

Act No. 551  
Public Acts of 2016  
Approved by the Governor  
January 6, 2017  
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January 10, 2017  
EFFECTIVE DATE: April 10, 2017

**STATE OF MICHIGAN**  
**98TH LEGISLATURE**  
**REGULAR SESSION OF 2016**

Introduced by Senator Hansen

# **ENROLLED SENATE BILL No. 884**

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 section 109 (MCL 400.109), as amended by 2012 PA 48.

*The People of the State of Michigan enact:*

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

(a) Hospital services that an eligible individual may receive consist of medical, surgical, or obstetrical care, together with necessary drugs, X-rays, physical therapy, prosthesis, transportation, and nursing care incident to the medical, surgical, or obstetrical care. The period of inpatient hospital service shall be the minimum period necessary in this type of facility for the proper care and treatment of the individual. Necessary hospitalization to provide dental care shall be provided if certified by the attending dentist with the approval of the department. An individual who is receiving medical treatment as an inpatient because of a diagnosis of tuberculosis or mental disease may receive service under this section, notwithstanding the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, and 1925 PA 177, MCL 332.151 to 332.164. The department shall pay for hospital services according to the state plan for medical assistance adopted under section 10 and approved by the United States Department of Health and Human Services.

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

(c) An eligible individual may receive nursing home services in a state licensed nursing home, a medical care facility, or other facility or identifiable unit of that facility, certified by the appropriate authority as meeting established standards for a nursing home under the laws and rules of this state and the United States Department of Health and Human Services, to the extent found necessary by the attending physician, dentist, or certified Christian Science practitioner. An eligible individual may receive nursing services in an extended care services program established under section 22210 of the public health code, 1978 PA 368, MCL 333.22210, to the extent found necessary by the attending physician when the combined length of stay in the acute care bed and short-term nursing care bed exceeds the average length of stay for Medicaid hospital diagnostic related group reimbursement. The department shall not make a final payment under title XIX for benefits available under title XVIII without documentation that title XVIII claims have been filed and denied. The department shall pay for nursing home services according to the state plan for medical assistance adopted according to section 10 and approved by the United States Department of Health and Human Services. A county shall reimburse a county maintenance of effort rate determined on an annual basis for each patient day of Medicaid nursing home services provided to eligible individuals in long-term care facilities owned by the county and licensed to provide nursing home services. For purposes of determining rates and costs described in this subdivision, all of the following apply:

(i) For county owned facilities with per patient day updated variable costs exceeding the variable cost limit for the county facility, county maintenance of effort rate means 45% of the difference between per patient day updated variable cost and the concomitant nursing home-class variable cost limit, the quantity offset by the difference between per patient day updated variable cost and the concomitant variable cost limit for the county facility. The county rate shall not be less than zero.

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

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

(iv) For the purposes of this section: “per patient day updated variable costs and the variable cost limit for the county facility” shall be determined according to the state plan for medical assistance; for freestanding county facilities the “nursing home class variable cost limit” shall be determined according to the state plan for medical assistance and for hospital attached county facilities the “nursing class variable cost limit” shall be determined according to the state plan for medical assistance plus \$5.00 per patient day; and “freestanding” and “hospital attached” shall be determined according to the federal regulations.

(v) If the county maintenance of effort rate computed under this section exceeds the county maintenance of effort rate in effect as of September 30, 1984, the rate in effect as of September 30, 1984 shall remain in effect until a time that the rate computed under this section is less than the September 30, 1984 rate. This limitation remains in effect until December 31, 2022. For each subsequent county fiscal year the maintenance of effort may not increase by more than \$1.00 per patient day each year.

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

(d) An eligible individual may receive pharmaceutical services from a licensed pharmacist of the person’s choice as prescribed by a licensed physician or dentist and approved by the department. In an emergency, but not routinely, the individual may receive pharmaceutical services rendered personally by a licensed physician or dentist on the same basis as approved for pharmacists.

(e) An eligible individual may receive other medical and health services as authorized by the department.

(f) Psychiatric care may also be provided according to the guidelines established by the department to the extent of appropriations made available by the legislature for the fiscal year.

(g) An eligible individual may receive screening, laboratory services, diagnostic services, early intervention services, and treatment for chronic kidney disease under guidelines established by the department. A clinical laboratory performing a creatinine test on an eligible individual under this subdivision shall include in the lab report the glomerular filtration rate (eGFR) of the individual and shall report it as a percent of kidney function remaining.

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

(3) As used in this act:

(a) “Title XVIII” means title XVIII of the social security act, 42 USC 1395 to 1395lll.

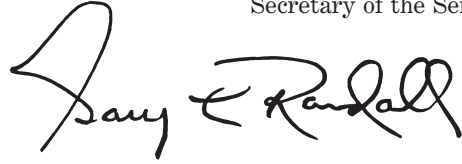
(b) “Title XIX” means title XIX of the social security act, 42 USC 1396 to 1396w-5.

(c) “Title XX” means title XX of the social security act, 42 USC 1397 to 1397m-5.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

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Governor