

Act No. 99
Public Acts of 2023
Approved by the Governor
July 18, 2023
Filed with the Secretary of State
July 19, 2023
EFFECTIVE DATE: July 19, 2023

**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023**

Introduced by Reps. Filler, Snyder, Glanville, Liberati, Rheingans, McFall, Steckloff, Byrnes, Scott, Churches, Coleman, Hood, Fitzgerald, Tyrone Carter, Paiz, McKinney, Zorn, Farhat, Aiyash and Phil Green

ENROLLED HOUSE BILL No. 4496

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 sections 105b and 109f (MCL 400.105b and 400.109f), section 105b as added by 2007 PA 100 and section 109f as amended by 2017 PA 224; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 105b. (1) The department shall work in collaboration with the contracted health plans to create incentives for individual medical assistance recipients who practice specified positive health behaviors. The incentives described in this subsection may include, but are not limited to, expanded benefits and incentives relating to premiums, co-pays, or benefits. The positive health behaviors described in this subsection may include, but are not limited to, participation in health risk assessments and health screenings, compliance with medical treatment, attendance at scheduled medical appointments, participation in smoking cessation treatment, exercise, prenatal visits, immunizations, and attendance at recommended educational health programs.

(2) The department shall create pay-for-performance incentives for contracted Medicaid health maintenance organizations. The Medicaid health maintenance organization contracts may include incentives for meeting health outcome targets for chronic disease states, increasing the number of medical assistance recipients who practice positive health behaviors, and meeting patient compliance targets established by the department. Priority may be given to strategies that prevent and manage the 10 most prevalent and costly ailments affecting medical assistance recipients.

(3) The department shall establish a preferred product and service formulary program for durable medical equipment. The department shall work with the Centers for Medicare and Medicaid to determine if a joint partnership with Medicare is possible in establishing the program described in this subsection as a means of achieving savings and efficiencies for both the Medicaid and Medicare programs. The preferred product and service formulary program for durable medical equipment shall require participation from the department and shall permit the contracted Medicaid health maintenance organizations and provider organizations to participate.

(4) The department shall seek financial support for electronic health records, including, but not limited to, personal health records, e-prescribing, web-based medical records, and other health information technology initiatives using Medicaid funds.

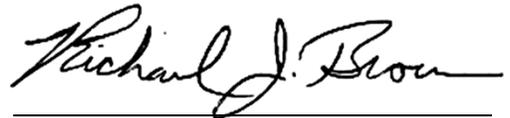
(5) The department shall not implement incentives under this section that conflict with federal statute or regulation.

Sec. 109f. (1) The department shall support the use of Medicaid funds for specialty services and supports for eligible Medicaid beneficiaries with a serious mental illness, developmental disability, serious emotional disturbance, or substance use disorder. Medicaid-covered specialty services and supports shall be managed and delivered by specialty prepaid health plans chosen by the department. The specialty services and supports shall be carved out from the basic Medicaid health care benefits package.

(2) Specialty prepaid health plans are Medicaid managed care organizations as described in section 1903(m)(1)(A) of title XIX, 42 USC 1396b, and are responsible for providing defined inpatient services, outpatient hospital services, physician services, other specified Medicaid state plan services, and additional services approved by the Centers for Medicare and Medicaid Services under section 1915(b)(3) of title XIX, 42 USC 1396n.

Enacting section 1. Sections 105c and 105f of the social welfare act, 1939 PA 280, MCL 400.105c and 400.105f, are repealed.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor