

HOUSE BILL No. 5674

March 1, 2018, Introduced by Reps. Sowerby, Ellison, Moss, Clemente, Sneller, Neeley, Zemke, Hertel, Pagan, Rabhi, Yanez, Camilleri, Elder, Greig, LaGrand, Greimel, Liberati, Wittenberg, Sabo, Green, Hoadley, Lasinski, Geiss, Cambensy, Hammoud and Gay-Dagnogo and referred to the Committee on Health Policy.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 105d (MCL 400.105d), as added by 2013 PA 107.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

7 (a) Enroll individuals eligible under section
8 1396a(a)(10)(A)(i)(VIII) of title XIX who meet the citizenship
9 provisions of 42 CFR 435.406 and who are otherwise eligible for the
10 medical assistance program under this act into a contracted health

1 plan that provides for an account into which money from any source,
2 including, but not limited to, the enrollee, the enrollee's
3 employer, and private or public entities on the enrollee's behalf,
4 can be deposited to pay for incurred health expenses, including,
5 but not limited to, co-pays. The account shall be administered by
6 the department ~~of community health~~ and can be delegated to a
7 contracted health plan or a third party administrator, as
8 considered necessary. ~~The department of community health shall not~~
9 ~~begin enrollment of individuals eligible under this subdivision~~
10 ~~until January 1, 2014 or until the waiver requested in this~~
11 ~~subsection is approved by the United States department of health~~
12 ~~and human services, whichever is later.~~

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

1 program as a template and closer oversight by health plans in
2 access to providers. The department ~~of community health~~ shall
3 report its plan of action for enrollees who consistently fail to
4 meet their cost-sharing requirements to the legislature. ~~by June 1,~~
5 ~~2014.~~

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

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

23 (e) Require enrollees described in subdivision (a) with annual
24 incomes between 100% and 133% of the federal poverty guidelines to
25 contribute not more than 5% of income annually for cost-sharing
26 requirements. Cost-sharing includes co-pays and required
27 contributions made into the accounts authorized under subdivision

(a). Contributions required in this subdivision do not apply for the first 6 months an individual described in subdivision (a) is enrolled. Required contributions to an account used to pay for incurred health expenses shall be 2% of income annually. Notwithstanding this minimum, required contributions may be reduced by the contracting health plan. The reductions may occur only if healthy behaviors are being addressed as attested to by the contracted health plan based on uniform standards developed by the department of community health in consultation with the contracted health plans. The uniform standards shall include healthy behaviors that must include, but are not limited to, completing a department of community health approved **DEPARTMENT-APPROVED** annual health risk assessment to identify unhealthy characteristics, including alcohol use, substance use disorders, tobacco use, obesity, and immunization status. Co-pays can be reduced if healthy behaviors are met, but not until annual accumulated co-pays reach 2% of income except co-pays for specific services may be waived by the contracted health plan if the desired outcome is to promote greater access to services that prevent the progression of and complications related to chronic diseases. If the enrollee described in subdivision (a) becomes ineligible for medical assistance under the program described in this section, the remaining balance in the account described in subdivision (a) shall be returned to that enrollee in the form of a voucher for the sole purpose of purchasing and paying for private insurance.

(f) ~~By July 1, 2014, design and implement~~ **IMPLEMENT AND MAINTAIN** a co-pay structure that encourages use of high-value

1 services, while discouraging low-value services such as nonurgent
2 emergency department use.

3 (g) During the enrollment process, inform enrollees described
4 in subdivision (a) about advance directives and require the
5 enrollees to complete a ~~department of community health-approved~~
6 **DEPARTMENT-APPROVED** advance directive on a form that includes an
7 option to decline. ~~The~~ **AN** advance ~~directives~~ **DIRECTIVE** received
8 from ~~enrollees~~ **AN ENROLLEE** as provided in this subdivision shall be
9 transmitted to the peace of mind registry organization to be placed
10 on the peace of mind registry.

11 (h) ~~By April 1, 2015, develop~~ **MAINTAIN** incentives for
12 enrollees and providers who assist the department ~~of community~~
13 ~~health~~ in detecting fraud and abuse in the medical assistance
14 program. The department ~~of community health~~ shall provide an annual
15 report that includes the type of fraud detected, the amount saved,
16 and the outcome of the investigation to the legislature.

17 (i) Allow for services provided by telemedicine from a
18 practitioner who is licensed, registered, or otherwise authorized
19 under section 16171 of the public health code, 1978 PA 368, MCL
20 333.16171, to engage in his or her health care profession in the
21 state where the patient is located.

22 (2) For services rendered to an uninsured individual, a
23 hospital that participates in the medical assistance program under
24 this act shall accept 115% of ~~medicare~~ **MEDICARE** rates as payments
25 in full from an uninsured individual with an annual income level up
26 to 250% of the federal poverty guidelines. This subsection applies
27 whether or not either or both of the waivers requested under this

1 section are approved, the patient protection and affordable care
 2 act is repealed, or the state terminates or opts out of the program
 3 established under this section.

4 (3) Not more than 7 calendar days after receiving each of the
 5 official waiver-related written correspondence from the United
 6 States ~~department of health and human services~~ **DEPARTMENT OF HEALTH**
 7 **AND HUMAN SERVICES** to implement the provisions of this section, the
 8 ~~department of community health~~ shall submit a written copy of the
 9 approved waiver provisions to the legislature for review.

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

1 30, 2015, the department ~~of community health~~ shall make
2 recommendations for a performance bonus incentive plan for long-
3 term care managed care providers of up to 3% of their ~~medicaid~~
4 **MEDICAID** capitation payments, consistent with other managed care
5 performance bonus incentive plans. These payments shall comply with
6 federal requirements and shall be based on measures that identify
7 the appropriate use of long-term care services and that focus on
8 consumer satisfaction, consumer choice, and other appropriate
9 quality measures applicable to community-based and nursing home
10 services. Where appropriate, these quality measures shall be
11 consistent with quality measures used for similar services
12 implemented by the integrated care for duals demonstration project.
13 This subsection applies whether or not either or both of the
14 waivers requested under this section are approved, the patient
15 protection and affordable care act is repealed, or the state
16 terminates or opts out of the program established under this
17 section.

18 (5) By September 30, 2016, the department ~~of community health~~
19 shall implement a pharmaceutical benefit that utilizes co-pays at
20 appropriate levels allowable by the ~~centers for medicare and~~
21 ~~medicaid services~~ **CENTERS FOR MEDICARE AND MEDICAID SERVICES** to
22 encourage the use of high-value, low-cost prescriptions, such as
23 generic prescriptions when ~~such~~ an alternative exists for a branded
24 product and 90-day prescription supplies, as recommended by the
25 enrollee's prescribing provider and as is consistent with section
26 109h and sections 9701 to 9709 of the public health code, 1978 PA
27 368, MCL 333.9701 to 333.9709. This subsection applies whether or

1 not either or both of the waivers requested under this section are
2 approved, the patient protection and affordable care act is
3 repealed, or the state terminates or opts out of the program
4 established under this section.

5 (6) The department ~~of community health~~ shall work with
6 providers, contracted health plans, and other departments as
7 necessary to create processes that reduce the amount of uncollected
8 cost-sharing and reduce the administrative cost of collecting cost-
9 sharing. To this end, a minimum 0.25% of payments to contracted
10 health plans shall be withheld for the purpose of establishing a
11 cost-sharing compliance bonus pool. ~~beginning October 1, 2015.~~ The
12 distribution of funds from the cost-sharing compliance pool shall
13 be based on the contracted health plans' success in collecting
14 cost-sharing payments. The department ~~of community health~~ shall
15 develop the methodology for distribution of these funds. This
16 subsection applies whether or not either or both of the waivers
17 requested under this section are approved, the patient protection
18 and affordable care act is repealed, or the state terminates or
19 opts out of the program established under this section.

20 (7) ~~By June 1, 2014, the~~ **THE** department ~~of community health~~
21 shall develop a methodology that decreases the amount an enrollee's
22 required contribution may be reduced as described in subsection
23 (1)(e) based on, but not limited to, factors such as an enrollee's
24 failure to pay cost-sharing requirements and the enrollee's
25 inappropriate utilization of emergency departments.

26 (8) The program described in this section is created in part
27 to extend health coverage to the state's low-income citizens and to

1 provide health insurance cost relief to individuals and to the
2 business community by reducing the cost shift attendant to
3 uncompensated care. Uncompensated care does not include courtesy
4 allowances or discounts given to patients. The ~~medicaid~~ **MEDICAID**
5 hospital cost report shall be part of the uncompensated care
6 definition and calculation. In addition to the ~~medicaid~~ **MEDICAID**
7 hospital cost report, the department ~~of community health~~ shall
8 collect and examine other relevant financial data for all hospitals
9 and evaluate the impact that providing medical coverage to the
10 expanded population of enrollees described in subsection (1)(a) has
11 had on the actual cost of uncompensated care. This shall be
12 reported for all hospitals in the state. By December 31, 2014, the
13 department ~~of community health~~ shall make an initial baseline
14 uncompensated care report containing at least the data described in
15 this subsection to the legislature and each December 31 after that
16 shall make a report regarding the preceding fiscal year's evidence
17 of the reduction in the amount of the actual cost of uncompensated
18 care compared to the initial baseline report. The baseline report
19 shall use fiscal year 2012-2013 data. Based on the evidence of the
20 reduction in the amount of the actual cost of uncompensated care
21 borne by the hospitals in this state, beginning April 1, 2015, the
22 department ~~of community health~~ shall proportionally reduce the
23 disproportionate share payments to all hospitals and hospital
24 systems for the purpose of producing general fund savings. The
25 department ~~of community health~~ shall recognize any savings from
26 this reduction by September 30, 2016. All the reports required
27 under this subsection shall be made available to the legislature

1 and shall be easily accessible on the ~~department of community~~
2 ~~health's~~ **DEPARTMENT'S** website.

3 (9) The department of insurance and financial services shall
4 examine the financial reports of health insurers and evaluate the
5 impact that providing medical coverage to the expanded population
6 of enrollees described in subsection (1)(a) has had on the cost of
7 uncompensated care as it relates to insurance rates and insurance
8 rate change filings, as well as its resulting net effect on rates
9 overall. The department of insurance and financial services shall
10 consider the evaluation described in this subsection in the annual
11 approval of rates. By December 31, 2014, the department of
12 insurance and financial services shall make an initial baseline
13 report to the legislature regarding rates and each December 31
14 after that shall make a report regarding the evidence of the change
15 in rates compared to the initial baseline report. All the reports
16 required under this subsection shall be made available to the
17 legislature and shall be made available and easily accessible on
18 the ~~department of community health's~~ **DEPARTMENT'S** website.

19 (10) The department ~~of community health~~ shall explore and
20 develop a range of innovations and initiatives to improve the
21 effectiveness and performance of the medical assistance program and
22 to lower overall health care costs in this state. The department ~~of~~
23 ~~community health~~ shall report the results of the efforts described
24 in this subsection to the legislature and to the house and senate
25 fiscal agencies by September 30, 2015. The report required under
26 this subsection shall also be made available and easily accessible
27 on the ~~department of community health's~~ **DEPARTMENT'S** website. The

1 department of ~~community health~~ shall pursue a broad range of
2 innovations and initiatives as time and resources allow that shall
3 include, at a minimum, all of the following:

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

6 (b) The identification of private sector, primarily small
7 business, health coverage benefit differences compared to the
8 medical assistance program services and justification for the
9 differences.

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

13 (d) Review and evaluation of the effectiveness of current
14 incentives for contracted health plans, providers, and
15 beneficiaries with recommendations for expanding and refining
16 incentives to accelerate improvement in health outcomes, healthy
17 behaviors, and cost-effectiveness and review of the compliance of
18 required contributions and co-pays.

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

1 established under this section.

2 (f) The identification of private sector initiatives used to
3 incent individuals to comply with medical advice.

4 (11) By December 31, 2015, the department ~~of community health~~
5 shall review and report to the legislature the feasibility of
6 programs recommended by multiple national organizations that
7 include, but are not limited to, the ~~council~~ **COUNCIL** of state
8 ~~governments,~~ **STATE GOVERNMENTS**, the ~~national conference~~ **NATIONAL**
9 **CONFERENCE** of state legislatures, **STATE LEGISLATURES**, and the
10 American ~~legislative exchange council,~~ **LEGISLATIVE EXCHANGE**
11 **COUNCIL**, on improving the cost-effectiveness of the medical
12 assistance program.

13 (12) ~~By January 1, 2014, the~~ **THE** department of community
14 ~~health~~ in collaboration with the contracted health plans and
15 providers shall create **AND IMPLEMENT** financial incentives for all
16 of the following:

17 (a) Contracted health plans that meet specified population
18 improvement goals.

19 (b) Providers who meet specified quality, cost, and
20 utilization targets.

21 (c) Enrollees who demonstrate improved health outcomes or
22 maintain healthy behaviors as identified in a health risk
23 assessment as identified by their primary care practitioner who is
24 licensed, registered, or otherwise authorized to engage in his or
25 her health care profession in this state. This subsection applies
26 whether or not either or both of the waivers requested under this
27 section are approved, the patient protection and affordable care

1 act is repealed, or the state terminates or opts out of the program
2 established under this section.

3 (13) ~~By October 1, 2015, the~~ **THE** performance bonus incentive
4 pool for contracted health plans that are not specialty prepaid
5 health plans shall include inappropriate utilization of emergency
6 departments, ambulatory care, contracted health plan all-cause
7 acute 30-day readmission rates, and generic drug utilization when
8 ~~such an alternative exists for a branded product and consistent~~
9 with section 109h and sections 9701 to 9709 of the public health
10 code, 1978 PA 368, MCL 333.9701 to 333.9709, as a percentage of
11 total. These measurement tools shall be considered and weighed
12 within the 6 highest factors used in the formula. This subsection
13 applies whether or not either or both of the waivers requested
14 under this section are approved, the patient protection and
15 affordable care act is repealed, or the state terminates or opts
16 out of the program established under this section.

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

24 (15) The department ~~of community health~~ shall maintain
25 administrative costs at a level of not more than 1% of the
26 ~~department of community health's~~ **DEPARTMENT'S** appropriation of the
27 state medical assistance program. These administrative costs shall

1 be capped at the total administrative costs for the fiscal year
2 ending September 30, 2016, except for inflation and project-related
3 costs required to achieve medical assistance net general fund
4 savings. This subsection applies whether or not either or both of
5 the waivers requested under this section are approved, the patient
6 protection and affordable care act is repealed, or the state
7 terminates or opts out of the program established under this
8 section.

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

19 (17) ~~Beginning October 1, 2015, the~~ **THE** department of
20 ~~community health~~ shall withhold, at a minimum, 0.75% of payments to
21 contracted health plans, except for specialty prepaid health plans,
22 for the purpose of expanding the existing performance bonus
23 incentive pool. Distribution of funds from the performance bonus
24 incentive pool is contingent on the contracted health plan's
25 completion of the required performance or compliance metrics. This
26 subsection applies whether or not either or both of the waivers
27 requested under this section are approved, the patient protection

1 and affordable care act is repealed, or the state terminates or
2 opts out of the program established under this section.

3 (18) ~~By October 1, 2015, the~~ **THE** department of community
4 ~~health~~ shall withhold, at a minimum, 0.75% of payments to specialty
5 prepaid health plans for the purpose of establishing a performance
6 bonus incentive pool. Distribution of funds from the performance
7 bonus incentive pool is contingent on the specialty prepaid health
8 plan's completion of the required performance of compliance metrics
9 ~~, which shall~~ **THAT MUST** include, at a minimum, partnering with
10 other contracted health plans to reduce nonemergent emergency
11 department utilization, increased participation in patient-centered
12 medical homes, increased use of electronic health records and data
13 sharing with other providers, and identification of enrollees who
14 may be eligible for services through the veterans administration.
15 This subsection applies whether or not either or both of the
16 waivers requested under this section are approved, the patient
17 protection and affordable care act is repealed, or the state
18 terminates or opts out of the program established under this
19 section.

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

1 established under this section.

2 (20) By September 1, 2015, in addition to the waiver requested
3 in subsection (1), the department ~~of community health~~ shall seek an
4 additional waiver from the United States ~~department~~ **DEPARTMENT** of
5 ~~health~~ **HEALTH** and ~~human services~~ **HUMAN SERVICES** that requires
6 individuals who are between 100% and 133% of the federal poverty
7 guidelines and who have had medical assistance coverage for 48
8 cumulative months beginning on the date of their enrollment into
9 the program described in subsection (1) to choose 1 of the
10 following options:

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

17 (b) Remain in the medical assistance program but increase
18 cost-sharing requirements up to 7% of income. Required
19 contributions shall be deposited into an account used to pay for
20 incurred health expenses for covered benefits and shall be 3.5% of
21 income but may be reduced as provided in subsection (1)(e). The
22 ~~department of community health~~ may reduce co-pays as provided in
23 subsection (1)(e), but not until annual accumulated co-pays reach
24 3% of income.

25 (21) The department ~~of community health~~ shall notify enrollees
26 60 days before the end of the enrollee's forty-eighth month that
27 coverage under the current program is no longer available to them

1 and that, in order to continue coverage, the enrollee must choose
2 between the options described in subsection (20)(a) or (b).

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

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

1 **SERVICES** to approve the waiver requested under subsection (20) or
2 renewal of a waiver described in this subsection.

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

5 (25) The department ~~of community health~~ shall make available
6 at least 3 years of state medical assistance program data, without
7 charge, to any vendor considered qualified by the department of
8 community health who indicates interest in submitting proposals to
9 contracted health plans in order to implement cost savings and
10 population health improvement opportunities through the use of
11 innovative information and data management technologies. Any
12 program or proposal to the contracted health plans must be
13 consistent with the state's goals of improving health, increasing
14 the quality, reliability, availability, and continuity of care, and
15 reducing the cost of care of the eligible population of enrollees
16 described in subsection (1)(a). The use of the data described in
17 this subsection for the purpose of assessing the potential
18 opportunity and subsequent development and submission of formal
19 proposals to contracted health plans is not a cost or contractual
20 obligation to the department ~~of community health~~ or the state.

21 (26) If the department ~~of community health~~ does not receive
22 approval for both of the waivers required under this section before
23 December 31, 2015, the program described in this section is
24 terminated. The department ~~of community health~~ shall request
25 written documentation from the United States department ~~DEPARTMENT~~
26 of health **HEALTH** and human services **HUMAN SERVICES** that if the
27 waivers described in this section are rejected causing the medical

1 assistance program to revert back to the eligibility requirements
2 in effect on ~~the effective date of the amendatory act that added~~
3 ~~this section,~~ **MARCH 14, 2014**, excluding any waivers that have not
4 been renewed, there shall be no financial federal funding penalty
5 to the state associated with the implementation and subsequent
6 cancellation of the program created in this section. If the
7 department of ~~community health~~ does not receive this documentation
8 by December 31, 2013, the department of ~~community health~~ shall not
9 implement the program described in this section.

10 ~~—— (27) This section does not apply if either of the following~~
11 ~~occurs:~~

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

14 ~~—— (b) If federal government matching funds for the program~~
15 ~~described in this section are reduced below 100% and annual state~~
16 ~~savings and other nonfederal net savings associated with the~~
17 ~~implementation of that program are not sufficient to cover the~~
18 ~~reduced federal match. The department of community health shall~~
19 ~~determine and the state budget office shall approve how annual~~
20 ~~state savings and other nonfederal net savings shall be calculated~~
21 ~~by June 1, 2014. By September 1, 2014, the calculations and~~
22 ~~methodology used to determine the state and other nonfederal net~~
23 ~~savings shall be submitted to the legislature.~~

24 **(27)** ~~(28)~~ The department of ~~community health~~ shall develop,
25 administer, and coordinate with the department of treasury a
26 procedure for offsetting the state tax refunds of an enrollee who
27 owes a liability to the state of past due uncollected cost-sharing,

1 as allowable by the federal government. The procedure shall include
2 a guideline that the department ~~of community health~~ submit to the
3 department of treasury, not later than November 1 of each year, all
4 requests for the offset of state tax refunds claimed on returns
5 filed or to be filed for that tax year. For the purpose of this
6 subsection, any nonpayment of the cost-sharing required under this
7 section owed by the enrollee is considered a liability to the state
8 under section 30a(2)(b) of 1941 PA 122, MCL 205.30a.

9 **(28)** ~~(29)~~ For the purpose of this subsection, any nonpayment
10 of the cost-sharing required under this section owed by the
11 enrollee is considered a current liability to the state under
12 section 32 of the McCauley-Traxler-Law-Bowman-McNeely lottery act,
13 1972 PA 239, MCL 432.32, and shall be handled in accordance with
14 the procedures for handling a liability to the state under that
15 section, as allowed by the federal government.

16 **(29)** ~~(30)~~ By November 30, 2013, the department ~~of community~~
17 ~~health~~ shall convene a symposium to examine the issues of emergency
18 department overutilization and improper usage. By December 31,
19 2014, the department ~~of community health~~ shall submit a report to
20 the legislature that identifies the causes of overutilization and
21 improper emergency service usage that includes specific best
22 practice recommendations for decreasing overutilization of
23 emergency departments and improper emergency service usage, as well
24 as how those best practices are being implemented. Both broad
25 recommendations and specific recommendations related to the
26 ~~medicaid~~ **MEDICAID** program, enrollee behavior, and health plan
27 access issues shall be included.

1 **(30)** ~~(31)~~ The department of ~~community health~~ shall contract
2 with an independent third party vendor to review the reports
3 required in subsections (8) and (9) and other data as necessary, in
4 order to develop a methodology for measuring, tracking, and
5 reporting medical cost and uncompensated care cost reduction or
6 rate of increase reduction and their effect on health insurance
7 rates along with recommendations for ongoing annual review. The
8 final report and recommendations shall be submitted to the
9 legislature by September 30, 2015.

10 **(31)** ~~(32)~~ For the purposes of submitting reports and other
11 information or data required under this section only, "legislature"
12 means the senate majority leader, the speaker of the house of
13 representatives, the chairs of the senate and house of
14 representatives appropriations committees, the chairs of the senate
15 and house of representatives appropriations subcommittees on the
16 department of community health budget, and the chairs of the senate
17 and house of representatives standing committees on health policy.

18 **(32)** ~~(33)~~ As used in this section:

19 (a) "Patient protection and affordable care act" means the
20 patient protection and affordable care act, Public Law 111-148, as
21 amended by the federal health care and education reconciliation act
22 of 2010, Public Law 111-152.

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

26 (c) "State savings" means any state fund net savings,
27 calculated as of the closing of the financial books for the

1 department of ~~community health~~ at the end of each fiscal year, that
2 result from the program described in this section. The savings
3 shall result in a reduction in spending from the following state
4 fund accounts: adult benefit waiver, ~~non-medicaid~~ **NON-MEDICAID**
5 community mental health, and prisoner health care. Any identified
6 savings from other state fund accounts shall be proposed to the
7 house of representatives and senate appropriations committees for
8 approval to include in that year's state savings calculation. It is
9 the intent of the legislature that for fiscal year ending September
10 30, 2014 only, \$193,000,000.00 of the state savings shall be
11 deposited in the roads and risks reserve fund created in section
12 211b of article VIII of 2013 PA 59.

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

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