

SENATE BILL No. 738

September 25, 2003, Introduced by Senators JELINEK and HARDIMAN and referred to the Committee on Families and Human Services.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending sections 108 and 109 (MCL 400.108 and 400.109),
section 109 as amended by 2002 PA 673.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 108. **(1)** A medically indigent person as defined ~~under~~
2 ~~subdivision (1) of~~ in section ~~106,~~ **106(1)(a)** is entitled to
3 all the services enumerated in ~~subsections (a), (b), (c), (d),~~
4 ~~(e) and (f) of section 109~~ **section 109(a), (b), (c), (d), (e),**
5 **(f), and (g).** A medically indigent person as defined ~~under~~
6 ~~subdivision (2) of~~ in section ~~106~~ **106(1)(b)** is entitled to
7 medical services enumerated in ~~subsections (a), (c) and (e) of~~
8 section ~~109~~ **109(a), (c), and (e).** He ~~shall~~ **or she is** also
9 ~~be~~ entitled to the services enumerated in ~~subsections (b), (d)~~
10 ~~and (f) of section 109~~ **109(b), (d), and (f)** to the extent ~~of~~

1 appropriations **are** made available by the legislature for **those**
2 **services during** the fiscal year.

3 (2) Medical services shall be rendered upon certification by
4 the attending licensed physician and dental services shall be
5 rendered upon certification of the attending licensed dentist
6 that a service is required for the treatment of an individual.
7 The services of a medical institution shall be rendered only
8 after referral by a licensed physician or dentist and
9 certification by ~~him~~ **that physician or dentist** that the
10 services of the medical institution are required for the medical
11 or dental treatment of the individual, except that referral is
12 not necessary in case of an emergency.

13 (3) Periodic recertification that medical treatment ~~which~~
14 **that** extends over a period of time is required in accordance with
15 regulations of the ~~state~~ department ~~shall be~~ **is** a condition
16 of continuing eligibility to receive medical assistance.

17 (4) To comply with federal ~~statutes~~ **law** governing
18 medicaid, the ~~state~~ department shall provide ~~such~~ early and
19 periodic screening ~~—~~ **and** diagnostic and treatment services to
20 eligible children ~~as it deems~~ **that the department considers**
21 necessary.

22 Sec. 109. (1) The following medical services may be
23 provided under this act:

24 (a) Hospital services that an eligible individual may receive
25 consist of medical, surgical, or obstetrical care, together with
26 necessary drugs, X-rays, physical therapy, prosthesis,
27 transportation, and nursing care incident to the medical,

1 surgical, or obstetrical care. The period of inpatient hospital
2 service shall be the minimum period necessary in this type of
3 facility for the proper care and treatment of the individual.
4 Necessary hospitalization to provide dental care shall be
5 provided if certified by the attending dentist with the approval
6 of the department of community health. An individual who is
7 receiving medical treatment as an inpatient because of a
8 diagnosis of tuberculosis or mental disease may receive service
9 under this section, notwithstanding the mental health code, 1974
10 PA 258, MCL 330.1001 to 330.2106, and 1925 PA 177, MCL 332.151 to
11 332.164. The department of community health shall pay for
12 hospital services ~~in accordance with~~ **according to** the state
13 plan for medical assistance adopted ~~pursuant~~ **according to**
14 section 10 and approved by the United States department of health
15 and human services.

16 (b) An eligible individual may receive physician services
17 authorized by the department of community health. The service
18 may be furnished in the physician's office, the eligible
19 individual's home, a medical institution, or elsewhere in case of
20 emergency. A physician shall be paid a reasonable charge for the
21 service rendered. Reasonable charges shall be determined by the
22 department of community health and shall not be more than those
23 paid in this state for services rendered under title XVIII.

24 (c) An eligible individual may receive nursing home services
25 in a state licensed nursing home, a medical care facility, or
26 other facility or identifiable unit of that facility, certified
27 by the appropriate authority as meeting established standards for

1 a nursing home under the laws and rules of this state and the
2 United States department of health and human services, to the
3 extent found necessary by the attending physician, dentist, or
4 certified Christian Science practitioner. An eligible individual
5 may receive nursing services in a short-term nursing care program
6 established under section 22210 of the public health code, 1978
7 PA 368, MCL 333.22210, to the extent found necessary by the
8 attending physician when the combined length of stay in the acute
9 care bed and short-term nursing care bed exceeds the average
10 length of stay for medicaid hospital diagnostic related group
11 reimbursement. The department of community health shall not make
12 a final payment ~~pursuant to~~ **under** title XIX for benefits
13 available under title XVIII without documentation that title
14 XVIII claims have been filed and denied. The department of
15 community health shall pay for nursing home services ~~in~~
16 ~~accordance with~~ **according to** the state plan for medical
17 assistance adopted ~~pursuant~~ **according** to section 10 and
18 approved by the United States department of health and human
19 services. A county shall reimburse a county maintenance of
20 effort rate determined on an annual basis for each patient day of
21 medicaid nursing home services provided to eligible individuals
22 in long-term care facilities owned by the county and licensed to
23 provide nursing home services. For purposes of determining rates
24 and costs described in this subdivision, all of the following
25 apply:

26 (i) For county owned facilities with per patient day updated
27 variable costs exceeding the variable cost limit for the county

1 facility, county maintenance of effort rate means 45% of the
2 difference between per patient day updated variable cost and the
3 concomitant nursing home-class variable cost limit, the quantity
4 offset by the difference between per patient day updated variable
5 cost and the concomitant variable cost limit for the county
6 facility. The county rate shall not be less than zero.

7 (ii) For county owned facilities with per patient day updated
8 variable costs not exceeding the variable cost limit for the
9 county facility, county maintenance of effort rate means 45% of
10 the difference between per patient day updated variable cost and
11 the concomitant nursing home class variable cost limit.

12 (iii) For county owned facilities with per patient day
13 updated variable costs not exceeding the concomitant nursing home
14 class variable cost limit, the county maintenance of effort rate
15 shall equal zero.

16 (iv) For the purposes of this section: "per patient day
17 updated variable costs and the variable cost limit for the county
18 facility" shall be determined ~~pursuant~~ **according** to the state
19 plan for medical assistance; for freestanding county facilities
20 the "nursing home class variable cost limit" shall be determined
21 ~~pursuant~~ **according** to the state plan for medical assistance and
22 for hospital attached county facilities the "nursing class
23 variable cost limit" shall be determined ~~pursuant~~ **according** to
24 the state plan for medical assistance plus \$5.00 per patient day;
25 and "freestanding" and "hospital attached" shall be determined
26 ~~in accordance with~~ **according to** the federal regulations.

27 (v) If the county maintenance of effort rate computed ~~in~~

1 ~~accordance with~~ **according to** this section exceeds the county
2 maintenance of effort rate in effect as of September 30, 1984,
3 the rate in effect as of September 30, 1984 shall remain in
4 effect until a time that the rate computed ~~in accordance with~~
5 **according to** this section is less than the September 30, 1984
6 rate. This limitation remains in effect until December 31,
7 2007. For each subsequent county fiscal year the maintenance of
8 effort may not increase by more than \$1.00 per patient day each
9 year.

10 (vi) For county owned facilities, reimbursement for plant
11 costs will continue to be based on interest expense and
12 depreciation allowance unless otherwise provided by law.

13 (d) An eligible individual may receive pharmaceutical
14 services from a licensed pharmacist of the person's choice as
15 prescribed by a licensed physician or dentist and approved by the
16 department of community health. In an emergency, but not
17 routinely, the individual may receive pharmaceutical services
18 rendered personally by a licensed physician or dentist on the
19 same basis as approved for pharmacists.

20 (e) An eligible individual may receive other medical and
21 health services as authorized by the department of community
22 health.

23 (f) Psychiatric care may also be provided ~~pursuant~~
24 **according to** the guidelines established by the department of
25 community health to the extent of appropriations made available
26 by the legislature for the fiscal year.

27 (g) **An eligible individual may receive dental services as**

1 authorized under a voucher program established by the
2 department. The department shall establish a voucher program to
3 implement this subdivision.

4 (2) The director shall provide notice to the public, ~~in~~
5 ~~accordance with~~ **according to** applicable federal regulations, and
6 shall obtain the approval of the committees on appropriations of
7 the house of representatives and senate of the legislature of
8 this state, of a proposed change in the statewide method or level
9 of reimbursement for a service, if the proposed change is
10 expected to increase or decrease payments for that service by 1%
11 or more during the 12 months after the effective date of the
12 change.

13 (3) As used in this act:

14 (a) "Title XVIII" means title XVIII of the social security
15 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,
16 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to
17 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28,
18 1395x to 1395yy, and 1395bbb to 1395ggg.

19 (b) "Title XIX" means title XIX of the social security act,
20 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and 1396r-8
21 to 1396v.

22 (c) "Title XX" means title XX of the social security act,
23 chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.