

**THE SOCIAL WELFARE ACT (EXCERPT)**  
**Act 280 of 1939**

**400.66i Reimbursement of hospital and state; reimbursement principles; eligibility information as basis of reimbursement; county reimbursement rate; annual adjustment; nonresidents; rules of financial eligibility.**

Sec. 66i.

(1) Except as provided in subsection (4), the state department, on behalf of a county, shall reimburse the hospital in accordance with established hospital reimbursement principles under title XIX of the social security act, 42 U.S.C. 1396 to 1396d, 1396f to 1396s. However, if state law provides for a different level of reimbursement, the state, on behalf of the county, shall reimburse the hospital at that level of reimbursement. Reimbursement will be based on eligibility information provided to the state department by the county department.

(2) Except as provided in subsection (4), a county department of social services shall reimburse the state an amount equal to the sum of the following:

(a) The total amount the state department approves for payment under subsection (1) to a hospital owned by that county.

(b) The total amount the state department approves for payment to all other hospitals, on behalf of the county, less either \$100.00 per day of hospital care or an amount per day established by state law for the county, whichever is higher.

(3) Subsection (2)(b) does not require a county department to reimburse the state under that subdivision when the amount of payments made to the hospitals described in subsection (2)(b), on behalf of the county, is less than either \$100.00 per day of hospital care or an amount established by state law for the county, whichever is higher. In addition, subsection (2) does not require the county department to reimburse the state for the cost of the hospitalization for nonresidents of this state.

(4) If the total payments to hospitals by the state department for hospitalization of persons determined by the county department of a county to be eligible for hospitalization under section 66a were less than \$2,000,000.00 during the county's full fiscal year immediately before October 1, 1982, the county department of social services of that county may elect to reimburse hospitals directly in accordance with reimbursement principles established by the county department. A county department which elects to reimburse hospitals directly shall notify the state department before the beginning of the county's fiscal year in which the election is to become effective. If the county's fiscal year in which the election is to become effective begins in 1983 or a subsequent year, the notice to the state department shall be made at least 60 days before the beginning of the county's fiscal year.

(5) The rules of financial eligibility established pursuant to section 66a in a county on whose behalf the state makes payments to hospitals under subsection (1) shall not be made less restrictive than the rules in effect in the county during the county department's fiscal year ending in 1979.

**History:** Add. 1979, Act 216, Eff. Oct. 1, 1980 ;-- Am. 1982, Act 255, Eff. Oct. 1, 1982 ;-- Am. 1987, Act 266, Imd. Eff. Dec. 28, 1987  
**Popular Name:** Act 280