

**SUBSTITUTE FOR
HOUSE BILL NO. 4403**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 109 (MCL 400.109), as amended by 2016 PA 551.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

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

26 (ii) For ~~county-owned~~ **COUNTY-OWNED** facilities with per patient
27 day updated variable costs not exceeding the variable cost limit

1 for the county facility, county maintenance of effort rate means
2 45% of the difference between per patient day updated variable cost
3 and the concomitant nursing home class variable cost limit.

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

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

18 (v) If the county maintenance of effort rate computed under
19 this section exceeds the county maintenance of effort rate in
20 effect as of September 30, 1984, the rate in effect as of September
21 30, 1984 shall remain in effect until a time that the rate computed
22 under this section is less than the September 30, 1984 rate. This
23 limitation remains in effect until December 31, 2022. For each
24 subsequent county fiscal year, the maintenance of effort **RATE** may
25 not increase by more than \$1.00 per patient day each year.

26 (vi) For ~~county-owned~~ **COUNTY-OWNED** facilities, reimbursement
27 for plant costs will continue to be based on interest expense and

1 depreciation allowance unless otherwise provided by law.

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

8 (e) An eligible individual may receive other medical and
9 health services as authorized by the department.

10 (f) Psychiatric care may also be provided according to the
11 guidelines established by the department to the extent of
12 appropriations made available by the legislature for the fiscal
13 year.

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

22 **(H) AN ELIGIBLE INDIVIDUAL MAY RECEIVE MEDICALLY NECESSARY**
23 **ACUTE MEDICAL DETOXIFICATION FOR OPIOID USE DISORDER, MEDICALLY**
24 **NECESSARY INPATIENT CARE AT AN APPROVED FACILITY, OR CARE IN AN**
25 **APPROPRIATELY LICENSED SUBSTANCE USE DISORDER RESIDENTIAL TREATMENT**
26 **FACILITY.**

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

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

8 (3) As used in this act:

9 (a) "Title XVIII" means title XVIII of the social security
10 act, 42 USC 1395 to 1395///.

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

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

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