

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 362**

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 107b (MCL 400.107b), as added by 2018 PA 208.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

8           (a) A requirement of 80 hours average per month of qualifying  
9 activities or a combination of any qualifying activities, to count



1 toward the workforce engagement requirement under this section.

2 (b) A requirement that ~~an able-bodied recipients verify that~~  
3 ~~they are~~ **recipient verifies that he or she is** meeting the workforce  
4 engagement requirements by the ~~tenth~~ **last day** of each month for the  
5 previous month's qualifying activities through MiBridges or any  
6 other subsequent system. **If a recipient does not verify that he or**  
7 **she is meeting the workforce engagement requirements by the last**  
8 **day of the month for the previous month, he or she may verify**  
9 **compliance with the workforce engagement requirements up to 60 days**  
10 **after the missed date for reporting. If the recipient verifies**  
11 **compliance within this time period, the month is not a**  
12 **noncompliance month.** A recipient is allowed 3 months of  
13 noncompliance within a 12-month period. The recipient may use a  
14 noncompliance month either by self-reporting that he or she is not  
15 in compliance that month or by the default method of not reporting  
16 compliance for that month. The department shall notify the  
17 recipient after each time a noncompliance month is used. After a  
18 recipient uses 3 noncompliance months in a 12-month period, the  
19 recipient loses coverage for at least 1 month until he or she  
20 becomes compliant under this section.

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

26 (d) A requirement that community service must be completed  
27 with a nonprofit organization that is exempt from taxation under  
28 section 501(c)(3) or 501(c)(4) of the internal revenue code of  
29 1986, 26 USC 501. Community service can only be used as a



1 qualifying activity for up to 3 months in a 12-month period.

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

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

12 (g) ~~(f)~~—An exemption for a recipient who meets 1 or more of  
13 the following conditions:

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

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

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

25 (iv) A recipient who is pregnant.

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



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

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

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

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

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

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

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

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

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

25 (b) A requirement that ~~an able-bodied recipients must verify~~  
26 ~~that they are~~ **recipient verifies that he or she is** meeting the  
27 workforce engagement requirements by the ~~tenth~~ **last day** of each  
28 month for the previous month's qualifying activities through  
29 MiBridges or any other subsequent system. **If a recipient does not**



1 verify that he or she is meeting the workforce engagement  
 2 requirements by the last day of the month for the previous month,  
 3 he or she may verify compliance with the workforce engagement  
 4 requirements at a date after the missed date for reporting. If the  
 5 recipient verifies compliance at a later date, the month is not a  
 6 noncompliance month. A recipient is allowed 3 months of  
 7 noncompliance within a 12-month period. The recipient may use a  
 8 noncompliance month either by self-reporting that he or she is not  
 9 in compliance that month or by the default method of not reporting  
 10 compliance for that month. The department shall notify the  
 11 recipient after each time a noncompliance month is used. After a  
 12 recipient uses 3 noncompliance months in a 12-month period, the  
 13 recipient loses coverage for at least 1 month until he or she  
 14 becomes compliant under this section.

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

20 (d) A requirement that community service must be completed  
 21 with a nonprofit organization that is exempt from taxation under  
 22 section 501(c) (3) or 501(c) (4) of the internal revenue code of  
 23 1986, 26 USC 501. Community service can only be used as a  
 24 qualifying activity for up to 3 months in a 12-month period.

25 (e) A requirement that a recipient who is also a recipient of  
 26 the supplemental nutrition assistance program or the temporary  
 27 assistance for needy families program who is in compliance with or  
 28 exempt from the work requirements of the supplemental nutrition  
 29 assistance program or the temporary assistance for needy families



1 program is considered to be in compliance with or exempt from the  
2 workforce engagement requirements in this section.

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

6 **(g) ~~(f)~~**—An exemption for a recipient who meets 1 or more of  
7 the following conditions:

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

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

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

19 (iv) A recipient who is pregnant.

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

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

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

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



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

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

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

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

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

17 (4) ~~Beginning~~ **By** October 1, ~~2018 and of~~ each year the  
18 department submits a waiver to prohibit and prevent a lapse in the  
19 workforce engagement requirements, ~~after that,~~ the Medicaid  
20 director must submit to the governor, the senate majority leader,  
21 and the speaker of the house of representatives a letter confirming  
22 the submission of the waiver request required under subsection (1).

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

28 (6) The department must execute a survey to obtain the  
29 information needed to submit a report to the legislature beginning



1 January 1, 2021, and every January 1 after that, that shows, for  
2 medical assistance under section 105d known as Healthy Michigan,  
3 the number of exemptions from workforce engagement requirements  
4 granted to individuals in that year and the reason the exemptions  
5 were granted.

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

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

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





1 above \$5,000,000.00 of general fund/general purpose revenue to  
2 administer the workforce engagement requirements under this section  
3 shall be considered in the cost-benefit analysis required under  
4 section 105d(28) (b).

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

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

