

Act No. 50  
Public Acts of 2019  
Approved by the Governor  
September 23, 2019  
Filed with the Secretary of State  
September 23, 2019  
EFFECTIVE DATE: September 23, 2019

**STATE OF MICHIGAN  
100TH LEGISLATURE  
REGULAR SESSION OF 2019**

Introduced by Senators Hertel, Shirkey, Ananich, MacGregor, Geiss, Wojno, Stamas, MacDonald, Brinks, LaSata, Bullock, Outman, Polehanki, VanderWall, McMorrow, Irwin, Alexander, Hollier, Schmidt and Santana

## **ENROLLED SENATE BILL No. 362**

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” by amending section 107b (MCL 400.107b), as added by 2018 PA 208.

*The People of the State of Michigan enact:*

Sec. 107b. (1) No later than October 1, 2018, the department must apply for or apply to amend a waiver under section 1115 of the social security act, 42 USC 1315, and submit subsequent waivers to prohibit and prevent a lapse in the workforce engagement requirements as a condition of receiving medical assistance under section 105d. The waiver must be a request to allow for all of the following:

(a) A requirement of 80 hours average per month of qualifying activities or a combination of any qualifying activities, to count toward the workforce engagement requirement under this section.

(b) A requirement that an able-bodied recipient verifies that he or she is meeting the workforce engagement requirements by the last day of each month for the previous month’s qualifying activities through MiBridges or any other subsequent system. If a recipient does not verify that he or she is meeting the workforce engagement requirements by the last day of the month for the previous month, he or she may verify compliance with the workforce engagement requirements up to 60 days after the missed date for reporting. If the recipient verifies compliance within this time period, the month is not a noncompliance month. A recipient is allowed 3 months of noncompliance within a 12-month period. The recipient may use a noncompliance month either by self-reporting that he or she is not in compliance that month or by the default method of not reporting compliance for that month. The department shall notify the recipient after each time a noncompliance month is used. After a recipient

uses 3 noncompliance months in a 12-month period, the recipient loses coverage for at least 1 month until he or she becomes compliant under this section.

(c) Allow substance use disorder treatment that is court-ordered, prescribed by a licensed medical professional, or is a Medicaid-funded substance use disorder treatment, to count toward the workforce engagement requirements if the treatment impedes the ability to meet the workforce engagement requirements.

(d) A requirement that community service must be completed with a nonprofit organization that is exempt from taxation under section 501(c)(3) or 501(c)(4) of the internal revenue code of 1986, 26 USC 501. Community service can only be used as a qualifying activity for up to 3 months in a 12-month period.

(e) A requirement that a recipient who is also a recipient of the supplemental nutrition assistance program or the temporary assistance for needy families program who is in compliance with or exempt from the work requirements of the supplemental nutrition assistance program or the temporary assistance for needy families program is considered to be in compliance with or exempt from the workforce engagement requirements in this section.

(f) An exemption from the reporting requirement if the department is able to verify the recipient's compliance through other data available to the department.

(g) An exemption for a recipient who meets 1 or more of the following conditions:

(i) A recipient who is the caretaker of a family member who is under the age of 6 years. This exemption allows only 1 parent at a time to be a caretaker, no matter how many children are being cared for.

(ii) A recipient who is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.

(iii) A recipient who is a full-time student who is not a dependent of a parent or guardian or whose parent or guardian qualifies for Medicaid. This subparagraph includes a student in a postsecondary institution or certificate program.

(iv) A recipient who is pregnant.

(v) A recipient who is the caretaker of a dependent with a disability which dependent needs full-time care based on a licensed medical professional's order. This exemption is allowed 1 time per household.

(vi) A recipient who is the caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker.

(vii) A recipient who has proven that he or she has met the good cause temporary exemption.

(viii) A recipient who has been designated as medically frail.

(ix) A recipient who has a medical condition that results in a work limitation according to a licensed medical professional's order.

(x) A recipient who has been incarcerated within the last 6 months.

(xi) A recipient who is receiving unemployment benefits from this state. This exemption applies during the period the recipient received unemployment benefits and ends when the recipient is no longer receiving unemployment benefits.

(xii) A recipient who is under 21 years of age who had previously been in a foster care placement in this state.

(2) After the waiver requested under this section is approved, the department must include, but is not limited to, all of the following, as approved in the waiver, in its implementation of the workforce engagement requirements under this section:

(a) A requirement of 80 hours average per month of qualifying activities or a combination of any qualifying activities counts toward the workforce engagement requirement under this section.

(b) A requirement that an able-bodied recipient verifies that he or she is meeting the workforce engagement requirements by the last day of each month for the previous month's qualifying activities through MiBridges or any other subsequent system. If a recipient does not verify that he or she is meeting the workforce engagement requirements by the last day of the month for the previous month, he or she may verify compliance with the workforce engagement requirements up to 60 days after the missed date for reporting. If the recipient verifies compliance within this time period, the month is not a noncompliance month. A recipient is allowed 3 months of noncompliance within a 12-month period. The recipient may use a noncompliance month either by self-reporting that he or she is not in compliance that month or by the default method of not reporting compliance for that month. The department shall notify the recipient after each time a noncompliance month is used. After a recipient uses 3 noncompliance months in a 12-month period, the recipient loses coverage for at least 1 month until he or she becomes compliant under this section.

(c) Allowing substance use disorder treatment that is court-ordered, is prescribed by a licensed medical professional, or is a Medicaid-funded substance use disorder treatment, to count toward the workforce engagement requirements if the treatment impedes the ability to meet the workforce engagement requirements.

(d) A requirement that community service must be completed with a nonprofit organization that is exempt from taxation under section 501(c)(3) or 501(c)(4) of the internal revenue code of 1986, 26 USC 501. Community service can only be used as a qualifying activity for up to 3 months in a 12-month period.

(e) A requirement that a recipient who is also a recipient of the supplemental nutrition assistance program or the temporary assistance for needy families program who is in compliance with or exempt from the work requirements of the supplemental nutrition assistance program or the temporary assistance for needy families program is considered to be in compliance with or exempt from the workforce engagement requirements in this section.

(f) An exemption from the reporting requirement if the department is able to verify the recipient's compliance through other data available to the department.

(g) An exemption for a recipient who meets 1 or more of the following conditions:

(i) A recipient who is the caretaker of a family member who is under the age of 6 years. This exemption allows only 1 parent at a time to be a caretaker, no matter how many children are being cared for.

(ii) A recipient who is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.

(iii) A recipient who is a full-time student who is not a dependent of a parent or guardian or whose parent or guardian qualifies for Medicaid. This subparagraph includes a student in a postsecondary institution or a certificate program.

(iv) A recipient who is pregnant.

(v) A recipient who is the caretaker of a dependent with a disability which dependent needs full-time care based on a licensed medical professional's order. This exemption is allowed 1 time per household.

(vi) A recipient who is the caretaker of an incapacitated individual even if the incapacitated individual is not a dependent of the caretaker.

(vii) A recipient who has proven that he or she has met the good cause temporary exemption.

(viii) A recipient who has been designated as medically frail.

(ix) A recipient who has a medical condition that results in a work limitation according to a licensed medical professional's order.

(x) A recipient who has been incarcerated within the last 6 months.

(xi) A recipient who is receiving unemployment benefits from this state. This exemption applies during the period the recipient received unemployment benefits and ends when the recipient is no longer receiving unemployment benefits.

(xii) A recipient who is under 21 years of age who had previously been in a foster care placement in this state.

(3) The department may first direct recipients to existing resources for job training or other employment services, child care assistance, transportation, or other supports. The department may develop strategies for assisting recipients to meet workforce engagement requirements under this section.

(4) By October 1 of each year the department submits a waiver to prohibit and prevent a lapse in the workforce engagement requirements, the Medicaid director must submit to the governor, the senate majority leader, and the speaker of the house of representatives a letter confirming the submission of the waiver request required under subsection (1).

(5) Beginning January 1, 2020, the department must execute a survey to obtain the information needed to complete an evaluation of the medical assistance program under section 105d to determine how many recipients have left the Healthy Michigan program as a result of obtaining employment and medical benefits.

(6) The department must execute a survey to obtain the information needed to submit a report to the legislature beginning January 1, 2021, and every January 1 after that, that shows, for medical assistance under section 105d known as Healthy Michigan, the number of exemptions from workforce engagement requirements granted to individuals in that year and the reason the exemptions were granted.

(7) The department shall enforce the provisions of this section by conducting the compliance review process on medical assistance recipients under section 105d who are required to meet the workforce engagement requirements of this section. If a recipient is found, through the compliance review process, to have misrepresented his or her compliance with the workforce engagement requirements in this section, he or she shall not be allowed to participate in the Healthy Michigan program under section 105d for a 1-year period.

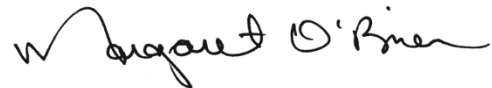
(8) The department shall implement the requirements of this section no later than January 1, 2020, and shall notify recipients to whom the workforce engagement requirements described in this section are likely to apply of the workforce engagement requirements 90 days in advance.

(9) The cost of initial implementation of the workforce engagement requirements required under this section shall not be considered when determining the cost-benefit analysis required under section 105d(28)(b). The cost of initial implementation does not include the cost of ongoing administration of the workforce engagement requirements. The ongoing costs of administering the workforce engagement requirements required under this section may have up to a \$5,000,000.00 general fund/general purpose revenue limit that shall not be counted when determining the cost-benefit analysis required under section 105d(28)(b). Any ongoing costs above \$5,000,000.00 of general fund/general purpose revenue to administer the workforce engagement requirements under this section shall be considered in the cost-benefit analysis required under section 105d(28)(b).

(10) Beginning January 1, 2020, medical assistance recipients who are not exempt from the workforce engagement requirements under this section must be in compliance with this section. Beginning January 1, 2020, a medical assistance applicant who is not exempt from the work engagement requirements under this section must be in compliance with this section not more than 30 days after an eligibility determination is made.

(11) The department shall not withdraw, terminate, or amend any waiver submitted under this section without the express approval of the legislature in the form of a bill enacted by law.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor