

# Legislative Analysis



## COUNTY MEDICAL CARE FACILITIES MAINTENANCE OF EFFORT

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<http://www.house.mi.gov/hfa>

**House Bill 5875 as reported from committee**  
**Sponsor: Rep. Bronna Kahle**  
**Committee: Health Policy**  
**Complete to 4-12-22**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 98 of 2022)*

### SUMMARY:

House Bill 5875 would amend the Social Welfare Act to extend the sunset (expiration date) of the current limitation on county maintenance of effort payments for Medicaid-funded long-term care services in county-owned medical care facilities.

The provision is currently scheduled to expire on December 31, 2022. The bill would extend it through December 31, 2025.

The act requires counties providing Medicaid-funded nursing home services in county-owned facilities to reimburse the state according to a county maintenance of effort rate determined on an annual basis, for each patient day of Medicaid nursing home services. The current formula has existed since 1984, and its sunset provision has been extended several times.

MCL 400.109

### FISCAL IMPACT:

The bill would not have a fiscal impact, as the Department of Health and Human Services (DHHS) budget assumes that the sunset would not expire, generating county maintenance of effort payments of \$6.6 million. If the sunset were to expire, the state could receive an additional \$800,000 in local revenues. Conversely, if the sunset were to expire, counties that own a medical care facility would have to pay the state a combined total of \$800,000 in additional maintenance of effort payments.

### POSITIONS:

A representative of the Michigan County Medical Care Facilities Council testified in support of the bill. (3-17-22)

The following entities indicated support for the bill:

- Michigan Association of Counties (3-17-22)
- Health Care Association of Michigan (3-24-22)
- LeadingAge Michigan (3-17-22)

Legislative Analyst: Rick Yuille  
Fiscal Analyst: Kevin Koorstra

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