ~~be construed to~~ relieve
26 the liability for support by relatives under the provisions of
27 ~~chapter 1 of Act No. 146 of the Public Acts of 1925, as amended,~~

1 ~~being sections 401.1 to 401.21 of the Compiled Laws of 1948, I OF~~
 2 ~~1925 PA 146, MCL 401.1 TO 401.9, but shall be construed as~~
 3 ~~superseding~~ **SUPERSEDES** the definition of settlement contained in
 4 section 1 of chapter ~~1. I OF 1925 PA 146, MCL 401.1~~. The terms of
 5 chapter ~~1. I OF 1925 PA 146, MCL 401.1 TO 401.9~~, with respect to
 6 liability for support by relatives may be invoked in connection
 7 with any form of public aid or relief administered under this act.

8 (2) The ~~social welfare~~ **COUNTY** board of the county of legal
 9 settlement of a recipient of any form of aid granted under this
 10 act, or a ~~social welfare~~ **COUNTY** board granting aid, may maintain an
 11 action in the circuit court for the county the board represents, or
 12 the circuit court for the county in which the defendant resides or
 13 is found: (a) Against the county, township, or city neglecting or
 14 refusing to allow and pay a bill owing under this act and presented
 15 more than 90 days prior to the commencement of the action; or (b)
 16 Against a recipient of emergency hospitalization or his **OR HER**
 17 relatives who are neglecting or refusing to acknowledge
 18 responsibility for reimbursement of the county for the costs of the
 19 emergency hospitalization; or (c) Against a recipient of
 20 hospitalization or his **OR HER** relatives legally liable for his **OR**
 21 **HER** support to enforce its agreement with the recipient or
 22 relatives for reimbursement of the county for hospitalization
 23 expenses.

24 (3) The prosecuting attorney shall represent the county ~~social~~
 25 ~~welfare~~ board in ~~such~~ actions, service, or process of courts of
 26 like jurisdiction in any county in this state, and ~~such~~ service and
 27 return thereof **OF SERVICE** in accordance with law ~~shall give~~ **GIVES**

1 the court in which the action is commenced full jurisdiction to
 2 hear and determine the cause. If any legally responsible relative
 3 of a poor person receiving or having received any form of public
 4 welfare support in this state lives or can be found in some other
 5 state ~~which~~ **THAT** has enacted a uniform reciprocal enforcement of
 6 support law, suitable action may be initiated in ~~Michigan~~ **THIS**
 7 **STATE** by the prosecuting attorney against the legally responsible
 8 relative under the provisions of ~~Act No. 8 of the Public Acts of~~
 9 ~~1952, as amended, being sections 780.151 to 780.172 of the Compiled~~
 10 ~~Laws of 1948.~~ **THE REVISED UNIFORM RECIPROCAL ENFORCEMENT OF SUPPORT**
 11 **ACT, 1952 PA 8, MCL 780.151 TO 780.183.**

12 Sec. 77. The county department ~~of social welfare~~ is hereby
 13 authorized and empowered to collect and receive funds to reimburse
 14 the county for expenditures made on behalf of recipients of any
 15 form of aid or relief, or hospital care provided at county expense,
 16 from ~~such~~ recipients, their relatives legally responsible under the
 17 laws of this state for the support of ~~such~~ **THOSE** recipients, or
 18 from the estates of recipients, in accordance with the laws of this
 19 state, and the rules and regulations of the state department, ~~of~~
 20 ~~social welfare~~, which funds, reimbursed for direct relief, shall be
 21 disbursed to carry out the provisions of this act. Agreements for
 22 the reimbursement of the county department ~~of social welfare~~ for
 23 relief granted to persons or families in their own homes may be
 24 required in the cases of applicants whose need for relief is based
 25 in whole or in part on inability to obtain funds, ~~moneys, moneys~~
 26 ~~which~~ **MONEY, MONEY THAT** may be received, income, or assets
 27 unavailable at the time of application for or grant of relief, +

1 ~~Provided, however, That IF~~ earnings from wages or salaries not due
2 or owing at the time of application for or grant of relief ~~shall~~
3 **ARE** not be included in reimbursement agreements. Reimbursements for
4 any form of hospital care provided at county expense shall be
5 collected and paid over by the department ~~of social welfare to the~~
6 county treasurer for deposit to the fund from which ~~such~~ **THE**
7 expenditure was made, ~~Provided, That IF~~ no county department of
8 ~~social welfare nor~~ **OR** any other agency of county government ~~shall~~
9 ~~collect or receive~~ **COLLECTS OR RECEIVES** reimbursements for
10 hospitalization or other treatment for tuberculosis, whether there
11 is an agreement to reimburse the county or not, unless ~~such~~ **THE**
12 reimbursement has been ordered by the state commissioner of health
13 or is found acceptable by him **OR HER** as a voluntary reimbursement
14 as provided in section 3a of ~~Act No. 314 of the Public Acts of~~
15 ~~1927, as added, being section 329.403a of the Compiled Laws of~~
16 ~~1948,~~ **FORMER 1927 PA 314, MCL 329.403A,** and no county department of
17 ~~social welfare shall collect or receive~~ **COLLECTS OR RECEIVES**
18 reimbursements for hospitalization or other treatment for any other
19 communicable disease or diseases. ~~Nothing in this~~ **THIS** section
20 ~~shall be construed to~~ **DOES NOT** affect the civil service status, if
21 any, of county employees now engaged in collecting reimbursements
22 for the county for any form of aid, relief, or hospital care, under
23 the supervision of any other county department. All ~~such~~ **OF THESE**
24 employees, and all collection records and files in the county on
25 cases investigated by the department ~~of social welfare prior to the~~
26 ~~effective date hereof,~~ **BEFORE SEPTEMBER 23, 1949,** shall be
27 transferred to and be under the supervision, control, and

1 jurisdiction of the **COUNTY** board ~~of social welfare in such~~ **THAT**
 2 county.

3 If a county has acknowledged liability or has reimbursed
 4 another county for the cost of any form of aid, relief, or hospital
 5 care provided at county expense, the county ~~so~~ **THAT WAS** reimbursed
 6 shall credit or remit, as the case may be, to the paying county,
 7 within 60 days, any additional collections ~~thereon~~ **AFTER THAT** from
 8 any other source. ~~It shall be the duty of each~~ **EACH** county
 9 department ~~of social welfare to~~ **SHALL** continue to collect according
 10 to its best judgment and ability, if ~~so~~ requested by the county
 11 ~~which~~ **THAT** has acknowledged or paid for any form of aid, relief, or
 12 hospital care provided at county expense.

13 Sec. 77a. Under ~~such~~ **THE** rules and regulations ~~as~~ **THAT** the
 14 state department ~~of social welfare shall promulgate,~~ **PROMULGATES,**
 15 inconsequential earnings shall not affect the determination of any
 16 amount of assistance to be paid by the state for old age assistance
 17 ~~, aid to dependent children OR~~ **TEMPORARY ASSISTANCE FOR NEEDY**
 18 **FAMILIES** or matched by the state in connection with the granting of
 19 welfare relief.

20 Sec. 80. ~~It shall be the duty of the~~ **THE** county ~~social welfare~~
 21 board ~~to~~ **SHALL** report to the state department monthly, ~~and in such~~
 22 **A** form ~~as~~ **THAT** the state department ~~shall furnish and prescribe,~~
 23 **FURNISHES AND PRESCRIBES,** the activities of the county department.
 24 The board shall also make ~~such~~ other and additional reports as
 25 ~~shall be required by the state department.~~

26 Sec. 83. (1) The director of the state department ~~of social~~
 27 ~~services or the director of any county department of social~~

1 ~~services~~ may demand and receive from any financial institution, the
2 ~~Michigan~~ department of treasury, the Michigan employment security
3 commission **OR A SUCCESSOR ENTITY**, employer, or former employer
4 doing business in this state, information with respect to the
5 transactions with any ~~such~~ **FINANCIAL** institution, dates of
6 employment, number of hours worked, and rate of pay of an applicant
7 for or recipient of any form of aid or relief under this act. The
8 officers and employees of the institution or employer shall furnish
9 the information on the written demand of the director. A demand
10 directed to a financial institution or an employer shall be in the
11 form of a subpoena issued by the director under section 8 when the
12 identification of applicants and recipients to the financial
13 institution or employer is by means of computer tape or other data
14 process media. The **FINANCIAL** institution or employer shall furnish
15 the information within 15 days after the demand or subpoena is
16 received by the **FINANCIAL** institution or employer.

17 (2) As used in this section, "financial institution" means a
18 state bank, a national banking association, a state or federal
19 savings and loan association, a federal savings bank, or a state or
20 federal credit union.

21 (3) The director of the state department shall cooperate with
22 the Michigan employment security commission in the development of a
23 computer data matching system by which records of the department ~~of~~
24 ~~social services~~ concerning applicants for, and recipients of,
25 assistance under this act shall be compared with claimant and wage
26 information requested on at least a quarterly basis from, and
27 furnished by, the Michigan employment security commission pursuant

~~to~~ **OR A SUCCESSOR ENTITY UNDER** sections 11 and 13 of the Michigan employment security act, ~~Act No. 1 of the Public Acts of the Extra Session of 1936, being sections 421.11 and 421.13 of the Michigan Compiled Laws. 1936 (EX SESS) PA 1, MCL 421.11 AND 421.13.~~ The computer data matching system shall be used only to determine or verify eligibility of an individual for aid or assistance administered under this act or the amount or type of assistance for which the individual is eligible; to investigate or prosecute instances of alleged fraud; or to establish and collect child support obligations or locate individuals owing child support obligations.

(4) The information obtained under subsection (3) ~~shall be considered~~ **IS** confidential and shall not be disclosed by officers or employees of the department ~~of social services~~ to any person or agency except as provided in section 11(b)(2) of ~~Act No. 1 of the Public Acts of the Extra Session of 1936.~~ **THE MICHIGAN EMPLOYMENT SECURITY ACT, 1936 (EX SESS) PA 1, MCL 421.11.**

Sec. 84. In respect to matters in which a district department ~~of social welfare~~ differs from a county department, ~~of social welfare,~~ the state department ~~shall have~~ **HAS** the power to promulgate rules and regulations relating to organization, operation, and procedure affecting ~~such~~ **A** district or city department, which rules and regulations ~~shall be~~ **ARE** binding upon all persons and authorities concerned.

Sec. 85. The powers and duties now vested by law in the county superintendents of the poor, except as otherwise provided in ~~subdivision (c) of section 55 of this act,~~ **SECTION 55(C),** are

1 ~~hereby~~ transferred to and vested in the several county departments.
 2 ~~of social welfare herein created. Whenever A~~ reference ~~is made to~~
 3 the above offices in any law of the state, or ~~whenever A~~ reference
 4 ~~is made to~~ the supervisor of any township or ward, or to the
 5 director of poor of any city, with respect to the powers and duties
 6 transferred to the county department, ~~of social welfare, reference~~
 7 ~~shall be deemed to be intended to be made~~ **IS A REFERENCE** to the
 8 ~~said county board. of social welfare.~~

9 Sec. 86. All of the powers and duties prescribed in any law of
 10 this state incidental of the transfer of the powers and duties
 11 ~~herein provided for shall be~~ **IN THIS SECTION ARE** transferred to and
 12 ~~be vested in the several county departments. of social welfare.~~

13 Sec. 90. No member of ~~the state commission or of any county~~
 14 ~~social welfare board~~ and no executive official or ~~employee~~ **EMPLOYEE**
 15 of the state or any county ~~welfare department~~ shall participate in
 16 any form of political activity other than may be appropriate to the
 17 exercise of the individual's rights, duties, and privileges or use
 18 his **OR HER** official position for any political purpose. Any ~~employee~~
 19 **EMPLOYEE** of any department violating this provision ~~shall be~~ **IS**
 20 subject to discharge or ~~such~~ other disciplinary action as ~~may be~~
 21 provided by the rules and regulations of the state department.

22 Sec. 100. Persons who were employees of a city or county
 23 department ~~of social welfare immediately prior to the effective~~
 24 ~~date of this amendatory act,~~ **BEFORE OCTOBER 27, 1965,** who (1) were
 25 members of a city or county retirement system and (2) become
 26 members of the state employees' retirement system, ~~shall be~~ **ARE**
 27 entitled to benefits provided by ~~Act No. 88 of the Public Acts of~~

~~1961, as amended, entitled "An act to provide for the preservation~~
~~and continuity of retirement system service credits for public~~
~~employees who transfer their employment between units of~~
~~government",~~ **THE RECIPROCAL RETIREMENT ACT, 1961 PA 88, MCL 38.1101**
TO 38.1106, notwithstanding that the city or county might not have
 adopted the ~~said Act No. 88.~~ **RECIPROCAL RETIREMENT ACT, 1961 PA 88,**
MCL 38.1101 TO 38.1106. Whenever the service requirements for
 benefits to be paid under ~~Act No. 240 of the Public Acts of 1943,~~
~~as amended,~~ **THE STATE EMPLOYEES' RETIREMENT ACT, 1943 PA 240, MCL**
38.1 TO 38.69, to the ~~said~~ persons who become members of the state
 employees' retirement system are lower than the service
 requirements in the ~~said Act No. 88,~~ **RECIPROCAL RETIREMENT ACT,**
1961 PA 88, MCL 38.1101 TO 38.1106, the provisions of the ~~said Act~~
~~No. 240 shall~~ **STATE EMPLOYEES' RETIREMENT ACT, 1943 PA 240, MCL**
38.1 TO 38.69, apply with respect to the ~~said~~ **THOSE** persons.

Sec. 105. (1) The department ~~of community health~~ shall
 establish a program for medical assistance for the medically
 indigent under title XIX. The director ~~of the department of~~
~~community health~~ shall administer the program established by the
 department ~~of community health~~ and ~~shall be~~ **IS** responsible for
 determining eligibility under this act. Except as otherwise
 provided in this act, the director may delegate the authority to
 perform a function necessary or appropriate for the proper
 administration of the program.

(2) As used in this section and sections 106 to 112: ~~"peer~~

(A) "PEER review advisory committee" means an entity
 comprising professionals and experts who are selected by the

1 director and nominated by an organization or association or
 2 organizations or associations representing a class of providers.

3 ~~(B) (3) As used in sections 106 to 112, "professionally~~
 4 **"PROFESSIONALLY** accepted standards" means those standards developed
 5 by peer review advisory committees and professionals and experts
 6 with whom the director is required to consult.

7 ~~(C) (4) As used in this section and sections 106 to 112,~~
 8 ~~"provider"~~ **"PROVIDER** means an individual, sole proprietorship,
 9 partnership, association, corporation, institution, agency, or
 10 other legal entity, who has entered into an agreement of enrollment
 11 specified by the director under section 111b(4).

12 Sec. 105a. (1) The department ~~of community health~~ shall
 13 develop written information that sets forth the eligibility
 14 requirements for participation in the program of medical assistance
 15 administered under this act. The written information shall be
 16 updated not less than every 2 years.

17 (2) The department ~~of community health~~ shall provide copies of
 18 the written information described in subsection (1) to all of the
 19 following persons, agencies, and health facilities:

20 (a) A person applying to the department ~~of community health~~
 21 for participation in the program of medical assistance administered
 22 under this act who is considering institutionalization for the
 23 person or person's family member in a nursing home or home for the
 24 aged.

25 (b) Each nursing home in the state.

26 (c) Each hospital in the state.

27 (d) Each adult foster care facility in the state.

1 (e) Each area agency on aging.

2 (f) The office of services to the aging.

3 (g) Local health departments.

4 (h) Community mental health boards.

5 (i) Medicaid and ~~medicare~~ **MEDICARE** certified home health
6 agencies.

7 (j) County medical care facilities.

8 (k) Appropriate department ~~of community health~~ personnel.

9 (l) Any other person, agency, or health facility determined to
10 be appropriate by the department. ~~of community health.~~

11 Sec. 105b. (1) The department ~~of community health~~ shall create
12 incentives for individual medical assistance recipients who
13 practice specified positive health behaviors. The incentives
14 described in this subsection may include, but are not limited to,
15 expanded benefits and incentives relating to premiums, co-pays, or
16 benefits. The positive health behaviors described in this
17 subsection may include, but are not limited to, participation in
18 health risk assessments and health screenings, compliance with
19 medical treatment, attendance at scheduled medical appointments,
20 participation in smoking cessation treatment, exercise, prenatal
21 visits, immunizations, and attendance at recommended educational
22 health programs.

23 (2) The department ~~of community health~~ shall create pay-for-
24 performance incentives for contracted ~~medicaid~~ **MEDICAID** health
25 maintenance organizations. The ~~medicaid~~ **MEDICAID** health maintenance
26 organization contracts shall include incentives for meeting health
27 outcome targets for chronic disease states, increasing the number

1 of medical assistance recipients who practice positive health
2 behaviors, and meeting patient compliance targets established by
3 the department. ~~of community health.~~ Priority shall be given to
4 strategies that prevent and manage the 10 most prevalent and costly
5 ailments affecting medical assistance recipients.

6 (3) The department ~~of community health~~ shall establish a
7 preferred product and service formulary program for durable medical
8 equipment. The department ~~of community health~~ shall work with the
9 ~~centers~~ **CENTERS** for ~~medicare~~ **MEDICARE** and ~~medicaid services~~
10 **MEDICAID SERVICES** to determine if a joint partnership with ~~medicare~~
11 **MEDICARE** is possible in establishing the program described in this
12 subsection as a means of achieving savings and efficiencies for
13 both the ~~medicaid~~ **MEDICAID** and ~~medicare~~ **MEDICARE** programs. The
14 preferred product and service formulary program for durable medical
15 equipment shall require participation from the department ~~of~~
16 ~~community health~~ and shall permit the contracted ~~medicaid~~ **MEDICAID**
17 health maintenance organizations and provider organizations to
18 participate.

19 (4) The department ~~of community health~~ shall seek financial
20 support for electronic health records, including, but not limited
21 to, personal health records, e-prescribing, web-based medical
22 records, and other health information technology initiatives using
23 ~~medicaid~~ **MEDICAID** funds.

24 (5) The department ~~of community health~~ shall include in any
25 federal waiver request that is submitted with the intent to secure
26 federal matching funds to cover the medically uninsured ~~nonmedicaid~~
27 **NON-MEDICAID** population in the state language to allow the

1 ~~department of community health~~ to establish, at a minimum, the
2 programs required under subsections (1) and (2).

3 (6) The ~~department of community health~~ shall not implement
4 incentives under this section that conflict with federal statute or
5 regulation.

6 Sec. 105c. The director ~~of the department of community health~~
7 shall submit a recommendation to the senate majority leader, the
8 speaker of the house, and the state budget office on how to most
9 effectively determine ~~medicaid~~ **MEDICAID** eligibility and enrollment
10 for all applicants by January 1, 2015. The ~~department of community~~
11 ~~health~~ may delegate this function to another state agency, perform
12 the function directly, or contract with a private or nonprofit
13 entity, consistent with state law.

14 Sec. 105d. (1) The ~~department of community health~~ shall seek a
15 waiver from the United States ~~department~~ **DEPARTMENT** of health
16 **HEALTH** and ~~human services~~ **HUMAN SERVICES** to do, without
17 jeopardizing federal match dollars or otherwise incurring federal
18 financial penalties, and upon approval of the waiver shall do, all
19 of the following:

20 (a) Enroll individuals eligible under section
21 1396a(a)(10)(A)(i)(VIII) of title XIX who meet the citizenship
22 provisions of 42 CFR 435.406 and who are otherwise eligible for the
23 medical assistance program under this act into a contracted health
24 plan that provides for an account into which money from any source,
25 including, but not limited to, the enrollee, the enrollee's
26 employer, and private or public entities on the enrollee's behalf,
27 can be deposited to pay for incurred health expenses, including,

1 but not limited to, co-pays. The account shall be administered by
2 the department ~~of community health~~ and can be delegated to a
3 contracted health plan or a third party administrator, as
4 considered necessary. The department ~~of community health~~ shall not
5 begin enrollment of individuals eligible under this subdivision
6 until January 1, 2014 or until the waiver requested in this
7 subsection is approved by the United States ~~department~~ **DEPARTMENT**
8 of ~~health~~ **HEALTH** and ~~human services~~, **HUMAN SERVICES**, whichever is
9 later.

10 (b) Ensure that contracted health plans track all enrollee co-
11 pays incurred for the first 6 months that an individual is enrolled
12 in the program described in subdivision (a) and calculate the
13 average monthly co-pay experience for the enrollee. The average co-
14 pay amount shall be adjusted at least annually to reflect changes
15 in the enrollee's co-pay experience. The department ~~of community~~
16 ~~health~~ shall ensure that each enrollee receives quarterly
17 statements for his or her account that include expenditures from
18 the account, account balance, and the cost-sharing amount due for
19 the following 3 months. The enrollee ~~shall be~~ **IS** required to remit
20 each month the average co-pay amount calculated by the contracted
21 health plan into the enrollee's account. The department ~~of~~
22 ~~community health~~ shall pursue a range of consequences for enrollees
23 who consistently fail to meet their cost-sharing requirements,
24 including, but not limited to, using the MICHild program as a
25 template and closer oversight by health plans in access to
26 providers. The department ~~of community health~~ shall report its plan
27 of action for enrollees who consistently fail to meet their cost-

1 sharing requirements to the legislature by June 1, 2014.

2 (c) Give enrollees described in subdivision (a) a choice in
3 choosing among contracted health plans.

4 (d) Ensure that all enrollees described in subdivision (a)
5 have access to a primary care practitioner who is licensed,
6 registered, or otherwise authorized to engage in his or her health
7 care profession in this state and to preventive services. The
8 ~~department of community health~~ shall require that all new enrollees
9 be assigned and have scheduled an initial appointment with their
10 primary care practitioner within 60 days of initial enrollment. The
11 ~~department of community health~~ shall monitor and track contracted
12 health plans for compliance in this area and consider that
13 compliance in any health plan incentive programs. The department ~~of~~
14 ~~community health~~ shall ensure that the contracted health plans have
15 procedures to ensure that the privacy of the enrollees' personal
16 information is protected in accordance with the health insurance
17 portability and accountability act of 1996, Public Law 104-191.

18 (e) Require enrollees described in subdivision (a) with annual
19 incomes between 100% and 133% of the federal poverty guidelines to
20 contribute not more than 5% of income annually for cost-sharing
21 requirements. Cost-sharing includes co-pays and required
22 contributions made into the accounts authorized under subdivision
23 (a). Contributions required in this subdivision do not apply for
24 the first 6 months an individual described in subdivision (a) is
25 enrolled. Required contributions to an account used to pay for
26 incurred health expenses shall be 2% of income annually.
27 Notwithstanding this minimum, required contributions may be reduced

1 by the contracting health plan. The reductions may occur only if
2 healthy behaviors are being addressed as attested to by the
3 contracted health plan based on uniform standards developed by the
4 ~~department of community health~~ in consultation with the contracted
5 health plans. The uniform standards shall include healthy behaviors
6 that must include, but are not limited to, completing a department
7 ~~of community health~~ approved annual health risk assessment to
8 identify unhealthy characteristics, including alcohol use,
9 substance use disorders, tobacco use, obesity, and immunization
10 status. Co-pays can be reduced if healthy behaviors are met, but
11 not until annual accumulated co-pays reach 2% of income except co-
12 pays for specific services may be waived by the contracted health
13 plan if the desired outcome is to promote greater access to
14 services that prevent the progression of and complications related
15 to chronic diseases. If the enrollee described in subdivision (a)
16 becomes ineligible for medical assistance under the program
17 described in this section, the remaining balance in the account
18 described in subdivision (a) shall be returned to that enrollee in
19 the form of a voucher for the sole purpose of purchasing and paying
20 for private insurance.

21 (f) By July 1, 2014, design and implement a co-pay structure
22 that encourages use of high-value services, while discouraging low-
23 value services such as nonurgent emergency department use.

24 (g) During the enrollment process, inform enrollees described
25 in subdivision (a) about advance directives and require the
26 enrollees to complete a ~~department of community health approved~~
27 **DEPARTMENT-APPROVED** advance directive on a form that includes an

1 option to decline. The advance directives received from enrollees
2 as provided in this subdivision shall be transmitted to the peace
3 of mind registry organization to be placed on the peace of mind
4 registry.

5 (h) By April 1, 2015, develop incentives for enrollees and
6 providers who assist the department ~~of community health~~ in
7 detecting fraud and abuse in the medical assistance program. The
8 department ~~of community health~~ shall provide an annual report that
9 includes the type of fraud detected, the amount saved, and the
10 outcome of the investigation to the legislature.

11 (i) Allow for services provided by telemedicine from a
12 practitioner who is licensed, registered, or otherwise authorized
13 under section 16171 of the public health code, ~~1978 PA 368, MCL~~
14 ~~333.16171~~, to engage in his or her health care profession in the
15 state where the patient is located.

16 (2) For services rendered to an uninsured individual, a
17 hospital that participates in the medical assistance program under
18 this act shall accept 115% of ~~medicare~~ **MEDICARE** rates as payments
19 in full from an uninsured individual with an annual income level up
20 to 250% of the federal poverty guidelines. This subsection applies
21 whether or not either or both of the waivers requested under this
22 section are approved, the patient protection and affordable care
23 act is repealed, or the state terminates or opts out of the program
24 established under this section.

25 (3) Not more than 7 calendar days after receiving each of the
26 official waiver-related written correspondence from the United
27 States ~~department~~ **DEPARTMENT** of health ~~and human services~~ **HEALTH**

1 **HUMAN SERVICES** to implement the provisions of this section, the
2 department of ~~community health~~ shall submit a written copy of the
3 approved waiver provisions to the legislature for review.

4 (4) By September 30, 2015, the department of ~~community health~~
5 shall develop and implement a plan to enroll all existing fee-for-
6 service enrollees into contracted health plans if allowable by law,
7 if the medical assistance program is the primary payer and if that
8 enrollment is cost-effective. This includes all newly eligible
9 enrollees as described in subsection (1)(a). The department of
10 ~~community health~~ shall include contracted health plans as the
11 mandatory delivery system in its waiver request. The department of
12 ~~community health~~ also shall pursue any and all necessary waivers to
13 enroll persons eligible for both ~~medicaid~~ **MEDICAID** and ~~medicare~~
14 **MEDICARE** into the 4 integrated care demonstration regions beginning
15 July 1, 2014. By September 30, 2015, the department of ~~community~~
16 ~~health~~ shall identify all remaining populations eligible for
17 managed care, develop plans for their integration into managed
18 care, and provide recommendations for a performance bonus incentive
19 plan mechanism for long-term care managed care providers that are
20 consistent with other managed care performance bonus incentive
21 plans. By September 30, 2015, the department of ~~community health~~
22 shall make recommendations for a performance bonus incentive plan
23 for long-term care managed care providers of up to 3% of their
24 ~~medicaid~~ **MEDICAID** capitation payments, consistent with other
25 managed care performance bonus incentive plans. These payments
26 shall comply with federal requirements and shall be based on
27 measures that identify the appropriate use of long-term care

1 services and that focus on consumer satisfaction, consumer choice,
2 and other appropriate quality measures applicable to community-
3 based and nursing home services. Where appropriate, these quality
4 measures shall be consistent with quality measures used for similar
5 services implemented by the integrated care for duals demonstration
6 project. This subsection applies whether or not either or both of
7 the waivers requested under this section are approved, the patient
8 protection and affordable care act is repealed, or the state
9 terminates or opts out of the program established under this
10 section.

11 (5) By September 30, 2016, the department ~~of community health~~
12 shall implement a pharmaceutical benefit that utilizes co-pays at
13 appropriate levels allowable by the ~~centers~~ **CENTERS** for ~~medicare~~
14 **MEDICARE** and ~~medicaid services~~ **MEDICAID SERVICES** to encourage the
15 use of high-value, low-cost prescriptions, such as generic
16 prescriptions when such an alternative exists for a branded product
17 and 90-day prescription supplies, as recommended by the enrollee's
18 prescribing provider and as is consistent with section 109h and
19 sections 9701 to 9709 of the public health code, ~~1978 PA 368,~~ MCL
20 333.9701 to 333.9709. This subsection applies whether or not either
21 or both of the waivers requested under this section are approved,
22 the patient protection and affordable care act is repealed, or the
23 state terminates or opts out of the program established under this
24 section.

25 (6) The department ~~of community health~~ shall work with
26 providers, contracted health plans, and other departments as
27 necessary to create processes that reduce the amount of uncollected

1 cost-sharing and reduce the administrative cost of collecting cost-
2 sharing. To this end, a minimum 0.25% of payments to contracted
3 health plans shall be withheld for the purpose of establishing a
4 cost-sharing compliance bonus pool beginning October 1, 2015. The
5 distribution of funds from the cost-sharing compliance pool shall
6 be based on the contracted health plans' success in collecting
7 cost-sharing payments. The department ~~of community health~~ shall
8 develop the methodology for distribution of these funds. This
9 subsection applies whether or not either or both of the waivers
10 requested under this section are approved, the patient protection
11 and affordable care act is repealed, or the state terminates or
12 opts out of the program established under this section.

13 (7) By June 1, 2014, the department ~~of community health~~ shall
14 develop a methodology that decreases the amount an enrollee's
15 required contribution may be reduced as described in subsection
16 (1)(e) based on, but not limited to, factors such as an enrollee's
17 failure to pay cost-sharing requirements and the enrollee's
18 inappropriate utilization of emergency departments.

19 (8) The program described in this section is created in part
20 to extend health coverage to the state's low-income citizens and to
21 provide health insurance cost relief to individuals and to the
22 business community by reducing the cost shift attendant to
23 uncompensated care. Uncompensated care does not include courtesy
24 allowances or discounts given to patients. The ~~medicaid~~ **MEDICAID**
25 hospital cost report shall be part of the uncompensated care
26 definition and calculation. In addition to the ~~medicaid~~ **MEDICAID**
27 hospital cost report, the department ~~of community health~~ shall

1 collect and examine other relevant financial data for all hospitals
2 and evaluate the impact that providing medical coverage to the
3 expanded population of enrollees described in subsection (1)(a) has
4 had on the actual cost of uncompensated care. This shall be
5 reported for all hospitals in the state. By December 31, 2014, the
6 department of ~~community health~~ shall make an initial baseline
7 uncompensated care report containing at least the data described in
8 this subsection to the legislature and each December 31 after that
9 shall make a report regarding the preceding fiscal year's evidence
10 of the reduction in the amount of the actual cost of uncompensated
11 care compared to the initial baseline report. The baseline report
12 shall use fiscal year 2012-2013 data. Based on the evidence of the
13 reduction in the amount of the actual cost of uncompensated care
14 borne by the hospitals in this state, beginning April 1, 2015, the
15 department of ~~community health~~ shall proportionally reduce the
16 disproportionate share payments to all hospitals and hospital
17 systems for the purpose of producing general fund savings. The
18 department of ~~community health~~ shall recognize any savings from
19 this reduction by September 30, 2016. All the reports required
20 under this subsection shall be made available to the legislature
21 and shall be easily accessible on the ~~department of community~~
22 ~~health's~~ **DEPARTMENT'S** website.

23 (9) The department of insurance and financial services shall
24 examine the financial reports of health insurers and evaluate the
25 impact that providing medical coverage to the expanded population
26 of enrollees described in subsection (1)(a) has had on the cost of
27 uncompensated care as it relates to insurance rates and insurance

1 rate change filings, as well as its resulting net effect on rates
 2 overall. The department of insurance and financial services shall
 3 consider the evaluation described in this subsection in the annual
 4 approval of rates. By December 31, 2014, the department of
 5 insurance and financial services shall make an initial baseline
 6 report to the legislature regarding rates and each December 31
 7 after that shall make a report regarding the evidence of the change
 8 in rates compared to the initial baseline report. All the reports
 9 required under this subsection shall be made available to the
 10 legislature and shall be made available and easily accessible on
 11 the ~~department of community health's~~ **DEPARTMENT'S** website.

12 (10) The department ~~of community health~~ shall explore and
 13 develop a range of innovations and initiatives to improve the
 14 effectiveness and performance of the medical assistance program and
 15 to lower overall health care costs in this state. The department ~~of~~
 16 ~~community health~~ shall report the results of the efforts described
 17 in this subsection to the legislature and to the house and senate
 18 fiscal agencies by September 30, 2015. The report required under
 19 this subsection shall also be made available and easily accessible
 20 on the ~~department of community health's~~ **DEPARTMENT'S** website. The
 21 ~~department of community health~~ shall pursue a broad range of
 22 innovations and initiatives as time and resources allow that shall
 23 include, at a minimum, all of the following:

24 (a) The value and cost-effectiveness of optional ~~medicaid~~
 25 **MEDICAID** benefits as described in federal statute.

26 (b) The identification of private sector, primarily small
 27 business, health coverage benefit differences compared to the

1 medical assistance program services and justification for the
2 differences.

3 (c) The minimum measures and data sets required to effectively
4 measure the medical assistance program's return on investment for
5 taxpayers.

6 (d) Review and evaluation of the effectiveness of current
7 incentives for contracted health plans, providers, and
8 beneficiaries with recommendations for expanding and refining
9 incentives to accelerate improvement in health outcomes, healthy
10 behaviors, and cost-effectiveness and review of the compliance of
11 required contributions and co-pays.

12 (e) Review and evaluation of the current design principles
13 that serve as the foundation for the state's medical assistance
14 program to ensure **THAT** the program is cost-effective and that
15 appropriate incentive measures are utilized. The review shall
16 include, at a minimum, the auto-assignment algorithm and
17 performance bonus incentive pool. This subsection applies whether
18 or not either or both of the waivers requested under this section
19 are approved, the patient protection and affordable care act is
20 repealed, or the state terminates or opts out of the program
21 established under this section.

22 (f) The identification of private sector initiatives used to
23 ~~incent~~**INCENTIVIZE** individuals to comply with medical advice.

24 (11) By December 31, 2015, the department ~~of community health~~
25 shall review and report to the legislature the feasibility of
26 programs recommended by multiple national organizations that
27 include, but are not limited to, the ~~council~~**COUNCIL** of state

1 ~~governments, STATE GOVERNMENTS, the national conference~~ **NATIONAL**
 2 **CONFERENCE** of ~~state legislatures, STATE LEGISLATURES,~~ and the
 3 American legislative exchange council, **LEGISLATIVE EXCHANGE**
 4 **COUNCIL**, on improving the cost-effectiveness of the medical
 5 assistance program.

6 (12) By January 1, 2014, the department ~~of community health in~~
 7 collaboration with the contracted health plans and providers shall
 8 create financial incentives for all of the following:

9 (a) Contracted health plans that meet specified population
 10 improvement goals.

11 (b) Providers who meet specified quality, cost, and
 12 utilization targets.

13 (c) Enrollees who demonstrate improved health outcomes or
 14 maintain healthy behaviors as identified in a health risk
 15 assessment as identified by their primary care practitioner who is
 16 licensed, registered, or otherwise authorized to engage in his or
 17 her health care profession in this state. This subsection applies
 18 whether or not either or both of the waivers requested under this
 19 section are approved, the patient protection and affordable care
 20 act is repealed, or the state terminates or opts out of the program
 21 established under this section.

22 (13) By October 1, 2015, the performance bonus incentive pool
 23 for contracted health plans that are not specialty prepaid health
 24 plans shall include inappropriate utilization of emergency
 25 departments, ambulatory care, contracted health plan all-cause
 26 acute 30-day readmission rates, and generic drug utilization when
 27 ~~such an~~ **THAT** alternative exists for a branded product and

1 consistent with section 109h and sections 9701 to 9709 of the
2 public health code, ~~1978 PA 368~~, MCL 333.9701 to 333.9709, as a
3 percentage of total. These measurement tools shall be considered
4 and weighed within the 6 highest factors used in the formula. This
5 subsection applies whether or not either or both of the waivers
6 requested under this section are approved, the patient protection
7 and affordable care act is repealed, or the state terminates or
8 opts out of the program established under this section.

9 (14) The department ~~of community health~~ shall ensure that all
10 capitated payments made to contracted health plans are actuarially
11 sound. This subsection applies whether or not either or both of the
12 waivers requested under this section are approved, the patient
13 protection and affordable care act is repealed, or the state
14 terminates or opts out of the program established under this
15 section.

16 (15) The department ~~of community health~~ shall maintain
17 administrative costs at a level of not more than 1% of the
18 ~~department of community health's~~ **DEPARTMENT'S** appropriation of the
19 state medical assistance program. These administrative costs shall
20 be capped at the total administrative costs for the fiscal year
21 ending September 30, 2016, except for inflation and project-related
22 costs required to achieve medical assistance net general fund
23 savings. This subsection applies whether or not either or both of
24 the waivers requested under this section are approved, the patient
25 protection and affordable care act is repealed, or the state
26 terminates or opts out of the program established under this
27 section.

1 (16) By October 1, 2015, the department ~~of community health~~
2 shall establish uniform procedures and compliance metrics for
3 utilization by the contracted health plans to ensure that cost-
4 sharing requirements are being met. This shall include
5 ramifications for the contracted health plans' failure to comply
6 with performance or compliance metrics. This subsection applies
7 whether or not either or both of the waivers requested under this
8 section are approved, the patient protection and affordable care
9 act is repealed, or the state terminates or opts out of the program
10 established under this section.

11 (17) Beginning October 1, 2015, the department ~~of community~~
12 ~~health~~ shall withhold, at a minimum, 0.75% of payments to
13 contracted health plans, except for specialty prepaid health plans,
14 for the purpose of expanding the existing performance bonus
15 incentive pool. Distribution of funds from the performance bonus
16 incentive pool is contingent on the contracted health plan's
17 completion of the required performance or compliance metrics. This
18 subsection applies whether or not either or both of the waivers
19 requested under this section are approved, the patient protection
20 and affordable care act is repealed, or the state terminates or
21 opts out of the program established under this section.

22 (18) By October 1, 2015, the department ~~of community health~~
23 shall withhold, at a minimum, 0.75% of payments to specialty
24 prepaid health plans for the purpose of establishing a performance
25 bonus incentive pool. Distribution of funds from the performance
26 bonus incentive pool is contingent on the specialty prepaid health
27 plan's completion of the required performance of compliance metrics

1 ~~, which~~ **THAT** shall include, at a minimum, partnering with other
 2 contracted health plans to reduce nonemergent emergency department
 3 utilization, increased participation in patient-centered medical
 4 homes, increased use of electronic health records and data sharing
 5 with other providers, and identification of enrollees who may be
 6 eligible for services through the ~~veterans administration.~~ **VETERANS**
 7 **ADMINISTRATION.** This subsection applies whether or not either or
 8 both of the waivers requested under this section are approved, the
 9 patient protection and affordable care act is repealed, or the
 10 state terminates or opts out of the program established under this
 11 section.

12 (19) The department ~~of community health~~ shall measure
 13 contracted health plan or specialty prepaid health plan performance
 14 metrics, as applicable, on application of standards of care as that
 15 relates to appropriate treatment of substance use disorders and
 16 efforts to reduce substance use disorders. This subsection applies
 17 whether or not either or both of the waivers requested under this
 18 section are approved, the patient protection and affordable care
 19 act is repealed, or the state terminates or opts out of the program
 20 established under this section.

21 (20) By September 1, 2015, in addition to the waiver requested
 22 in subsection (1), the department ~~of community health~~ shall seek an
 23 additional waiver from the United States ~~department~~ **DEPARTMENT** of
 24 ~~health~~ **HEALTH** and ~~human services~~ **HUMAN SERVICES** that requires
 25 individuals who are between 100% and 133% of the federal poverty
 26 guidelines and who have had medical assistance coverage for 48
 27 cumulative months beginning on the date of their enrollment into

1 the program described in subsection (1) to choose 1 of the
2 following options:

3 (a) Change their medical assistance program eligibility
4 status, in accordance with federal law, to be considered eligible
5 for federal advance premium tax credit and cost-sharing subsidies
6 from the federal government to purchase private insurance coverage
7 through an American health benefit exchange without financial
8 penalty to the state.

9 (b) Remain in the medical assistance program but increase
10 cost-sharing requirements up to 7% of income. Required
11 contributions shall be deposited into an account used to pay for
12 incurred health expenses for covered benefits and shall be 3.5% of
13 income but may be reduced as provided in subsection (1)(e). The
14 department ~~of community health~~ may reduce co-pays as provided in
15 subsection (1)(e), but not until annual accumulated co-pays reach
16 3% of income.

17 (21) The department ~~of community health~~ shall notify enrollees
18 60 days before the end of the enrollee's forty-eighth month that
19 coverage under the current program is no longer available to them
20 and that, in order to continue coverage, the enrollee must choose
21 between the options described in subsection (20)(a) or (b).

22 (22) The department ~~of community health~~ shall implement a
23 system for individuals who fail to choose an option described under
24 subsection (20)(a) or (b) within a specified time determined by the
25 department ~~of community health~~ that enrolls those individuals into
26 the option described in subsection (20)(b).

27 (23) If the waiver requested under subsection (20) is not

1 approved by the United States ~~department~~ **DEPARTMENT** of health
 2 **HEALTH** and ~~human services~~ **HUMAN SERVICES** by December 31, 2015,
 3 medical coverage for individuals described in subsection (1)(a)
 4 shall no longer be provided. If the waiver is not approved by
 5 December 31, 2015, then by January 31, 2016, the department ~~of~~
 6 ~~community health~~ shall notify enrollees that the program described
 7 in subsection (1) shall be terminated on April 30, 2016. If a
 8 waiver requested under subsection (1) or (20) is approved and is
 9 required to be renewed at any time after approval, medical coverage
 10 for individuals described in subsection (1)(a) shall no longer be
 11 provided if either renewal request is not approved by the United
 12 States ~~department~~ **DEPARTMENT** of health **HEALTH** and ~~human services~~
 13 **HUMAN SERVICES** or if a waiver is canceled after approval. The
 14 department ~~of community health~~ shall give enrollees 4 months'
 15 advance notice before termination of coverage based on a renewal
 16 request not being approved as described in this subsection. A
 17 notification described in this subsection shall state that the
 18 enrollment was terminated due to the failure of the United States
 19 ~~department~~ **DEPARTMENT** of health **HEALTH** and ~~human services~~ **HUMAN**
 20 **SERVICES** to approve the waiver requested under subsection (20) or
 21 renewal of a waiver described in this subsection.

22 (24) Individuals described in 42 CFR 440.315 are not subject
 23 to the provisions of the waiver described in subsection (20).

24 (25) The department ~~of community health~~ shall make available
 25 at least 3 years of state medical assistance program data, without
 26 charge, to any vendor considered qualified by the department ~~of~~
 27 ~~community health~~ who indicates interest in submitting proposals to

1 contracted health plans in order to implement cost savings and
 2 population health improvement opportunities through the use of
 3 innovative information and data management technologies. Any
 4 program or proposal to the contracted health plans must be
 5 consistent with the state's goals of improving health, increasing
 6 the quality, reliability, availability, and continuity of care, and
 7 reducing the cost of care of the eligible population of enrollees
 8 described in subsection (1)(a). The use of the data described in
 9 this subsection for the purpose of assessing the potential
 10 opportunity and subsequent development and submission of formal
 11 proposals to contracted health plans is not a cost or contractual
 12 obligation to the department ~~of community health~~ or the state.

13 (26) If the department ~~of community health~~ does not receive
 14 approval for both of the waivers required under this section before
 15 December 31, 2015, the program described in this section is
 16 terminated. The department ~~of community health~~ shall request
 17 written documentation from the United States ~~department~~ **DEPARTMENT**
 18 of ~~health~~ **HEALTH** and ~~human services~~ **HUMAN SERVICES** that if the
 19 waivers described in this section are rejected causing the medical
 20 assistance program to revert back to the eligibility requirements
 21 in effect on ~~the effective date of the amendatory act that added~~
 22 ~~this section,~~ **MARCH 14, 2014**, excluding any waivers that have not
 23 been renewed, there shall be no financial federal funding penalty
 24 to the state associated with the implementation and subsequent
 25 cancellation of the program created in this section. If the
 26 department ~~of community health~~ does not receive this documentation
 27 by December 31, 2013, the department ~~of community health~~ shall not

1 implement the program described in this section.

2 (27) This section does not apply if either of the following
3 occurs:

4 (a) If the department ~~of community health~~ is unable to obtain
5 either of the federal waivers requested in subsection (1) or (20).

6 (b) If federal government matching funds for the program
7 described in this section are reduced below 100% and annual state
8 savings and other nonfederal net savings associated with the
9 implementation of that program are not sufficient to cover the
10 reduced federal match. The department ~~of community health~~ shall
11 determine and the state budget office shall approve how annual
12 state savings and other nonfederal net savings shall be calculated
13 by June 1, 2014. By September 1, 2014, the calculations and
14 methodology used to determine the state and other nonfederal net
15 savings shall be submitted to the legislature.

16 (28) The department ~~of community health~~ shall develop,
17 administer, and coordinate with the department of treasury a
18 procedure for offsetting the state tax refunds of an enrollee who
19 owes a liability to the state of past due uncollected cost-sharing,
20 as allowable by the federal government. The procedure shall include
21 a guideline that the department ~~of community health~~ submit to the
22 department of treasury, not later than November 1 of each year, all
23 requests for the offset of state tax refunds claimed on returns
24 filed or to be filed for that tax year. For the purpose of this
25 subsection, any nonpayment of the cost-sharing required under this
26 section owed by the enrollee is considered a liability to the state
27 under section 30a(2)(b) of 1941 PA 122, MCL 205.30a.

1 (29) For the purpose of this subsection, any nonpayment of the
2 cost-sharing required under this section owed by the enrollee is
3 considered a current liability to the state under section 32 of the
4 McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL
5 432.32, and shall be handled in accordance with the procedures for
6 handling a liability to the state under that section, as allowed by
7 the federal government.

8 (30) By November 30, 2013, the department ~~of community health~~
9 shall convene a symposium to examine the issues of emergency
10 department overutilization and improper usage. By December 31,
11 2014, the department ~~of community health~~ shall submit a report to
12 the legislature that identifies the causes of overutilization and
13 improper emergency service usage that includes specific best
14 practice recommendations for decreasing overutilization of
15 emergency departments and improper emergency service usage, as well
16 as how those best practices are being implemented. Both broad
17 recommendations and specific recommendations related to the
18 ~~medicaid~~ **MEDICAID** program, enrollee behavior, and health plan
19 access issues shall be included.

20 (31) The department ~~of community health~~ shall contract with an
21 independent third party vendor to review the reports required in
22 subsections (8) and (9) and other data as necessary, in order to
23 develop a methodology for measuring, tracking, and reporting
24 medical cost and uncompensated care cost reduction or rate of
25 increase reduction and their effect on health insurance rates along
26 with recommendations for ongoing annual review. The final report
27 and recommendations shall be submitted to the legislature by

1 September 30, 2015.

2 (32) For the purposes of submitting reports and other
3 information or data required under this section only, "legislature"
4 means the senate majority leader, the speaker of the house of
5 representatives, the chairs of the senate and house of
6 representatives appropriations committees, the chairs of the senate
7 and house of representatives appropriations subcommittees on the
8 department of ~~community health~~ budget, and the chairs of the senate
9 and house of representatives standing committees on health policy.

10 (33) As used in this section:

11 (a) "Patient protection and affordable care act" means the
12 patient protection and affordable care act, Public Law 111-148, as
13 amended by the federal health care and education reconciliation act
14 of 2010, Public Law 111-152.

15 (b) "Peace of mind registry" and "peace of mind registry
16 organization" mean those terms as defined in section 10301 of the
17 public health code, ~~1978 PA 368, MCL 333.10301.~~

18 (c) "State savings" means any state fund net savings,
19 calculated as of the closing of the financial books for the
20 department of ~~community health~~ at the end of each fiscal year, that
21 result from the program described in this section. The savings
22 shall result in a reduction in spending from the following state
23 fund accounts: adult benefit waiver, ~~non-medicaid~~ **NON-MEDICAID**
24 community mental health, and prisoner health care. Any identified
25 savings from other state fund accounts shall be proposed to the
26 house of representatives and senate appropriations committees for
27 approval to include in that year's state savings calculation. It is

1 the intent of the legislature that for fiscal year ending September
2 30, 2014 only, \$193,000,000.00 of the state savings shall be
3 deposited in the roads and risks reserve fund created in section
4 211b of article VIII of 2013 PA 59.

5 (d) "Telemedicine" means that term as defined in section 3476
6 of the insurance code of 1956, 1956 PA 218, MCL 500.3476.

7 Sec. 105e. (1) There is appropriated for the department ~~of~~
8 ~~community health~~ and the department of corrections to supplement
9 appropriations for the fiscal year ending September 30, 2014 an
10 adjusted gross appropriation of \$1,524,903,500.00 appropriated from
11 \$1,704,523,500.00 in federal revenues, \$13,145,000.00 in other
12 state restricted revenues and a negative appropriation of
13 \$192,765,000.00 in state general fund/general purpose revenue.

14 (2) There is appropriated for the department ~~of community~~
15 ~~health~~ for ~~medicaid~~ **MEDICAID** reform a gross appropriation of
16 \$1,549,115,700.00 appropriated from \$1,704,523,500.00 in federal
17 revenues, \$13,145,000.00 in other state restricted revenues, and a
18 negative appropriation of \$168,552,800.00 in state general
19 fund/general purpose revenue with \$1,395,876,600.00 for medical
20 services reform, \$288,646,900.00 for mental health reform, and
21 \$40,000,000.00 for administration, and negative appropriations to
22 reflect savings with \$1,072,200.00 for plan first family planning
23 waiver, \$14,723,900.00 for ~~medicaid~~ **MEDICAID** adult benefits waiver,
24 \$6,680,600.00 for ~~medicaid~~ **MEDICAID** adult benefits waiver (mental
25 health), and \$152,931,100.00 for community mental health ~~non-~~
26 ~~medicaid~~ **NON-MEDICAID** services.

27 (3) There is appropriated for the department of corrections a

1 negative adjusted gross appropriation of \$24,212,200.00 in state
2 general fund/general purpose revenue with a negative appropriation
3 of \$3,566,600.00 for prison re-entry and community support,
4 including a negative \$377,200.00 for prisoner re-entry local
5 service providers and a negative \$3,189,400.00 for prisoner re-
6 entry department of corrections programs; a negative appropriation
7 of \$8,066,100.00 for substance ~~abuse~~ **USE DISORDER** testing and
8 treatment services in field operations administration; and a
9 negative appropriation of \$12,579,500.00 for prisoner health care
10 services in health care.

11 (4) The appropriations in subsections (1), (2), and (3) for
12 the department ~~of community health~~ for ~~medicaid~~ **MEDICAID** reform are
13 not available for expenditure until approval of the federal waiver
14 in section 105d(1), except that the funds associated with
15 administrative expenses are available for immediate expenditure.
16 The administrative expenditures shall not exceed \$20,000,000.00 in
17 general fund. The department ~~of community health~~ shall enter into
18 memoranda of understanding with departments that incur
19 administrative expenditures related to the program identified in
20 section 105d(1).

21 Sec. 105f. (1) The director ~~of the department of community~~
22 ~~health~~ and the director of the department of insurance and
23 financial services shall establish a Michigan health care cost and
24 quality advisory committee consisting of 8 or more members.

25 (2) The director, ~~of the department of community health~~, or
26 his or her designee, and 1 department ~~of community health~~ staff
27 member and the director of the department of insurance and

1 financial services, or his or her designee, and 1 department of
2 insurance and financial services staff member are members of the
3 committee established in subsection (1). The chairs and minority
4 vice chairs of the senate and house health policy committees or
5 their designees are members of the committee. The committee members
6 shall elect a chairperson and appoint additional members to the
7 advisory committee established in subsection (1) necessary to
8 perform the duties prescribed in this section.

9 (3) The advisory committee established in subsection (1) shall
10 issue a report by December 31, 2014 with recommendations on the
11 creation of a database on health care costs and health care quality
12 in this state. This report shall be transmitted to the legislature
13 and made available on the ~~department of community health's~~
14 **DEPARTMENT'S** and the department of insurance and financial
15 ~~services'~~**SERVICE'S** websites. The advisory committee shall include
16 in the report at least all of the following:

17 (a) A review of existing efforts across the United States to
18 make health care cost and quality more transparent.

19 (b) A review of proposed legislation in this state to make
20 health care cost and quality more transparent.

21 (c) A review of any existing standards governing the operation
22 of similar databases.

23 (d) A consideration of both price and quality of health care
24 services rendered in this state.

25 (e) Transparency and privacy issues.

26 (f) The possible impact of uncompensated care on commercial
27 insurance rates.

1 (g) Other methods to accurately estimate the uncompensated
2 care impact on commercial insurance rates.

3 (4) This section applies whether or not either or both of the
4 waivers requested under section 105d are approved, the patient
5 protection and affordable care act is repealed, or the state
6 terminates or opts out of the program established under this
7 section.

8 Sec. 106. (1) A medically indigent individual is defined as:

9 (a) An individual receiving family independence program
10 benefits or an individual receiving supplemental security income
11 under title XVI or state supplementation under title XVI subject to
12 limitations imposed by the director according to title XIX.

13 (b) Except as provided in sections 106a and 106b, an
14 individual who meets all of the following conditions:

15 (i) The individual has applied in the manner the department of
16 ~~community health~~ prescribes.

17 (ii) The individual's need for the type of medical assistance
18 available under this act for which the individual applied has been
19 professionally established and payment for it is not available
20 through the legal obligation of a public or private contractor to
21 pay or provide for the care without regard to the income or
22 resources of the patient. ~~The state department and the department~~
23 ~~of community health are~~ **IS** subrogated to any right of recovery that
24 a patient may have for the cost of hospitalization, pharmaceutical
25 services, physician services, nursing services, and other medical
26 services not to exceed the amount of funds expended by the ~~state~~
27 ~~department or the department of community health~~ for the care and

1 treatment of the patient. The patient or other person acting in the
2 patient's behalf shall execute and deliver an assignment of claim
3 or other authorizations as necessary to secure the right of
4 recovery to the department. ~~or the department of community health.~~
5 A payment may be withheld under this act for medical assistance for
6 an injury or disability for which the individual is entitled to
7 medical care or reimbursement for the cost of medical care under
8 ~~sections 3101 to 3179~~ **CHAPTER 31** of the insurance code of 1956,
9 1956 PA 218, MCL 500.3101 to 500.3179, or under another policy of
10 insurance providing medical or hospital benefits, or both, for the
11 individual unless the individual's entitlement to that medical care
12 or reimbursement is at issue. If a payment is made, the ~~state~~
13 ~~department, or the department of community health,~~ to enforce its
14 subrogation right, may do either of the following: (a) intervene or
15 join in an action or proceeding brought by the injured, diseased,
16 or disabled individual, the individual's guardian, personal
17 representative, estate, dependents, or survivors, against the third
18 person who may be liable for the injury, disease, or disability, or
19 against contractors, public or private, who may be liable to pay or
20 provide medical care and services rendered to an injured, diseased,
21 or disabled individual; (b) institute and prosecute a legal
22 proceeding against a third person who may be liable for the injury,
23 disease, or disability, or against contractors, public or private,
24 who may be liable to pay or provide medical care and services
25 rendered to an injured, diseased, or disabled individual, in state
26 or federal court, either alone or in conjunction with the injured,
27 diseased, or disabled individual, the individual's guardian,

1 personal representative, estate, dependents, or survivors. The
2 state department may institute the proceedings in its own name or
3 in the name of the injured, diseased, or disabled individual, the
4 individual's guardian, personal representative, estate, dependents,
5 or survivors. As provided in section 6023 of the revised judicature
6 act of 1961, 1961 PA 236, MCL 600.6023, the ~~state department, or~~
7 ~~the department of community health,~~ in enforcing its subrogation
8 right, shall not satisfy a judgment against the third person's
9 property that is exempt from levy and sale. The injured, diseased,
10 or disabled individual may proceed in his or her own name,
11 collecting the costs without the necessity of joining ~~the state~~
12 ~~department, the department of community health,~~ or the state as a
13 named party. The injured, diseased, or disabled individual shall
14 notify ~~the state department or the department of community health~~
15 of the action or proceeding entered into upon commencement of the
16 action or proceeding. An action taken by the state, ~~the state~~
17 ~~department, or the department of community health~~ in connection
18 with the right of recovery afforded by this section does not deny
19 the injured, diseased, or disabled individual any part of the
20 recovery beyond the costs expended on the individual's behalf by
21 ~~the state department or the department of community health.~~ The
22 costs of legal action initiated by the state shall be paid by the
23 state. A payment shall not be made under this act for medical
24 assistance for an injury, disease, or disability for which the
25 individual is entitled to medical care or the cost of medical care
26 under the worker's disability compensation act of 1969, 1969 PA
27 317, MCL 418.101 to 418.941; except that payment may be made if an

1 appropriate application for medical care or the cost of the medical
2 care has been made under the worker's disability compensation act
3 of 1969, 1969 PA 317, MCL 418.101 to 418.941, entitlement has not
4 been finally determined, and an arrangement satisfactory to the
5 ~~state department or the department of community health~~ has been
6 made for reimbursement if the claim under the worker's disability
7 compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, is
8 finally sustained.

9 (iii) The individual has an annual income that is below, or
10 subject to limitations imposed by the director and because of
11 medical expenses falls below, the protected basic maintenance
12 level. The protected basic maintenance level for 1-person and 2-
13 person families shall be at least 100% of the payment standards
14 generally used to determine eligibility in the family independence
15 program. For families of 3 or more persons, the protected basic
16 maintenance level shall be at least 100% of the payment standard
17 generally used to determine eligibility in the family independence
18 program. These levels shall recognize regional variations and shall
19 not exceed 133-1/3% of the payment standard generally used to
20 determine eligibility in the family independence program.

21 (iv) The individual, if a family independence program related
22 individual and living alone, has liquid or marketable assets of not
23 more than \$2,000.00 in value, or, if a 2-person family, the family
24 has liquid or marketable assets of not more than \$3,000.00 in
25 value. The ~~department of community health~~ shall establish
26 comparable liquid or marketable asset amounts for larger family
27 groups. Excluded in making the determination of the value of liquid

1 or marketable assets are the values of: the homestead; clothing;
2 household effects; \$1,000.00 of cash surrender value of life
3 insurance, except that if the health of the insured makes
4 continuance of the insurance desirable, the entire cash surrender
5 value of life insurance is excluded from consideration, up to the
6 maximum provided or allowed by federal regulations and in
7 accordance with department ~~of community health~~ rules; the fair
8 market value of tangible personal property used in earning income;
9 an amount paid as judgment or settlement for damages suffered as a
10 result of exposure to ~~agent orange~~, **AGENT ORANGE**, as defined in
11 section 5701 of the public health code, ~~1978 PA 368~~, MCL 333.5701;
12 and a space or plot purchased for the purposes of burial for the
13 person. For individuals related to the title XVI program, the
14 appropriate resource levels and property exemptions specified in
15 title XVI shall be used.

16 (v) Except as provided in section 106b, the individual is not
17 an inmate of a public institution except as a patient in a medical
18 institution.

19 (vi) The individual meets the eligibility standards for
20 supplemental security income under title XVI or for state
21 supplementation under the act, subject to limitations imposed by
22 the director of the department ~~of community health~~ according to
23 title XIX; or meets the eligibility standards for family
24 independence program benefits; or meets the eligibility standards
25 for optional eligibility groups under title XIX, subject to
26 limitations imposed by the director of the department ~~of community~~
27 ~~health~~ according to title XIX.

1 (c) An individual is eligible under section
2 1396a(a)(10)(A)(i)(VIII) of title XIX. This subdivision does not
3 apply if either of the following occurs:

4 (i) If the department ~~of community health~~ is unable to obtain a
5 federal waiver as provided in section 105d(1) or (20).

6 (ii) If federal government matching funds for the program
7 described in section 105d are reduced below 100% and annual state
8 savings and other nonfederal net savings associated with the
9 implementation of that program are not sufficient to cover the
10 reduced federal match. The department ~~of community health~~ shall
11 determine and the state budget office shall approve how annual
12 state savings and other nonfederal net savings shall be calculated
13 by June 1, 2014. By September 1, 2014, the calculations and
14 methodology used to determine the state and other nonfederal net
15 savings shall be submitted to the legislature.

16 (2) As used in this act:

17 (a) "Contracted health plan" means a managed care organization
18 with whom ~~the state department or the department of community~~
19 ~~health~~ contracts to provide or arrange for the delivery of
20 comprehensive health care services as authorized under this act.

21 ~~— (b) "Federal poverty guidelines" means the poverty guidelines~~
22 ~~published annually in the federal register by the United States~~
23 ~~department of health and human services under its authority to~~
24 ~~revise the poverty line under section 673(2) of subtitle B of title~~
25 ~~VI of the omnibus budget reconciliation act of 1981, 42 USC 9902.~~

26 (B) ~~(c)~~ "Medical institution" means a state licensed or
27 approved hospital, nursing home, medical care facility, psychiatric

1 hospital, or other facility or identifiable unit of a listed
2 institution certified as meeting established standards for a
3 nursing home or hospital in accordance with the laws of this state.

4 ~~—— (d) "Title XVI" means title XVI of the social security act, 42~~
5 ~~USC 1381 to 1383f.~~

6 (3) An individual receiving medical assistance under this act
7 or his or her legal counsel shall notify ~~the state department or~~
8 ~~the department of community health~~ when filing an action in which
9 ~~the state department or the department of community health~~ may have
10 a right to recover expenses paid under this act. If the individual
11 is enrolled in a contracted health plan, the individual or his or
12 her legal counsel shall provide notice to the contracted health
13 plan in addition to providing notice to the state department.

14 (4) If a legal action in which the ~~state department , the~~
15 ~~department of community health, OR~~ a contracted health plan, or all
16 ~~3-BOTH,~~ have a right to recover expenses paid under this act is
17 filed and settled after November 29, 2004 without notice to the
18 ~~state department , the department of community health, or the~~
19 contracted health plan, the ~~state department , the department of~~
20 ~~community health, or the~~ contracted health plan may file a legal
21 action against the individual or his or her legal counsel, or both,
22 to recover expenses paid under this act. The attorney general shall
23 recover any cost or attorney fees associated with a recovery under
24 this subsection.

25 (5) The ~~state department or the department of community health~~
26 has first priority against the proceeds of the net recovery from
27 the settlement or judgment in an action settled in which notice has

1 been provided under subsection (3). A contracted health plan has
2 priority immediately after the ~~state department or the department~~
3 ~~of community health~~ in an action settled in which notice has been
4 provided under subsection (3). The ~~state department , the~~
5 ~~department of community health,~~ and a contracted health plan shall
6 recover the full cost of expenses paid under this act unless the
7 ~~state department , the department of community health,~~ or the
8 contracted health plan agrees to accept an amount less than the
9 full amount. If the individual would recover less against the
10 proceeds of the net recovery than the expenses paid under this act,
11 the ~~state department , the department of community health,~~ or
12 contracted health plan , and the individual shall share equally in
13 the proceeds of the net recovery. As used in this subsection, "net
14 recovery" means the total settlement or judgment less the costs and
15 fees incurred by or on behalf of the individual who obtains the
16 settlement or judgment.

17 Sec. 106a. (1) This section shall be known and may be cited as
18 the "Michigan freedom to work for individuals with disabilities
19 law".

20 (2) The ~~department of community health~~ shall establish a
21 program to provide medical assistance to individuals who have
22 earned income and who meet all of the following initial eligibility
23 criteria:

24 (a) The individual has been found to be disabled under the
25 federal supplemental security income program or the social security
26 disability income program, or would be found to be disabled except
27 for earnings in excess of the substantial gainful activity level as

1 established by the United States ~~social security~~
2 ~~administration.~~**SOCIAL SECURITY ADMINISTRATION.**

3 (b) The individual is at least 16 years of age and younger
4 than 65 years of age.

5 (c) The individual has a countable income level of not more
6 than 250% of the current federal poverty guidelines for a family of
7 1.

8 (d) The individual's assets meet the ~~medicare~~**MEDICARE** part D
9 extra help low income subsidy (LIS) and ~~medicare~~**MEDICARE** savings
10 program (MSP) asset limit, as adjusted annually.

11 (e) The individual is employed on a regular and continuing
12 basis.

13 (3) The program is limited to the medical assistance services
14 made available to recipients under the medical assistance program
15 administered under section 105.

16 (4) Without losing eligibility for medical assistance, an
17 individual who qualifies for and is enrolled under this program is
18 permitted to do all of the following:

19 (a) Accumulate personal savings and assets not to exceed
20 \$75,000.00.

21 (b) Accumulate unlimited retirement and individual retirement
22 accounts with income from employment while enrolled in the freedom
23 to work for individuals with disabilities program. Assets described
24 in this subdivision shall remain excluded from eligibility
25 consideration for other ~~medicaid~~**MEDICAID** programs for the
26 individual even if he or she loses eligibility under this section.

27 (c) Have temporary breaks in employment that do not exceed 24

1 months if the temporary breaks are the result of an involuntary
2 layoff or are determined to be medically necessary or for
3 relocation necessary due to employment in this state.

4 (d) Work and have income that exceeds the amount permitted
5 under section 106, but shall not have unearned income that exceeds
6 250% of the federal poverty guidelines.

7 (5) The department ~~of community health~~ shall establish a
8 premium that is based on the enrolled individual's earned and
9 unearned income. An enrolled individual shall pay a sliding fee
10 scale monthly premium based on an annual review of total gross
11 income as follows:

12 (a) No premium for individuals with gross income less than
13 138% of the federal poverty guidelines for a family of 1.

14 (b) Beginning ~~the effective date of the 2014 amendatory act~~
15 ~~that amended this subdivision,~~ **JANUARY 14, 2015,** a premium of up to
16 7.5% per month of gross income for individuals who have total gross
17 income between 138% of the federal poverty guidelines for a family
18 of 1 and \$75,000.00 annual adjusted gross income.

19 (c) A premium of 100% of the average freedom to work program
20 participant cost for an enrolled individual with adjusted gross
21 income over \$75,000.00 annually.

22 (d) The premium for an enrolled individual shall generally be
23 assessed on an annual basis based on the annual return required to
24 be filed under the internal revenue code of 1986 or other evidence
25 of earned income and shall be payable on a monthly basis. The
26 premium shall be adjusted during the year when a change in an
27 enrolled individual's rate of annual income changes.

1 (6) Revenue received from premiums collected under this
2 section shall not exceed \$3,000,000.00 per year.

3 (7) If the terms of this section are inconsistent with federal
4 regulations governing federal financial participation in the
5 medical assistance program, the department ~~of community health~~ may,
6 to the extent necessary, waive any requirement set forth in
7 subsections (1) to (6).

8 (8) As used in this section:

9 (a) "Adjusted gross income" means that term as defined in
10 section 62 of the internal revenue code of 1986, **26 USC 62**.

11 (b) "Countable income", "earned income", and "unearned income"
12 mean those terms as used by the department in determining
13 eligibility for the medical assistance program administered under
14 this act.

15 ~~—— (c) "Federal poverty guidelines" means the poverty guidelines~~
16 ~~published annually in the federal register by the United States~~
17 ~~department of health and human services under its authority to~~
18 ~~revise the poverty line under section 673(2) of subtitle B of title~~
19 ~~VI of the omnibus budget reconciliation act of 1981, 42 USC 9902.~~

20 Sec. 106b. (1) The state ~~medicaid~~ **MEDICAID** plan shall require
21 the department ~~of community health~~ to suspend rather than terminate
22 an individual's medical assistance when either of the following
23 applies:

24 (a) The individual becomes an inmate residing in a public
25 institution but otherwise remains eligible for medical assistance.

26 (b) An inmate was not eligible for medical assistance when he
27 or she entered the public institution but is subsequently

1 determined to be eligible for medical assistance while in the
2 public institution.

3 (2) The department ~~of community health~~ shall redetermine the
4 medical assistance eligibility of the individual.

5 (3) Upon notification that an individual described in
6 subsection (1) is no longer an inmate residing in a public
7 institution, the department ~~of community health~~ shall reinstate the
8 individual's medical assistance if the individual is otherwise
9 eligible for medical assistance.

10 (4) This section does not extend medical assistance
11 eligibility to an otherwise ineligible individual or extend medical
12 assistance to an individual if matching federal funds are not
13 available to pay for the medical assistance.

14 (5) This section applies to the department, ~~of community~~
15 ~~health~~, a state agency to which the department ~~of community health~~
16 has delegated these functions as provided under section 105c, or a
17 private or nonprofit entity with which the department ~~of community~~
18 ~~health~~ has contracted to perform these functions as provided under
19 section 105c.

20 (6) As used in this section:

21 (a) "Public institution" means 1 of the following:

22 (i) An inpatient program operated by the department ~~of~~
23 ~~community health~~ for treatment of individuals with serious
24 emotional disturbance or serious mental illness.

25 (ii) A local correctional facility as that term is defined in
26 section 2 of the local corrections officers training act, 2003 PA
27 125, MCL 791.532.

1 (iii) A correctional facility as that term is defined in section
2 15 of the corrections code of 1953, 1953 PA 232, MCL 791.215.

3 (iv) A youth correctional facility operated by the department
4 of corrections or a private vendor under section 20g of the
5 corrections code of 1953, 1953 PA 232, MCL 791.220g.

6 (b) "Serious emotional disturbance" and "serious mental
7 illness" mean those terms as defined in section 100d of the mental
8 health code, 1974 PA 258, MCL 330.1100d.

9 Sec. 107. (1) In establishing financial eligibility for the
10 medically indigent, income shall be disregarded in accordance with
11 standards established for the related categorical assistance
12 program. For medical assistance only, income ~~shall include~~ **INCLUDES**
13 the amount of contribution that an estranged spouse or parent for a
14 minor child is making to the applicant according to the standards
15 of the department, ~~of community health~~, or according to a court
16 determination, if there is a court determination. ~~Nothing in this~~
17 **THIS** section ~~eliminates~~ **DOES NOT ELIMINATE** the responsibility of
18 support established in section 76 for cash assistance received
19 under this act.

20 (2) The department ~~of community health~~ shall apply a modified
21 adjusted gross income methodology in determining if an individual's
22 annual income level is below 133% of the federal poverty
23 guidelines.

24 Sec. 108. A medically indigent person as defined under section
25 106(1)(a) is entitled to all the services enumerated in section
26 109. A medically indigent person as defined under section 106(1)(b)
27 is entitled to medical services enumerated in section 109(1)(a),

(c), and (e). He or she is entitled to the services enumerated in section 109(1)(b), (d), and (f) to the extent of appropriations made available by the legislature for the fiscal year. Medical services shall be rendered upon certification by the attending licensed physician and dental services shall be rendered upon certification of the attending licensed dentist that a service is required for the treatment of an individual. The services of a medical institution shall be rendered only after referral by a licensed physician or dentist and certification by him or her that the services of the medical institution are required for the medical or dental treatment of the individual, except that referral is not necessary in case of an emergency. Periodic recertification that medical treatment that extends over a period of time is required in accordance with regulations of the department of community health is a condition of continuing eligibility to receive medical assistance. To comply with federal statutes governing ~~medicaid~~, **MEDICAID**, the department of ~~community health~~ shall provide early and periodic screening, diagnostic, and treatment services to eligible children as it considers necessary.

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

(a) Hospital services that an eligible individual may receive consist of medical, surgical, or obstetrical care, together with necessary drugs, X-rays, physical therapy, prosthesis, transportation, and nursing care incident to the medical, surgical, or obstetrical care. The period of inpatient hospital service shall 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~~ **DEPARTMENT**
12 of health **HEALTH** and human services **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~~ **DEPARTMENT** of health **HEALTH** and human services,
27 **HUMAN SERVICES**, to the extent found necessary by the attending

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

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

1 cost and the concomitant variable cost limit for the county
2 facility. The county rate shall not be less than zero.

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

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

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

22 (v) If the county maintenance of effort rate computed under
23 this section exceeds the county maintenance of effort rate in
24 effect as of September 30, 1984, the rate in effect as of September
25 30, 1984 shall remain in effect until a time that the rate computed
26 under this section is less than the September 30, 1984 rate. This
27 limitation remains in effect until December 31, 2017. For each

1 subsequent county fiscal year the maintenance of effort may not
2 increase by more than \$1.00 per patient day each year.

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

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

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

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

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

(2) The director shall provide notice to the public, according to applicable federal regulations, and shall obtain the approval of the committees on appropriations of the house of representatives and senate of the legislature of this state, of a proposed change in the statewide method or level of reimbursement for a service, if the proposed change is expected to increase or decrease payments for that service by 1% or more during the 12 months after the effective date of the change.

~~———— (3) As used in this act:~~

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

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

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

Sec. 109c. (1) The department ~~of community health~~ shall include, as part of its program of medical services under this act, home- or community-based services to eligible ~~persons~~ **INDIVIDUALS** whom the department ~~of community health~~ determines would otherwise require nursing home services or similar institutional care services under section 109. The home- or community-based services shall be offered to qualified eligible ~~persons~~ **INDIVIDUALS** who are receiving inpatient hospital or nursing home services as an alternative to those forms of care.

(2) The home- or community-based services shall include safeguards adequate to protect the health and welfare of participating eligible ~~persons~~, **INDIVIDUALS**, and shall be provided

1 according to a written plan of care for each ~~person~~ **INDIVIDUAL**.

2 The services available under the home- or community-based services
3 program shall include, at a minimum, all of the following:

4 (a) ~~Home-delivered~~ **HOME-DELIVERED** meals.

5 (b) Chore services.

6 (c) Homemaker services.

7 (d) Respite care.

8 (e) Personal care.

9 (f) Adult day care.

10 (g) Private duty nursing.

11 (h) Mental health counseling.

12 (i) Caregiver training.

13 (j) Emergency response systems.

14 (k) Home modification.

15 (l) Transportation.

16 (m) Medical equipment and supply services.

17 (3) This section shall be implemented so that the average per
18 capita expenditure for home- or community-based services for
19 eligible ~~persons~~ **INDIVIDUALS** receiving those services does not
20 exceed the estimated average per capita expenditure that would have
21 been made for those ~~persons~~ **INDIVIDUALS** had they been receiving
22 nursing home services, inpatient hospital, or similar institutional
23 care services instead.

24 (4) The department ~~of community health~~ shall seek a waiver
25 necessary to implement this program from the ~~federal department~~
26 **UNITED STATES DEPARTMENT** of ~~health~~ **HEALTH** and ~~human services~~, **HUMAN**
27 **SERVICES**, as provided in section 1915 of title XIX, 42 USC 1396n.

1 The department ~~of community health~~ shall request any modifications
2 of the waiver that are necessary in order to expand the program in
3 accordance with subsection (9).

4 (5) The department ~~of community health~~ shall establish policy
5 for identifying the rules for ~~persons~~ **INDIVIDUALS** receiving
6 inpatient hospital or nursing home services who may qualify for
7 home- or community-based services. The rules shall contain, at a
8 minimum, a listing of diagnoses and patient conditions to which the
9 option of home- or community-based services may apply, and a
10 procedure to determine if the ~~person~~ **INDIVIDUAL** qualifies for home-
11 or community-based services.

12 (6) The department ~~of community health~~ shall provide to the
13 legislature and the governor an annual report showing the detail of
14 its home- and community-based case finding and placement
15 activities. At a minimum, the report shall contain each of the
16 following:

17 (a) The number of ~~persons~~ **INDIVIDUALS** provided home- or
18 community-based services who would otherwise require inpatient
19 hospital services. This shall include a description of medical
20 conditions, services provided, and projected cost savings for these
21 persons.

22 (b) The number of persons provided home- or community-based
23 services who would otherwise require nursing home services. This
24 shall include a description of medical conditions, services
25 provided, and projected cost savings for these persons.

26 (c) The number of persons and the annual expenditure for
27 personal care services.

1 (d) The number of hearings requested concerning home- or
2 community-based services and the outcome of each hearing ~~which~~ **THAT**
3 has been adjudicated during the year.

4 (7) The written plan of care required under subsection (2) for
5 an eligible ~~person~~ **INDIVIDUAL** shall not be changed unless the
6 change is prospective only, and the department ~~of community health~~
7 does both of the following:

8 (a) Not later than 30 days before making the change, except in
9 the case of emergency, consults with the eligible ~~person~~ **INDIVIDUAL**
10 or, in the case of a child, with the child's parent or guardian.

11 (b) Consults with each medical service provider involved in
12 the change. This consultation shall be documented in writing.

13 (8) An eligible ~~person~~ **INDIVIDUAL** who is receiving home- or
14 community-based services under this section, and who is
15 dissatisfied with a change in his or her plan of care or a denial
16 of any home- or community-based service, may demand a hearing as
17 provided in section 9, and subsequently may appeal the hearing
18 decision to circuit court as provided in section 37.

19 (9) The department ~~of community health~~ shall expand the home-
20 and community-based services program by increasing the number of
21 counties in which it is available, in conformance with this
22 subsection. The program may be limited in total cost and in the
23 number of recipients per county who may receive services at 1 time.
24 Subject to obtaining the waiver and any modifications of the waiver
25 sought under subsection (4), ~~the program shall be expanded as~~
26 ~~follows:~~

27 ~~—— (a) Not later than July 14, 1995, home and community based~~

~~services shall be available to eligible applicants in those counties that, when combined, contain at least 1/4 of the population of this state.~~

~~—— (b) Not later than July 14, 1996, home and community based services shall be available to eligible applicants in those counties that, when combined, contain at least 1/2 of the population of this state.~~

~~—— (c) Not later than July 14, 1997, home and community based services shall be available to eligible applicants in those counties that, when combined, contain at least 3/4 of the population of this state.~~

~~—— (d) Not later than July 14, 1998, home- and community-based services shall be available to eligible applicants on a statewide basis.~~

(10) The department ~~of community health~~ shall work with the office of services to the aging in implementing the home- and community-based services program, including the provision of preadmission screening, case management, and recipient access to services.

Sec. 109e. (1) As used in this section:

(a) "Abortion" means the intentional use of an instrument, drug, or other substance or device to terminate a woman's pregnancy for a purpose other than to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead fetus. Abortion does not include the use or prescription of a drug or device intended as a contraceptive.

(b) "Health care professional" means an individual licensed or

1 registered under article 15 of the public health code, ~~Act No. 368~~
 2 ~~of the Public Acts of 1978, being sections 333.16101 to 333.18838~~
 3 ~~of the Michigan Compiled Laws.~~ **MCL 333.16101 TO 333.18838.**

4 (c) "Health facility or agency" means a health facility or
 5 agency licensed under article 17 of ~~Act No. 368 of the Public Acts~~
 6 ~~of 1978, being sections 333.20101 to 333.22260 of the Michigan~~
 7 ~~Compiled Laws.~~ **THE PUBLIC HEALTH CODE, MCL 333.20101 TO 333.22260.**

8 (2) A health care professional or a health facility or agency
 9 shall not seek or accept reimbursement for the performance of an
 10 abortion knowing that public funds will be or have been used in
 11 whole or in part for the reimbursement in violation of section
 12 109a. ~~of Act No. 280 of the Public Acts of 1939, being section~~
 13 ~~400.109a of the Michigan Compiled Laws, as added by Act No. 59 of~~
 14 ~~the Public Acts of 1987.~~

15 (3) A person who violates this section is liable for a civil
 16 fine of up to \$10,000.00 per violation. The department ~~of community~~
 17 ~~health~~ shall investigate an alleged violation of this section and
 18 the attorney general, in cooperation with the department, ~~of~~
 19 ~~community health,~~ may bring an action to enforce this section.

20 (4) ~~Nothing in this~~ **THIS** section ~~restricts~~ **DOES NOT RESTRICT**
 21 the right of a health care professional to discuss abortion or
 22 abortion services with a patient who is pregnant.

23 (5) This section does not create a right to an abortion.

24 (6) Notwithstanding any other provision of this section, a
 25 person shall not perform an abortion that is prohibited by law.

26 Sec. 109f. (1) The department ~~of community health~~ shall
 27 support the use of ~~medicaid~~ **MEDICAID** funds for specialty services

1 and supports for eligible ~~medicaid~~-**MEDICAID** beneficiaries with a
 2 serious mental illness, developmental disability, serious emotional
 3 disturbance, or substance ~~abuse~~-**USE** disorder. Medicaid-covered
 4 specialty services and supports shall be managed and delivered by
 5 specialty prepaid health plans chosen by the department ~~of~~
 6 ~~community health~~ with advice and recommendations from the specialty
 7 services panel created in section 109g. The specialty services and
 8 supports shall be carved out from the basic ~~medicaid~~-**MEDICAID**
 9 health care benefits package.

10 (2) Specialty prepaid health plans shall be considered
 11 ~~medicaid~~-**MEDICAID** managed care organizations as described in
 12 section 1903(m)(1)(A) of title XIX of the social security act, 42
 13 USC 1396b, and ~~shall be~~-**ARE** responsible for providing defined
 14 inpatient services, outpatient hospital services, physician
 15 services, other specified ~~medicaid~~-**MEDICAID** state plan services,
 16 and additional services approved by the ~~centers~~-**CENTERS** for
 17 ~~medicare~~-**MEDICARE** and ~~medicaid services~~-**MEDICAID SERVICES** under
 18 section 1915(b)(3) of title XIX of the social security act, 42 USC
 19 1396n. As ~~medicaid~~-**MEDICAID** managed care organizations, specialty
 20 prepaid health plans are subject to ~~the quality assurance~~
 21 ~~assessment fee described in section 224b of the insurance code of~~
 22 ~~1956, 1956 PA 218, MCL 500.224b.~~**SECTION 3F OF THE USE TAX ACT, 1937**
 23 **PA 94, MCL 205.93F.**

24 Sec. 109g. (1) The governor shall create a specialty services
 25 panel within the department ~~of community health~~ to review and make
 26 determinations regarding applications for participation submitted
 27 by community mental health services programs or other managing

1 entities.

2 (2) The specialty services panel shall consist of the
3 following members, appointed by the governor:

4 (a) The director of the department ~~of community health~~ or his
5 or her representative.

6 (b) Two members who represent the department, ~~of community~~
7 ~~health~~, excluding an individual appointed under subdivision (a).

8 (c) The director of the department of **TECHNOLOGY**, management,
9 and budget or his or her representative.

10 (d) Four members who represent primary consumers or family
11 members.

12 (e) Five members who represent other stakeholders, including,
13 but not limited to, 1 representative each from the statewide
14 advocacy organizations representing adults with serious mental
15 illness, children with serious emotional disturbance, individuals
16 with substance ~~abuse~~ **USE** disorders, and individuals with
17 developmental disabilities. At least 1 member appointed under this
18 subdivision shall be a county commissioner.

19 (3) No member appointed under subsection (2) (d) or (e) shall
20 provide direct services or represent providers who provide services
21 for reimbursement under this act to an individual who qualifies for
22 specialty services.

23 (4) Members of the specialty services panel shall serve for
24 terms of 4 years or until a successor is appointed, whichever is
25 later, except that, of the members first appointed, 4 shall serve
26 for 1 year, 5 shall serve for 2 years, and 4 shall serve for 3
27 years.

1 (5) If a vacancy occurs on the specialty services panel, the
2 governor shall make an appointment for the unexpired term in the
3 same manner as the original appointment.

4 (6) A member of the specialty services panel shall make known
5 any matter in which that member has a potential conflict of
6 interest.

7 (7) The specialty services panel shall remain in existence to
8 serve in an advisory capacity to the director ~~of the department of~~
9 ~~community health~~ regarding performance and quality relating to
10 ~~medicaid~~ **MEDICAID** specialty services and supports. The panel shall
11 meet no less than 2 times a year. The panel shall have access to
12 all aggregate quality management information gathered by the
13 department ~~of community health~~ relating to the managing entities.

14 Sec. 109h. (1) If the department ~~of community health~~ develops
15 a prior authorization process for prescription drugs as part of the
16 pharmaceutical services offered under the medical assistance
17 program administered under this act, it shall not require prior
18 authorization for the following single source brand name, generic
19 equivalent of a multiple source brand name, or other prescription
20 drugs:

21 (a) A central nervous system prescription drug that is
22 classified as an anticonvulsant, antidepressant, antipsychotic, or
23 a noncontrolled substance antianxiety drug in a generally accepted
24 standard medical reference.

25 (b) A prescription drug that is cross-indicated for a central
26 nervous system drug exempted under subdivision (a) as documented in
27 a generally accepted standard medical reference.

1 (c) Unless the prescription drug is a controlled substance or
2 the prescription drug is being prescribed to treat a condition that
3 is excluded from coverage under this act, a prescription drug that
4 is recognized in a generally accepted standard medical reference as
5 effective in the treatment of conditions specified in the most
6 recent ~~diagnostic~~**DIAGNOSTIC** and ~~statistical manual~~**STATISTICAL**
7 **MANUAL** of ~~mental disorders~~**MENTAL DISORDERS** published by the
8 American ~~psychiatric association~~**PSYCHIATRIC ASSOCIATION**. The
9 department or the department's agent shall not deny a request for
10 prior authorization of a controlled substance under this
11 subdivision unless the department or the department's agent
12 determines that the controlled substance or the dosage of the
13 controlled substance being prescribed is not consistent with its
14 licensed indications or with generally accepted medical practice as
15 documented in a standard medical reference.

16 (d) A prescription drug that is recognized in a generally
17 accepted standard medical reference for the treatment of and is
18 being prescribed to a patient for the treatment of any of the
19 following:

20 (i) Human immunodeficiency virus infections or the
21 complications of the human immunodeficiency virus or acquired
22 immunodeficiency syndrome.

23 (ii) Cancer.

24 (iii) Organ replacement therapy.

25 (iv) Epilepsy or seizure disorder.

26 (2) This section does not apply to drugs being provided under
27 a contract between the department and a health maintenance

1 organization.

2 (3) As used in this section:

3 (a) "Controlled substance" means that term as defined in
4 section 7104 of the public health code, ~~1978 PA 368,~~ MCL 333.7104.

5 (b) "Cross-indicated" means a drug ~~which~~ **THAT** is used for a
6 purpose generally held to be reasonable, appropriate, and within
7 community standards of practice even though the use is not included
8 in the federal ~~food~~ **FOOD** and ~~drug administration's~~ **DRUG**
9 **ADMINISTRATION'S** approved labeled indications for that drug.

10 ~~— (c) "Department" means the department of community health.~~

11 (C) ~~(d)~~ "Prescriber" means that term as defined in section
12 17708 of the public health code, ~~1978 PA 368,~~ MCL 333.17708.

13 (D) ~~(e)~~ "Prescription" or "prescription drug" means that term
14 as defined in section 17708 of the public health code, ~~1978 PA 368,~~
15 MCL 333.17708.

16 (E) ~~(f)~~ "Prior authorization" means a process implemented by
17 the department ~~of community health~~ that conditions, delays, or
18 denies the delivery of particular pharmaceutical services to
19 ~~medicaid~~ **MEDICAID** beneficiaries upon application of predetermined
20 criteria by the department or the department's agent for those
21 pharmaceutical services covered by the department on a fee-for-
22 service basis or ~~pursuant~~ **ACCORDING** to a contract for those
23 services. The process may require a prescriber to verify with the
24 department or the department's agent that the proposed medical use
25 of a prescription drug being prescribed for a patient meets the
26 predetermined criteria for a prescription drug that is otherwise
27 covered under this act or require a prescriber to obtain

1 authorization from the department or the department's agent before
2 prescribing or dispensing a prescription drug that is not included
3 on a preferred drug list or that is subject to special access or
4 reimbursement restrictions.

5 Sec. 109k. ~~Effective October 1, 2013, a~~ A community mental
6 health services program established by a single charter county that
7 has situated totally within that county a city having a population
8 of at least 500,000 shall comply with sections 204(4) and 205 of
9 the mental health code, 1974 PA 258, MCL 330.1204 and 330.1205,
10 before contracting with the department ~~of community health~~ as a
11 specialty prepaid health plan to provide specialty services and
12 supports.

13 Sec. 109l. The department ~~of community health~~ and contracted
14 health plans shall utilize a process for maximum allowable cost
15 pricing reconsiderations that must be available and provided to
16 providers and pharmacists. This process must include identification
17 of 3 national drug codes, if there are 3 or more available, ~~and OR~~
18 all available national drug codes, if there are fewer than 3, for
19 the drug in question that are actually available and deliverable by
20 a Michigan licensed wholesaler or a Michigan licensed manufacturer
21 and would fall into the ~~department of community health's~~
22 **DEPARTMENT'S** or contracted health plans' maximum allowable cost
23 pricing. The process must be completed in 10 business days, with
24 all notification to the pharmacy in either written or electronic
25 form. The department ~~of community health~~ and contracted health
26 plans cannot be held accountable for failing to provide information
27 ~~for~~ **TO** which they do not have access.

1 Sec. 111a. (1) The director, ~~of the department of community~~
2 ~~health~~, after appropriate consultation with affected providers and
3 the medical care advisory council established according to federal
4 regulations, may establish policies and procedures that he or she
5 considers appropriate, relating to the conditions of participation
6 and requirements for providers established by section 111b and to
7 applicable federal law and regulations, to ~~assure~~ **ENSURE** that the
8 implementation and enforcement of state and federal laws are all of
9 the following:

10 (a) Reasonable, fair, effective, and efficient.

11 (b) In conformance with law.

12 (c) In conformance with the state plan for medical assistance
13 adopted under section 10 and approved by the United States
14 ~~department~~ **DEPARTMENT** of ~~health~~ **HEALTH** and ~~human services~~ **HUMAN**
15 **SERVICES**.

16 (2) The consultation required by this section shall be
17 conducted in accordance with guidelines adopted by the state
18 ~~department of community health~~ according to section 24 of the
19 administrative procedures act of 1969, ~~1969 PA 306~~, MCL 24.224.

20 (3) Except as otherwise provided in section 111i, the director
21 ~~of the department of community health~~ shall develop, after
22 appropriate consultation with affected providers in accordance with
23 guidelines, forms and instructions to be used in administering the
24 program. Forms developed by the director ~~of the department of~~
25 ~~community health~~ shall be, to the extent administratively feasible,
26 compatible with forms providers are required to file with 1 or more
27 other third party payers or with 1 or more regulatory agencies and,

1 to the extent administratively feasible, shall be designed to
2 facilitate use of a single form to satisfy requirements imposed on
3 providers by more than 1 payer, agency, or other entity. The forms
4 and instructions shall relate, at a minimum, to standards of
5 performance by providers, conditions of participation, methods of
6 review of claims, and administrative requirements and procedures
7 that the director ~~of the department of community health~~ considers
8 reasonable and proper to ~~assure~~ **ENSURE** all of the following:

9 (a) That claims against the program are timely, substantiated,
10 and not false, misleading, or deceptive.

11 (b) That reimbursement is made for only medically appropriate
12 services.

13 (c) That reimbursement is made for only covered services.

14 (d) That reimbursement is not made to those providers whose
15 services, supplies, or equipment cost the program in excess of the
16 reasonable value received.

17 (e) That the state is a prudent buyer.

18 (f) That access and availability of services to the medically
19 indigent are reasonable.

20 (4) As used in subsection (3), "prudent buyer" means a
21 purchaser who does 1 or more of the following:

22 (a) Buys from only those providers of services, supplies, or
23 equipment to medically indigent individuals whose performance, in
24 terms of quality, quantity, cost, setting, and location is
25 appropriate to the specific needs of those individuals, and who, in
26 the case of providers who receive payment on the basis of costs,
27 comply with the prudent buyer concept of titles XVIII and XIX.

1 (b) Pays for only those services, supplies, or equipment that
2 are needed or appropriate.

3 (c) Seeks to economize by minimizing cost.

4 (5) The director ~~of the department of community health~~ shall
5 select providers to participate in arrangements such as case
6 management, in supervision of services for recipients who
7 misutilize or abuse the medical services program, and in special
8 projects for the delivery of medical services to eligible
9 recipients. Providers shall be selected based upon criteria that
10 may include a comparison of services and related costs with those
11 of the provider's peers and a review of previous participation
12 warnings or sanctions undertaken against the provider or the
13 provider's employer, employees, related business entities, or
14 others who have a relationship to the provider, by the ~~medicaid,~~
15 ~~medicare,~~ **MEDICAID, MEDICARE**, or other health-related programs. The
16 director ~~of the department of community health~~ may consult with the
17 appropriate peer review advisory committees as appointed by the
18 department. ~~of community health.~~

19 (6) The director ~~of the department of community health~~ shall
20 give notice to each provider of a change in a policy, procedure,
21 form, or instruction established or developed under this section
22 that affects the provider. For a change that affects 1 or more
23 types of providers, a departmental bulletin or updating insert to a
24 departmental manual mailed 30 days before the effective date of the
25 change ~~shall constitute~~ **CONSTITUTES** sufficient notice. The
26 department ~~of community health~~ may provide notice required under
27 this subsection via United States mail or electronic mail.

1 (7) The director ~~of the department of community health~~ may do
2 all of the following:

3 (a) Enroll in the program for medical assistance only a
4 provider who has entered into an agreement of enrollment required
5 by section 111b(4), and enter into an agreement only with a
6 provider who satisfies the conditions of participation and
7 requirements for a provider established by sections 111b and 111i
8 and the administrative requirements established or developed under
9 subsections (1), (2), and (3) with the appropriate consultation
10 required by this section.

11 (b) Enforce the requirements established under this act by
12 applying the procedures of sections 111c to 111f. If in these
13 procedures the director ~~of the department of community health~~ is
14 required to consult with professionals or experts before first
15 utilizing these individuals in the program, the director ~~of the~~
16 ~~department of community health~~ shall have given the opportunity to
17 review their professional credentials to the appropriate ~~medicaid~~
18 **MEDICAID** peer review advisory committee.

19 (c) Except as otherwise provided in section 111i, develop with
20 the appropriate consultation required by this section and require
21 the form or format for claims, applications, certifications, or
22 certifications and recertifications of medical necessity required
23 by section 108, and develop specifications for and require
24 supporting documentation that is compatible with the approved state
25 medical assistance plan under title XIX.

26 (d) Recover payments to a provider in excess of the
27 reimbursement to which the provider is entitled. The department ~~of~~

1 ~~community health~~ shall have a priority lien on any assets of a
2 provider for any overpayment, as a consequence of fraud or abuse,
3 that is not reimbursed to the department. ~~of community health.~~

4 (e) Notwithstanding any other provisions of this act, before
5 payment of claims, identify for examination for compliance with the
6 program of medical assistance, including but not limited to medical
7 necessity, the claims submitted by a particular provider based upon
8 a determination that the provider's claims for disputed services
9 exceed the average program dollar amount or volume of the same type
10 of services, submitted by the same type of provider, performed in
11 the same setting, and submitted during the same period. In order to
12 carry out the authority conferred by this subdivision, the director
13 ~~of the department of community health~~ shall notify the provider in
14 the form of registered mail, receipted by the addressee, or by
15 proof of service to the provider, or representative of the
16 provider, of the state ~~department of community health's~~
17 **DEPARTMENT'S** intent to impose specific conditions and controls
18 before authorizing payment for specific claims for services. The
19 notice shall contain all of the following:

20 (i) A list of the particular practice or practices disputed by
21 the state department ~~of community health~~ and a factual description
22 of the nature of the dispute.

23 (ii) A request for specific medical records and any other
24 relevant supporting information that fully discloses the basis and
25 extent to which the disputed practice or practices were rendered.

26 (iii) A date certain for an informal conference between the
27 provider or representative of the provider and the state department

1 ~~of community health~~ to resolve the differences surrounding the
2 disputed practice or practices.

3 (iv) A statement that unless the provider or representative of
4 the provider demonstrates at the informal conference that the
5 disputed practice or practices are medically necessary, or are in
6 compliance with other program coverages, specific conditions and
7 controls may be imposed on future payments for the disputed
8 practice or practices, and claims may be rejected, beginning on the
9 sixteenth day after delivery of this notice.

10 (8) For any provider who is subject to a notice of intent to
11 impose specific conditions and controls before authorizing payment
12 for specific claims for services, as specified in subsection
13 (7)(e), the state department ~~of community health~~ shall afford that
14 provider an opportunity for an informal conference before the
15 sixteenth day after delivery of the notice under subsection (7)(e).
16 If the provider fails to appear at the conference, or fails to
17 demonstrate that the disputed practice or practices are medically
18 necessary or are in compliance with program coverages, the state
19 department, ~~of community health~~ beginning on the sixteenth day
20 following receipt of notice by the provider, is authorized to
21 impose specific conditions and controls before payment for the
22 disputed practice or practices and may reject claims for payments
23 for the practice or practices. The state department, ~~of community~~
24 ~~health~~, within 5 days following the informal conference, shall
25 notify the provider of its decision regarding the imposition of
26 special conditions and controls before payment for the disputed
27 practice or practices. Upon the imposition of specific conditions

1 and controls before payment, the provider upon request shall be
2 entitled to an immediate hearing held in conformity with chapter 4
3 and chapter 6 of the administrative procedures act of 1969, ~~1969 PA~~
4 ~~306~~, MCL 24.271 to 24.287 and 24.301 to 24.306, if any of the
5 following occurs:

6 (a) The claim for services rendered is not paid within 30 days
7 of the provider's compliance with the conditions imposed.

8 (b) The claim is rejected.

9 (c) The provider notifies the state department ~~of community~~
10 ~~health~~ by registered mail that the provider does not intend to
11 comply with the specific conditions and controls imposed, and the
12 claim for services rendered is not paid within 30 days after
13 delivery of this notice.

14 (9) The hearing provided for under subsection (8) shall be
15 conducted in a prompt and expeditious manner. At the hearing, the
16 provider may contest the state ~~department of community health's~~
17 **DEPARTMENT'S** decision to impose specific conditions and controls
18 before payment. Subsequent hearings may be conducted at the
19 provider's request only if the claims have not been considered at a
20 prior hearing and reflect issues that also have not been considered
21 at a prior hearing, or if a claim for services rendered is not paid
22 within 60 days after the provider's compliance with the conditions
23 imposed.

24 (10) The authority conferred in subsection (8) with respect to
25 the claims submitted by a particular provider does not prohibit the
26 state department ~~of community health~~ from examining claims or
27 portions of claims before payment of the claims to determine their

1 compliance with the ~~program of~~ medical assistance **PROGRAM**, in
2 compliance with law. The director ~~of the department of community~~
3 ~~health~~ may take additional action under subsection (8) during the
4 pendency of an appeal taken under subsection (8).

5 (11) If in the ~~department of community health's~~ **DEPARTMENT'S**
6 opinion, the provider shifts his or her claims from the disputed
7 services addressed under subsection (7)(e) to other claims that
8 fall under the purview of subsection (7)(e), the director ~~of the~~
9 ~~department of community health~~ may impose the claims review process
10 of this section immediately upon delivery of the notice of that
11 imposition to the provider as provided in subsection (7)(e).

12 (12) If in the ~~department of community health's~~ **DEPARTMENT'S**
13 opinion, claims similar to the disputed services addressed under
14 subsection (7)(e) are shifted to another provider in the same
15 corporation, partnership, clinic, provider group, or to another
16 provider in the employ of the same employer or contractor, the
17 director ~~of the department of community health~~ may impose the
18 claims review process of this section immediately upon delivery of
19 notice of that imposition to the new provider as provided in
20 subsection (7)(e). The department ~~of community health~~ shall afford
21 the new provider an opportunity for an immediate informal
22 conference within 7 days under subsection (8) after the initiation
23 of the claims process.

24 (13) The director ~~of the department of community health~~ may
25 request a provider to open books and records in accordance with
26 section 111b(7) and may photocopy, at the state ~~department of~~
27 ~~community health's~~ **DEPARTMENT'S** expense, the records of a medically

1 indigent individual. The records shall be confidential, and the
2 state department shall use the records only for purposes directly
3 and specifically related to the administration of the program. The
4 immunity from liability of a provider subject to the ~~director of~~
5 ~~the department of community health's~~ **DIRECTOR'S** authority under
6 this subsection is governed by section 111b(7).

7 (14) The director ~~of the department of community health~~ shall
8 not pay for services, supplies, or equipment furnished by a
9 provider, or shall recover for payment made, during a period in
10 which the provider does not have on file with the state department
11 ~~of community health~~ disclosure forms as required by section
12 111b(19).

13 (15) The director ~~of the department of community health~~ shall
14 make payments to, and collect overpayments from, the provider,
15 unless the provider and the provider's employer satisfy the
16 conditions prescribed in section 111b(25), (26), and (27), in which
17 case the director ~~of the department of community health~~ may make
18 payments directly to, and collect overpayments from, the provider's
19 employer.

20 (16) The director, ~~of the department of community health~~, with
21 the appropriate consultation required by this section, may develop
22 specifications for and require estimated cost and charge
23 information to be submitted by a provider under section 111b(13)
24 and the form or format for submission of the information.

25 (17) If the director ~~of the department of community health~~
26 decides that a payment under the program has been made to which a
27 provider is not or may not be entitled, or that the amount of a

1 payment is or may be greater or less than the amount to which the
2 provider is entitled, the director, ~~of the department of community~~
3 ~~health~~, except as otherwise provided in this subsection or under
4 other applicable law or regulation, shall promptly notify the
5 provider of this decision. The director ~~of the department of~~
6 ~~community health~~ shall withhold notification to the provider of the
7 decision upon advice from the department of **THE** attorney general or
8 other state or federal enforcement agency in a case where action by
9 the department of **THE** attorney general or other state or federal
10 enforcement agency may be compromised by the notification. If the
11 director ~~of the department of community health~~ notifies a provider
12 of a decision that the provider has received an underpayment, the
13 state department ~~of community health~~ shall reimburse the provider,
14 either directly or through an adjustment of payments, in the amount
15 found to be due.

16 Sec. 111i. (1) The ~~commissioner of office of financial and~~
17 **DIRECTOR OF THE DEPARTMENT OF** insurance **AND FINANCIAL** services
18 shall establish a timely claims processing and payment procedure to
19 be used by health professionals and facilities in billing for, and
20 qualified health plans in processing and paying claims for,
21 ~~medicaid~~ **MEDICAID** services rendered. The ~~commissioner~~ **DIRECTOR OF**
22 **THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** shall consult
23 with the department, ~~of community health~~, health professionals and
24 facilities, and qualified health plans in establishing this timely
25 payment procedure.

26 (2) The timely claims processing and payment procedure
27 established by the ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT OF**

1 **INSURANCE AND FINANCIAL SERVICES** under subsection (1) shall provide
2 for all of the following:

3 (a) That a "clean claim", for the purposes of this section,
4 means a claim that does at a minimum all of the following:

5 (i) Identifies the health professional or health facility that
6 provided treatment or service, including a matching identifying
7 number.

8 (ii) Identifies the patient and plan.

9 (iii) Lists the date and place of service.

10 (iv) Is for covered services.

11 (v) Is certified ~~pursuant~~ **ACCORDING** to section 111b(17) and
12 has the identifying information required under section 111b(21).

13 (vi) If necessary, substantiates the medical necessity and
14 appropriateness of the care or service provided.

15 (vii) If prior authorization is required for certain patient
16 care or services, includes any applicable authorization number, as
17 appropriate.

18 (viii) Includes additional documentation based upon services
19 rendered as reasonably required by the payer.

20 (b) A universal system of coding to be used on all ~~medicaid~~
21 **MEDICAID** claims submitted to qualified health plans.

22 (c) That a claim must be transmitted electronically or as
23 otherwise specified by the ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT**
24 **OF INSURANCE AND FINANCIAL SERVICES** and a qualified health plan
25 must be able to receive a claim transmitted electronically.

26 (d) That a health professional and facility must bill a
27 qualified health plan within 1 year after the date of service or

1 date of discharge from the health facility.

2 (e) That after a health professional or facility has submitted
3 a claim to a qualified health plan, the health professional or
4 facility shall not resubmit the same claim to the qualified health
5 plan unless the time frame in subdivision (f) has passed or as
6 provided in subdivision (h).

7 (f) Except as otherwise provided in this subdivision, that a
8 clean claim must be paid within 45 days after receipt of the claim
9 by the qualified health plan. For a pharmaceutical clean claim, the
10 clean claim must be paid within the industry standard time frame
11 for paying the claim as of ~~the effective date of this subdivision~~
12 **JUNE 20, 2000**, or within 45 days after receipt of the claim by the
13 qualified health plan, whichever is sooner. A clean claim that is
14 not paid within this time frame shall bear simple interest at a
15 rate of 12% per annum.

16 (g) That a qualified health plan must state in writing to the
17 health professional or facility any defect in the claim within 30
18 days after receipt of the claim.

19 (h) That a health professional and a health facility have 30
20 days after receipt of a notice that a claim or a portion of a claim
21 is defective within which to correct the defect. The qualified
22 health plan shall pay the claim within 30 days after the defect is
23 corrected.

24 (i) That a qualified health plan must notify the health
25 professional or facility and the ~~commissioner~~ **DIRECTOR OF THE**
26 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** of the defect if a
27 claim or a portion of a claim is returned from a health

1 professional or facility under subdivision (h) and remains
2 defective for the original reason or a new reason.

3 (j) An external review procedure for adverse determinations of
4 payment as provided in subsections (4) and (5). The costs for the
5 external review procedure shall be assessed as determined by the
6 ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL**
7 **SERVICES**.

8 (k) Penalties to be applied to health professionals, health
9 facilities, and qualified health plans for failing to adhere to the
10 timely claims processing and payment procedure established under
11 this section.

12 (l) A system for notifying the licensing entity for health
13 maintenance organizations, qualified health plans, and other health
14 care insurers if a penalty is incurred under subdivision (k).

15 (3) If a qualified health plan determines that 1 or more
16 covered services listed on a claim are payable, the qualified
17 health plan shall pay for those services and shall not deny the
18 entire claim because 1 or more other covered services listed on the
19 claim are defective or because 1 or more other services listed on
20 the claim are not covered services.

21 (4) The ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF INSURANCE**
22 **AND FINANCIAL SERVICES** shall establish an external review procedure
23 as provided in this subsection and subsection (5). A health
24 professional or facility may request an external review by the
25 ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL**
26 **SERVICES** of a qualified health plan's adverse determination if the
27 health professional or facility makes the request not later than 30

1 days after receipt of a notice under subsection (2)(i). Within 10
2 days after a request for an external review, the ~~commissioner~~
3 **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**
4 shall complete a preliminary review to determine whether the
5 external review may proceed or request more information from the
6 health professional, facility, or the qualified health plan. The
7 health professional, facility, or the qualified health plan shall
8 supply the ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF INSURANCE AND**
9 **FINANCIAL SERVICES** with the requested information not later than 10
10 business days after receipt of the request for information from the
11 ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL**
12 **SERVICES**. Not later than 5 business days after receipt of any
13 information requested by the ~~commissioner~~, ~~the commissioner~~
14 **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES, HE**
15 **OR SHE** shall complete a preliminary review to determine whether the
16 external review may proceed. If the ~~commissioner~~**DIRECTOR OF THE**
17 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** determines **THAT** the
18 external review may not proceed, ~~the commissioner~~**HE OR SHE** shall
19 notify in writing the health professional or facility of the
20 specific reasons for the determination and may permit the health
21 professional or facility to reapply for a preliminary review by the
22 ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL**
23 **SERVICES**. If the ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF**
24 **INSURANCE AND FINANCIAL SERVICES** determines **THAT** the external
25 review may proceed, ~~the commissioner~~**HE OR SHE** shall notify in
26 writing the health professional or facility and the qualified
27 health plan and shall require the qualified health plan to provide

1 not later than 7 business days after the notice any information
2 used by the qualified health plan in making the adverse
3 determination. Failure by a health professional or facility or
4 qualified health plan to provide the ~~commissioner~~ **DIRECTOR OF THE**
5 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** with requested
6 information permits the ~~commissioner~~ **HIM OR HER** to terminate a
7 review and issue a decision reversing or affirming an adverse
8 determination.

9 (5) If the ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT OF**
10 **INSURANCE AND FINANCIAL SERVICES** determines that an external review
11 may proceed, the ~~commissioner~~ **HE OR SHE** shall immediately assign an
12 independent review organization to conduct the external review.
13 Only an independent review organization meeting qualifications
14 established by the ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT OF**
15 **INSURANCE AND FINANCIAL SERVICES** shall be assigned to conduct an
16 external review. The independent review organization may request
17 the health professional or facility and the qualified health plan
18 to provide information and shall review all pertinent information
19 submitted by the health professional or facility and the qualified
20 health plan along with the terms of coverage under the ~~medicaid~~
21 **MEDICAID** plan. The independent review organization shall make a
22 written recommendation that includes the rationale and supporting
23 documentation and any recommendation for an assessment of interest
24 to the ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND**
25 **FINANCIAL SERVICES** not later than 30 days after being assigned as
26 the review organization. The ~~commissioner~~ **DIRECTOR OF THE**
27 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** shall notify in

1 writing the health professional or facility and the qualified
2 health plan of his or her decision reversing or affirming the
3 qualified health plan's adverse determination and shall include the
4 principal reasons for the decision not later than 15 days after
5 receipt of the assigned independent review organization's
6 recommendation. If an adverse determination is reversed, the
7 qualified health plan shall immediately pay the claim and any
8 interest assessed by the ~~commissioner~~**DIRECTOR OF THE DEPARTMENT OF**
9 **INSURANCE AND FINANCIAL SERVICES.**

10 (6) ~~Beginning not later than October 1, 2000 and continuing~~
11 ~~thereafter, the~~**THE** department of ~~community health~~ shall not enter
12 into or renew a contract with a qualified health plan unless the
13 qualified health plan agrees to follow the timely claims processing
14 and payment procedure established under this section and requires
15 health professionals and facilities under contract with the
16 qualified health plan to follow the timely claims processing and
17 payment procedure established under this section. The department of ~~of~~
18 ~~community health~~ shall not enter into or renew a contract with a
19 qualified health plan unless the ~~commissioner~~**DIRECTOR OF THE**
20 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** determines that the
21 qualified health plan satisfies all of the following:

22 (a) Is a health maintenance organization licensed or issued a
23 certificate of authority in this state.

24 (b) Uses standardized claims as outlined in the provider
25 contract and accepts claims submitted electronically in a generally
26 accepted format.

27 (c) Demonstrates the ability to provide all required or

1 covered ~~medicaid~~ **MEDICAID** services including covered specialty care
2 to the estimated number of enrollees on a regional basis.

3 (d) Meets the criteria for delivering the comprehensive
4 package of services under the ~~department of community health's~~
5 **DEPARTMENT'S** comprehensive health plan.

6 ~~—— (7) The commissioner shall report to the senate and house of~~
7 ~~representatives appropriations subcommittees on community health by~~
8 ~~October 1, 2001 on the timely claims processing and payment~~
9 ~~procedure established under this section.~~

10 (7) ~~(8)~~ It is not a fraudulent act for a health professional
11 or facility to submit a claim under this section that includes 1 or
12 more rendered services that are determined not covered services.

13 (8) ~~(9)~~ As used in this section, +

14 ~~—— (a) "Medicaid" means the program of medical assistance~~
15 ~~established under section 105.~~

16 ~~—— (b) "Qualified"~~ **QUALIFIED** health plan" means, at a minimum, an
17 organization that meets the criteria for delivering the
18 comprehensive package of services under the ~~department of community~~
19 ~~health's~~ **DEPARTMENT'S** comprehensive health plan.

20 Sec. 111k. (1) ~~Beginning October 1, 2007, the~~ **THE** department
21 ~~of community health~~ shall ensure that, as a condition of
22 participation and funding, all health professionals, facilities, or
23 health maintenance organizations receiving ~~medicaid~~ **MEDICAID**
24 payments under this act are in substantial compliance with federal
25 standards for lead screening for children enrolled in
26 ~~medicaid.~~ **MEDICAID.**

27 (2) The department ~~of community health~~ shall determine the

1 statewide average of lead screening being performed on children who
2 are enrolled in ~~medicaid~~ **MEDICAID** on October 1, 2007 and shall
3 determine whether the rate of children who are enrolled in ~~medicaid~~
4 **MEDICAID** receiving a lead screening is substantially in compliance
5 with the federal standards for lead screening for children enrolled
6 in ~~medicaid~~. **MEDICAID**. If the rate of children who are enrolled in
7 ~~medicaid~~ **MEDICAID** receiving a lead screening is below 80%, the
8 director ~~of the department of community health~~ shall present to the
9 senate and house health policy committees a written report
10 detailing why the rate is not in substantial compliance with the
11 federally required standards for lead screening and the ~~department~~
12 ~~of community health's~~ **DEPARTMENT'S** recommendations for improving
13 the rate. If the statewide lead screening testing rate does not
14 equal or exceed 80% for ~~medicaid-enrolled~~ **MEDICAID-ENROLLED**
15 children by October 1, 2007, the department ~~of community health~~
16 may, with funds appropriated for ~~medicaid~~ **MEDICAID** managed care or
17 ~~medicaid~~ **MEDICAID** fee for services, contract with community
18 agencies to provide the percentage of lead screening tests needed
19 to reach an 80% lead screening testing rate. A contracting
20 organization that meets or surpasses contract performance
21 requirements is entitled to share in financial bonuses awarded
22 under the performance bonus program and receive not less than 10%
23 of the beneficiaries who do not voluntarily select a specific
24 health plan at the time of managed care enrollment in addition to
25 any other auto assignments to which the contracting organization is
26 entitled.

27 ~~—— (3) As used in this section, "medicaid" means the program of~~

1 ~~medical assistance administered by the state under section 105.~~

2 Sec. 111/. ~~Beginning October 1, 2006, the~~ **THE** department and
3 ~~the department of community health~~ shall require that all children
4 participants in the special supplemental food program for women,
5 infants, and children (WIC program) receive lead testing. Federal
6 funds provided for administration of the special supplemental food
7 program for women, infants, and children (WIC program) shall not be
8 used to implement or administer the provisions of this section.

9 Sec. 112b. As used in this section and sections 112c to 112e:

10 (a) "Asset disregard" means, with regard to the state's
11 medical assistance program, disregarding any assets or resources in
12 an amount equal to the insurance benefit payments that are made to
13 or on behalf of an individual who is a beneficiary under a
14 qualified long-term care insurance partnership policy.

15 (b) "Long-term care insurance policy" means a policy described
16 in chapter 39 of the insurance code of 1956, 1956 PA 218, MCL
17 500.3901 to 500.3955.

18 (c) "Long-term care partnership program" means a qualified
19 state long-term care insurance partnership as defined in section
20 1917(b) of the social security act, 42 USC 1396p.

21 (d) "Long-term care partnership program policy" means a
22 qualified long-term care insurance policy that the ~~commissioner of~~
23 ~~the office of financial and insurance services~~ **DIRECTOR OF THE**
24 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** certifies as meeting
25 the requirements of section 1917(b) of the social security act, 42
26 USC 1396p, section 6021 of the federal deficit reduction act of
27 2005, Public Law 109-171, and any applicable federal regulations or

1 guidelines.

2 ~~—— (c) "Medicaid" means the program of medical assistance~~
 3 ~~established by the department of community health under section~~
 4 ~~105.~~

5 Sec. 112c. (1) Subject to subsection (5), the department of
 6 ~~community health in conjunction with the office of financial and~~
 7 ~~insurance services and the department of human services~~ **DEPARTMENT**
 8 **OF INSURANCE AND FINANCIAL SERVICES** shall establish a long-term
 9 care partnership program in Michigan **THIS STATE** to provide for the
 10 financing of long-term care through a combination of private
 11 insurance and ~~medicaid.~~ **MEDICAID**. It is the intent of the long-term
 12 care partnership program to do all of the following:

13 (a) Provide incentives for individuals to ~~insure~~ **ENSURE**
 14 against the costs of providing for their long-term care needs.

15 (b) Provide a mechanism for individuals to qualify for
 16 coverage of the cost of their long-term care needs under ~~medicaid~~
 17 **MEDICAID** without first being required to substantially exhaust
 18 their resources.

19 (c) Alleviate the financial burden on the state's medical
 20 assistance program by encouraging the pursuit of private
 21 initiatives.

22 (2) An individual who is a beneficiary of a Michigan long-term
 23 care partnership program policy is eligible for assistance under
 24 the state's medical assistance program using the asset disregard as
 25 provided under subsection (5).

26 (3) The department of ~~community health~~ shall pursue reciprocal
 27 agreements with other states to extend the asset disregard to

1 Michigan residents who purchased long-term care partnership
2 policies in other states that are compliant with title VI, section
3 6021 of the federal deficit reduction act of 2005, Public Law 109-
4 171, and any applicable federal regulations or guidelines.

5 (4) Upon diminishment of assets below the anticipated
6 remaining benefits under a long-term care partnership program
7 policy, certain assets of an individual, as provided under
8 subsection (5), shall not be considered when determining any of the
9 following:

10 (a) Medicaid eligibility.

11 (b) The amount of any ~~medicaid~~**MEDICAID** payment.

12 (c) Any subsequent recovery by the state of a payment for
13 medical services or long-term care services.

14 (5) Not later than ~~270 days after the effective date of the~~
15 ~~amendatory act that added this subsection,~~**OCTOBER 7, 2007**, the
16 ~~department of community health~~ shall apply to the United States
17 ~~department~~**DEPARTMENT** of ~~health~~**HEALTH** and ~~human services~~**HUMAN**
18 **SERVICES** for an amendment to the state's ~~medicaid~~**MEDICAID** state
19 plan to establish that the assets an individual owns and may retain
20 under ~~medicaid~~**MEDICAID** and still qualify for benefits under
21 ~~medicaid~~**MEDICAID** at the time the individual applies for benefits
22 ~~is~~**ARE** increased dollar-for-dollar for each dollar paid out under
23 the individual's long-term care insurance policy if the individual
24 is a beneficiary of a qualified long-term care partnership program
25 policy.

26 (6) If the long-term care partnership program is discontinued,
27 an individual who purchased a Michigan long-term care partnership

1 program policy before the date the program was discontinued shall
2 be eligible to receive asset disregard if allowed as provided by
3 title VI, section 6021 of the federal deficit reduction act of
4 2005, Public Law 109-171.

5 (7) The department ~~of community health~~ shall contract with the
6 Michigan ~~medicare medicaid~~ **MEDICARE MEDICAID** assistance program or
7 ~~department of community health designated~~ **DEPARTMENT-DESIGNATED**
8 single point of entry agencies, or both, to provide counseling
9 services under the Michigan long-term care partnership program.

10 (8) The department, ~~of community health~~, in consultation with
11 the department of ~~human services and the office of financial and~~
12 insurance **AND FINANCIAL** services, shall develop a notice to
13 consumers detailing in plain language the pertinent provisions of
14 qualified state long-term care insurance partnership policies as
15 they relate to ~~medicaid~~ **MEDICAID** eligibility and shall determine
16 the appropriate distribution of the notice. The notice shall be
17 available in a printable form on the ~~office of financial and~~
18 **DEPARTMENT OF** insurance **AND FINANCIAL** services's website.

19 (9) The department , ~~the department of community health, and~~
20 ~~the office of financial and~~ **THE DEPARTMENT OF** insurance **AND**
21 **FINANCIAL** services shall post, on their respective websites,
22 information on how to access the national clearinghouse established
23 under the federal deficit reduction act of 2005, Public Law 109-
24 171, when the national clearinghouse becomes available to
25 consumers.

26 Sec. 112e. The department, ~~of community health~~, in
27 consultation with the department of ~~human services and the office~~

1 ~~of INSURANCE AND~~ financial services, may promulgate rules pursuant
 2 **ACCORDING** to the administrative procedures act of 1969, ~~1969 PA~~
 3 ~~306, MCL 24.201 to 24.328,~~ as necessary to implement the
 4 partnership program in accordance with the requirements of section
 5 1917(b) of the social security act, 42 USC 1396p, section 6021 of
 6 the federal deficit reduction act of 2005, Public Law 109-171, and
 7 applicable federal regulations or guidelines.

8 Sec. 112g. (1) Subject to section 112c(5), the department ~~of~~
 9 ~~community health~~ shall establish and operate the Michigan ~~medicaid~~
 10 **MEDICAID** estate recovery program to comply with requirements
 11 contained in section 1917 of title XIX. The department ~~of community~~
 12 ~~health~~ shall work with the appropriate state and federal
 13 departments and agencies to review options for development of a
 14 voluntary estate preservation program. Beginning not later than ~~180~~
 15 ~~days after the effective date of the amendatory act that added this~~
 16 ~~section~~ **MARCH 28, 2008** and every 180 days thereafter, **AFTER THAT,**
 17 the department ~~of community health~~ shall submit a report to the
 18 senate and house appropriations subcommittees with jurisdiction
 19 over department ~~of community health~~ matters and the senate and
 20 house fiscal agencies regarding options for development of the
 21 estate preservation program.

22 (2) The department ~~of community health~~ shall establish an
 23 estate recovery program including various estate recovery program
 24 activities. These activities shall include, at a minimum, all of
 25 the following:

26 (a) Tracking assets and services of recipients of medical
 27 assistance that are subject to estate recovery.

1 (b) Actions necessary to collect amounts subject to estate
2 recovery for medical services as determined according to subsection
3 (3)(a) provided to recipients identified in subsection (3)(b).
4 Amounts subject to recovery shall not exceed the cost of providing
5 the medical services. Any settlements shall take into account the
6 best interests of the state and the spouse and heirs.

7 (c) Other activities necessary to efficiently and effectively
8 administer the program.

9 (3) The department ~~of community health~~ shall seek appropriate
10 changes to the Michigan ~~medicaid~~ **MEDICAID** state plan and shall
11 apply for any necessary waivers and approvals from the federal
12 ~~centers~~ **CENTERS** for ~~medicare~~ **MEDICARE** and ~~medicaid services~~
13 **MEDICAID SERVICES** to implement the Michigan ~~medicaid~~ **MEDICAID**
14 estate recovery program. The department ~~of community health~~ shall
15 seek approval from the federal ~~centers~~ **CENTERS** for ~~medicare~~
16 **MEDICARE** and ~~medicaid~~ **MEDICAID SERVICES** regarding all of the
17 following:

18 (a) Which medical services are subject to estate recovery
19 under section 1917(b)(1)(B)(i) and (ii) of title XIX.

20 (b) Which recipients of medical assistance are subject to
21 estate recovery under section 1917(a) and (b) of title XIX.

22 (c) Under what circumstances the program shall pursue recovery
23 from the estates of spouses of recipients of medical assistance who
24 are subject to estate recovery under section 1917(b)(2) of title
25 XIX.

26 (d) What actions may be taken to obtain funds from the estates
27 of recipients subject to recovery under section 1917 of title XIX,

1 including notice and hearing procedures that may be pursued to
2 contest actions taken under the Michigan ~~medicaid~~-**MEDICAID** estate
3 recovery program.

4 (e) Under what circumstances the estates of medical assistance
5 recipients ~~will be~~-**ARE** exempt from the Michigan ~~medicaid~~-**MEDICAID**
6 estate recovery program because of a hardship. At the time an
7 individual enrolls in ~~medicaid~~-**MEDICAID** for long-term care
8 services, the department ~~of community health~~ shall provide to the
9 individual written materials explaining the process for applying
10 for a waiver from estate recovery due to hardship. The department
11 ~~of community health~~ shall develop a definition of hardship
12 according to section 1917(b)(3) of title XIX that includes, but is
13 not limited to, the following:

14 (i) An exemption for the portion of the value of the medical
15 assistance recipient's homestead that is equal to or less than 50%
16 of the average price of a home in the county in which the ~~medicaid~~
17 **MEDICAID** recipient's homestead is located as of the date of the
18 medical assistance recipient's death.

19 (ii) An exemption for the portion of an estate that is the
20 primary income-producing asset of survivors, including, but not
21 limited to, a family farm or business.

22 (iii) A rebuttable presumption that no hardship exists if the
23 hardship resulted from estate planning methods under which assets
24 were diverted in order to avoid estate recovery.

25 (f) The circumstances under which the department ~~of community~~
26 ~~health~~ may review requests for exemptions and provide exemptions
27 from the Michigan ~~medicaid~~-**MEDICAID** estate recovery program for

1 cases that do not meet the definition of hardship developed by the
2 department. ~~of community health.~~

3 (g) Implementing the provisions of section 1396p(b)(3) of
4 title XIX to ensure that the heirs of persons subject to the
5 Michigan ~~medicaid~~ **MEDICAID** estate recovery program will not be
6 unreasonably harmed by the provisions of this program.

7 (4) The department ~~of community health~~ shall not seek ~~medicaid~~
8 **MEDICAID** estate recovery if the costs of recovery exceed the amount
9 of recovery available or if the recovery is not in the best
10 economic interest of the state.

11 (5) The department ~~of community health~~ shall not implement a
12 Michigan ~~medicaid~~ **MEDICAID** estate recovery program until approval
13 by the federal government is obtained.

14 (6) The department ~~of community health~~ shall not recover
15 assets from the home of a medical assistance recipient if 1 or more
16 of the following individuals are lawfully residing in that home:

17 (a) The medical assistance recipient's spouse.

18 (b) The medical assistance recipient's child who is under the
19 age of 21 years, or is blind or permanently and totally disabled as
20 defined in section 1614 of the social security act, 42 USC 1382c.

21 (c) The medical assistance recipient's caretaker relative who
22 was residing in the medical assistance recipient's home for a
23 period of at least 2 years immediately before the date of the
24 medical assistance recipient's admission to a medical institution
25 and who establishes that he or she provided care that permitted the
26 medical assistance recipient to reside at home rather than in an
27 institution. As used in this subdivision, "caretaker relative"

1 means any relation by blood, marriage, or adoption who is within
2 the fifth degree of kinship to the recipient.

3 (d) The medical assistance recipient's sibling who has an
4 equity interest in the medical assistance recipient's home and who
5 was residing in the medical assistance recipient's home for a
6 period of at least 1 year immediately before the date of the
7 individual's admission to a medical institution.

8 (7) The department ~~of community health~~ shall provide written
9 information to individuals seeking ~~medicaid~~ **MEDICAID** eligibility
10 for long-term care services describing the provisions of the
11 Michigan ~~medicaid~~ **MEDICAID** estate recovery program, including, but
12 not limited to, a statement that some or all of their estate may be
13 recovered.

14 (8) The department ~~of community health~~ shall not charge
15 interest on the balance of any Michigan ~~medicaid~~ **MEDICAID** estate
16 recovery payments.

17 (9) The department ~~of community health~~ shall not place or
18 record a lien on qualifying property under the tax equity and
19 fiscal responsibility act of 1982, Public Law ~~97-424~~ **97-248**
20 (TEFRA).

21 Sec. 112i. Revenue collected through Michigan ~~medicaid~~
22 **MEDICAID** estate recovery activities shall be used to fund the
23 activities of the Michigan ~~medicaid~~ **MEDICAID** estate recovery
24 program. Any remaining balances shall be treated as an expenditure
25 credit for long-term care support and services in the medical
26 services appropriation unit of the annual department ~~of community~~
27 ~~health~~ appropriation.

1 Sec. 112j. (1) The department ~~of community health~~ may
2 promulgate rules for the Michigan ~~medicaid~~ **MEDICAID** estate recovery
3 program according to the administrative procedures act of 1969. ~~7~~
4 ~~1969 PA 306, MCL 24.201 to 24.328.~~

5 (2) Not later than 1 year after implementation of the Michigan
6 ~~medicaid~~ **MEDICAID** estate recovery program and each year after that,
7 the department ~~of community health~~ shall submit a report to the
8 senate and house appropriations subcommittees with jurisdiction
9 over department ~~of community health~~ matters and the senate and
10 house fiscal agencies regarding the cost to administer the Michigan
11 ~~medicaid~~ **MEDICAID** estate recovery program and the amounts recovered
12 under the Michigan ~~medicaid~~ **MEDICAID** estate recovery program.

13 Sec. 114. (1) The office of children and youth services is
14 created as a ~~single purpose~~ **SINGLE-PURPOSE** entity within the
15 department. ~~of social services.~~ The office shall be responsible for
16 the planning, development, implementation, and evaluation of
17 children and youth services conducted, administered, or purchased
18 by the department under the authority of sections 114 to ~~123~~ **119B**.

19 (2) The director, ~~of social services,~~ after consultation with
20 the governor, shall appoint an executive director of the office.
21 The executive director shall be accountable directly to the
22 director. ~~of social services.~~ The executive director shall not be
23 within the classified civil service and shall receive compensation
24 as established by the legislature. The executive director shall **DO**
25 **THE FOLLOWING:**

26 (a) Represent the department in all matters and hearings
27 pertaining to children and youth services and programs.

1 (b) Serve as a special advisor to the governor on children and
2 youth services budgets and programs.

3 (c) Advise the director ~~of social services~~ with respect to
4 children and youth services and programs conducted, administered,
5 or purchased by the department under the authority of sections 114
6 to ~~123,~~ **119B**, and make recommendations to the director for the
7 improvement of those services and programs.

8 (d) Recommend to the governor and the legislature methods of
9 improving the effectiveness of public and private children and
10 youth services and programs.

11 (e) Recommend to the governor and the legislature appropriate
12 allocations of public funds for children and youth services and
13 programs.

14 (3) The department, in conjunction with the office, may
15 promulgate rules necessary to implement, administer, and enforce
16 its powers and duties as described in this act. The rules shall be
17 promulgated ~~pursuant to Act No. 306 of the Public Acts of 1969, as~~
18 ~~amended, being sections 24.201 to 24.315 of the Michigan Compiled~~
19 ~~Laws.~~ **ACCORDING TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969.**

20 Sec. 115f. As used in this section and sections 115g to 115t:

21 (a) "Adoptee" means the child who is to be adopted or who is
22 adopted.

23 (b) "Adoption assistance" means a support subsidy or a support
24 subsidy with medical assistance.

25 (c) "Adoption assistance agreement" means an agreement between
26 the department and an adoptive parent regarding adoption
27 assistance.

1 (d) "Adoption code" means the Michigan adoption code, chapter
2 X of the probate code of 1939, 1939 PA 288, MCL 710.21 to 710.70.

3 (e) "Adoptive parent" means the parent or parents who adopt a
4 child under the adoption code.

5 (f) "Certification" means a determination of eligibility by
6 the department that an adoptee is eligible for a support subsidy or
7 a medical subsidy, or both, or redetermined adoption assistance.

8 (g) "Child with special needs" means an individual under the
9 age of 18 years for whom the state has determined all of the
10 following:

11 (i) There is a specific judicial finding that the child cannot
12 or should not be returned to the home of the child's parents.

13 (ii) A specific factor or condition, or a combination of
14 factors and conditions, exists before the adoption is finalized so
15 that it is reasonable to conclude that the child cannot be placed
16 with an adoptive parent without providing adoption assistance under
17 this act. The factors or conditions to be considered may include
18 ethnic or family background, age, membership in a minority or
19 sibling group, medical condition, physical, mental, or emotional
20 disability, or length of time the child has been waiting for an
21 adoptive home.

22 (iii) A reasonable but unsuccessful effort was made to place the
23 adoptee with an appropriate adoptive parent without providing
24 adoption assistance under this act or a prospective placement is
25 the only placement in the best interest of the child.

26 (h) "Compact" means the interstate compact on adoption and
27 medical assistance as enacted in sections 115r and 115s.

1 (i) "Court" means the family division of circuit court.

2 ~~(j) "Department" means the department of human services.~~

3 (J) ~~(k)~~ "Determination of care rate" means a supplemental
4 payment to the standard age appropriate foster care rate that may
5 be justified when extraordinary care or expense is required. The
6 supplemental payment shall be based on 1 or more of the following
7 for which extraordinary care is required of the foster care
8 provider or an extraordinary expense exists:

9 (i) A physically disabled child for whom the foster care
10 provider must provide measurably greater supervision and care.

11 (ii) A child with special psychological or psychiatric needs
12 that require extra time and a measurably greater amount of care and
13 attention by the foster care provider.

14 (iii) A child requiring a special diet that is more expensive
15 than a normal diet and that requires extra time and effort by the
16 foster care provider to obtain and prepare.

17 (iv) A child whose severe acting out or antisocial behavior
18 requires a measurably greater amount of care and attention of the
19 foster care provider.

20 (v) Any other condition for which the department determines
21 that extraordinary care is required of the foster care provider or
22 an extraordinary expense exists.

23 (K) ~~(l)~~ "Foster care" means placement of a child outside the
24 child's parental home under the department's supervision by a court
25 of competent jurisdiction.

26 (I) ~~(m)~~ "Medical assistance" means the federally aided medical
27 assistance program under title XIX.

1 **(M)** ~~(n)~~—"Medical subsidy" means a reimbursement program that
2 assists in paying for services for an adopted child who has an
3 identified physical, mental, or emotional condition that existed,
4 or the cause of which existed, before the adoption is finalized.

5 **(N)** ~~(e)~~—"Medical subsidy agreement" means an agreement between
6 the department and an adoptive parent regarding a medical subsidy.

7 **(O)** ~~(p)~~—"Nonrecurring adoption expenses" means reasonable and
8 necessary adoption fees, court costs, attorney fees, and other
9 expenses that are directly related to the legal adoption of a child
10 with special needs. Nonrecurring adoption expenses do not include
11 costs or expenses incurred in violation of state or federal law or
12 that have been reimbursed from other sources or funds.

13 **(P)** ~~(q)~~—"Other expenses that are directly related to the legal
14 adoption of a child with special needs" means adoption costs
15 incurred by or on behalf of the adoptive parent and for which the
16 adoptive parent carries the ultimate liability for payment,
17 including the adoption study, health and psychological
18 examinations, supervision of the placement before adoption, and
19 transportation and reasonable costs of lodging and food for the
20 child or adoptive parent if necessary to complete the adoption or
21 placement process.

22 **(Q)** ~~(r)~~—"Party state" means a state that becomes a party to
23 the interstate compact on adoption and medical assistance.

24 **(R)** ~~(s)~~—"Placement" means a placement or commitment, including
25 the necessity of removing the child from his or her parental home,
26 as approved by the court under an order of disposition issued under
27 section 2 of chapter XIIA of the probate code of 1939, 1939 PA 288,

1 MCL 712A.2.

2 (S) ~~(t)~~—"Redetermined adoption assistance" means a payment as
3 determined by a certification that may be justified when
4 extraordinary care or expense is required for a condition that
5 existed or the cause of which existed before the adoption from
6 foster care was finalized.

7 (T) ~~(u)~~—"Redetermined adoption assistance agreement" means a
8 written agreement regarding redetermined adoption assistance
9 between the department and the adoptive parent of a child.

10 (U) ~~(v)~~—"Residence state" means the state in which the child
11 is a resident by virtue of the adoptive parent's residency.

12 (V) ~~(w)~~—"Standard age appropriate foster care rate" means the
13 approved maintenance payment rate that is paid for a child in
14 foster family care.

15 (W) ~~(x)~~—"State" means a state of the United States, the
16 District of Columbia, the Commonwealth of Puerto Rico, the Virgin
17 Islands, Guam, the Commonwealth of the Northern Mariana Islands, or
18 a territory or possession of the United States.

19 (X) ~~(y)~~—"Support subsidy" means payment for support of a child
20 who has been placed for adoption from foster care.

21 Sec. 115o. (1) Both of the following apply to residential care
22 bed space for juveniles who are within or likely to come within the
23 court's jurisdiction under section 2(a) or (d) of chapter XIIIA of
24 1939 PA 288, MCL 712A.2, or committed to the department under the
25 youth rehabilitation services act, 1974 PA 150, MCL 803.301 to
26 803.309:

27 (a) If 1 or more appropriate juvenile residential care

1 providers located or doing business in this state have bed space
2 available, the department shall use that space rather than a space
3 available by a provider located or doing business in another state.
4 This requirement does not apply if the provider located or doing
5 business in another state offers a specialized program that is not
6 available in this state.

7 (b) If an excess of bed spaces is available within a security
8 level, the department shall use the bed spaces of private providers
9 with whom it has contracted and allow state owned bed spaces to go
10 unused first. ~~However, in~~ **IN** applying this subdivision, a bed space
11 that is available because a facility refused to accept a juvenile
12 does not count toward a surplus.

13 (2) As used in this section, "appropriate juvenile residential
14 care provider" means a private nonprofit entity domiciled in this
15 state that is licensed by the department of ~~consumer and industry~~
16 ~~services~~ **LICENSING AND REGULATORY AFFAIRS** and that entered into 1
17 or more contracts with the ~~family independence agency~~ **DEPARTMENT** to
18 provide residential care services for juveniles on or before the
19 ~~effective date of the amendatory act that added this~~
20 ~~section.~~ **JANUARY 12, 1999.**

21 Sec. 115s. (1) The ~~family independence agency is authorized to~~
22 **DEPARTMENT MAY** negotiate and enter into interstate compacts with
23 agencies of other states for the provision of adoption assistance
24 for an adoptee who is a child with special needs, who moves into or
25 out of this state, and on behalf of whom adoption assistance is
26 being provided by this state or another state party to such a
27 compact.

1 (2) When a compact is so entered into and for as long as it
2 remains in force, the compact has the force and effect of law.

3 (3) A compact authorized under this act must include:

4 (a) A provision making it available for joinder by all states.

5 (b) A provision or provisions for withdrawal from the compact
6 upon written notice to the parties, but with a period of 1 year
7 between the date of the notice and effective date of the
8 withdrawal.

9 (c) A requirement that the protections under the compact
10 continue in force for the duration of the adoption assistance and
11 are applicable to all children and their adoptive parents who on
12 the effective date of the withdrawal are receiving adoption
13 assistance from a party state other than the ~~one~~**STATE** in which
14 they are resident and have their principal place of abode.

15 (d) A requirement that each instance of adoption assistance to
16 which the compact applies be covered by an adoption assistance
17 agreement in writing between the adoptive parents and the state
18 child welfare agency of the state that undertakes to provide the
19 adoption assistance. An agreement required by this subdivision
20 shall be expressly for the benefit of the adopted child and be
21 enforceable by the adoptive parents and the state agency providing
22 the adoption assistance.

23 (e) Other provisions as may be appropriate to implement the
24 proper administration of the compact.

25 Sec. 116. (1) With respect to juvenile court probation staff
26 in a county that is not a county juvenile agency, the department
27 shall do all of the following:

1 (a) Develop and recommend to the supreme court standards and
2 qualifications for employment and other criteria designed to
3 develop an adequate career service.

4 (b) Maintain information as to court employment needs and
5 assist in recruiting qualified personnel.

6 (c) Provide, with legislative approval, a statewide system of
7 preservice and inservice training, which may include full or part-
8 time scholarships.

9 (d) Develop recommendations regarding the functions of the
10 office of county juvenile officer.

11 (2) The department may provide consultation and assistance
12 services to the juvenile probation service of the court in a county
13 that is not a county juvenile agency.

14 (3) The department shall develop a plan that permits the
15 voluntary transfer of county juvenile court probation staff in a
16 county that is not a county juvenile agency to the department by
17 the joint concurrence of the county board of commissioners or
18 county executive, as applicable, and the chief judge of the family
19 division of circuit court. The plan shall include procedures for
20 negotiations between the state, as represented by the department,
21 and the affected county board of commissioners or county executive,
22 the county ~~family independence agency~~ board, and the chief judge of
23 the family division of circuit court for that county. The plan
24 shall afford juvenile court probation staff transferred under the
25 plan the opportunity to be employed in the state classified civil
26 service in compliance with procedures established by the Michigan
27 civil service commission. The plan shall enable the court to

1 maintain sufficient staff to enforce court orders and to perform
2 the preliminary inquiry and monitoring of court wards required by
3 chapter XIIIA of **THE PROBATE CODE OF 1939**, 1939 PA 288, MCL 712A.1
4 to 712A.32. ~~The plan shall be submitted to the legislature not~~
5 ~~later than 18 months after the effective date of this subsection.~~

6 (4) As used in this section, "county juvenile agency" means
7 that term as defined in section 2 of the county juvenile agency
8 act, **1998 PA 518, MCL 45.622**.

9 Sec. 117c. (1) The county treasurer is designated as the
10 custodian of all money provided for the use of the county ~~family~~
11 ~~independence agency, DEPARTMENT~~, the family division of circuit
12 court, and the agency designated by the county board of
13 commissioners or, if a county has a county executive, chief
14 administrative officer, or county manager, that individual to
15 provide juvenile justice services. The county treasurer shall
16 create and maintain a child care fund. The following money shall be
17 deposited in the child care fund:

18 (a) All money raised by the county for the use of the county
19 ~~family independence agency DEPARTMENT~~ for the foster care of
20 children with respect to whom the family division of circuit court
21 has not taken jurisdiction.

22 (b) Money for the foster care of children under the
23 jurisdiction of the family division of circuit court raised by the
24 county with the view of receiving supplementary funds for this
25 purpose from the state government as provided in section 117a.

26 (c) All funds made available by the state government for
27 foster care of children.

1 (d) All payments made in respect to support orders issued by
2 the family division of circuit court for the reimbursement of
3 government for expenditures made or to be made from the child care
4 fund for the foster care of children.

5 (e) All prepayments and refunds for reimbursement of county
6 ~~family independence agencies~~ **DEPARTMENTS** for the foster care of
7 children.

8 (f) All funds made available to the county for the foster care
9 of children from any other source, except gifts that are
10 conditioned on a different disposition or reimbursements of the
11 general fund.

12 (g) Money for the foster care of children under the
13 jurisdiction of the court of general criminal jurisdiction
14 committed to a county facility or a court facility for juveniles in
15 the county in which the court of general criminal jurisdiction is
16 located.

17 (h) All payments made in respect to support orders issued by
18 the court of general criminal jurisdiction for the reimbursement of
19 government for expenditures made or to be made from the child care
20 fund for the foster care of children.

21 (2) The child care fund shall be used for the costs of
22 providing foster care for children under sections 18c and 117a and
23 under the jurisdiction of the family division of circuit court or
24 court of general criminal jurisdiction.

25 (3) The child care fund may be used to pay the county's share
26 of the cost of maintaining children at the Michigan children's
27 institute under 1935 PA 220, MCL 400.201 to 400.214, or public

wards under the youth rehabilitation services act, 1974 PA 150, MCL 803.301 to 803.309.

(4) The account for the child care fund shall be maintained separate and apart from all other accounts of county funds. The fund shall be used exclusively for carrying out the purposes authorized by this act. The county board of commissioners shall distinguish in its appropriations for the child care fund the sums of money to be used by the family division of circuit court, the county ~~family independence agency~~, **DEPARTMENT**, and the agency designated by the county board of commissioners or the county executive to provide juvenile justice services. The county treasurer shall keep these segregated in proper subaccounts.

(5) A county annually shall develop and submit a plan and budget for the funding of foster care services to the office for approval. Funds shall not be distributed under section 117a except for reimbursement of expenditures made under an approved plan and budget. The office shall not approve plans and budget that exceed the amount appropriated by the legislature.

(6) A county shall make and preserve accurate records of its juvenile justice services and expenditures. Upon the department's request, the information contained in the records shall be available to the office.

(7) This section does not apply to a county that is a county juvenile agency.

Enacting section 1. Sections 2, 109i, and 109j of the social welfare act, 1939 PA 280, MCL 400.2, 400.109i, and 400.109j, are repealed.

1 Enacting section 2. This amendatory act takes effect 90 days
2 after the date it is enacted into law.