



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5875 (as passed by the House)  
Sponsor: Representative Bronna Kahle  
House Committee: Health Policy  
Senate Committee: Health Policy and Human Services

Date Completed: 4-21-22

### **CONTENT**

**The bill would amend the Social Welfare Act to extend the sunset date of a provision that limits a county's maintenance of effort rate for Medicaid funded long-term care services to the rate in effect on September 30, 1984.**

The Medicaid program provides reimbursement for long-term care services provided by county medical care facilities. Counties are required to make maintenance of effort payments to the State, using a formula based on changes in the costs at a facility.

The Act limits a county's maintenance of effort payment to not more than the maintenance of effort payment that was required on September 30, 1984. This provision has always been subject to a sunset date, which has been postponed a number of times. The current sunset date in the statute is December 31, 2022.

The bill would extend the sunset date to December 31, 2025, or until a new reimbursement system determined by the Department of Health and Human Services replaced the current system, whichever was sooner.

MCL 400.109

Legislative Analyst: Stephen P. Jackson

### **FISCAL IMPACT**

Failure to extend the sunset would result in an increase in county maintenance of effort payments to the State, effective January 1, 2023. This increase would result in savings to the State (and cost to counties) in the range of \$800,000 General Fund/General Purpose per year, as the statute limits increases in maintenance of effort payments to \$1 per patient-day each year. If the sunset were delayed, the estimated State savings (and county cost) would not occur.

Fiscal Analyst: John P. Maxwell

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