

# HOUSE BILL No. 4598

May 11, 2017, Introduced by Reps. Glenn and Howell and referred to the Committee on Health Policy.

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 105d (MCL 400.105d), as added by 2013 PA 107, and by adding section 105g.

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

1           Sec. 105d. (1) The department ~~of community health~~ shall seek a  
2 waiver from the United States ~~department~~ **DEPARTMENT** of health  
3 **HEALTH** and ~~human services~~ **HUMAN SERVICES** to do, without  
4 jeopardizing federal match dollars or otherwise incurring federal  
5 financial penalties, and upon approval of the waiver shall do, all  
6 of the following:

7           (a) ~~Enroll~~ **UNTIL SEPTEMBER 30, 2017, ENROLL** individuals  
8 eligible under section 1396a(a)(10)(A)(i)(VIII) of title XIX who  
9 meet the citizenship provisions of 42 CFR 435.406 and who are  
10 otherwise eligible for the medical assistance program under this

1 act into a contracted health plan that provides for an account into  
2 which money from any source, including, but not limited to, the  
3 enrollee, the enrollee's employer, and private or public entities  
4 on the enrollee's behalf, can be deposited to pay for incurred  
5 health expenses, including, but not limited to, co-pays. The  
6 account shall be administered by the department ~~of community health~~  
7 and can be delegated to a contracted health plan or a third party  
8 administrator, as considered necessary. ~~The department of community~~  
9 ~~health shall not begin enrollment of individuals eligible under~~  
10 ~~this subdivision until January 1, 2014 or until the waiver~~  
11 ~~requested in this subsection is approved by the United States~~  
12 ~~department of health and human services, whichever is later.~~

13 (b) Ensure that contracted health plans track all enrollee co-  
14 pays incurred for the first 6 months that an individual is enrolled  
15 in the program described in subdivision (a) and calculate the  
16 average monthly co-pay experience for the enrollee. The average co-  
17 pay amount shall be adjusted at least annually to reflect changes  
18 in the enrollee's co-pay experience. The department ~~of community~~  
19 ~~health~~ shall ensure that each enrollee receives quarterly  
20 statements for his or her account that include expenditures from  
21 the account, account balance, and the cost-sharing amount due for  
22 the following 3 months. ~~The~~ **EACH MONTH, THE** enrollee shall ~~be~~  
23 ~~required to remit each month~~ the average co-pay amount calculated  
24 by the contracted health plan into the enrollee's account. The  
25 department ~~of community health~~ shall pursue a range of consequences  
26 for enrollees who consistently fail to meet their cost-sharing  
27 requirements, including, but not limited to, using the MICHild

1 program as a template and closer oversight by health plans in  
2 access to providers. The department ~~of community health~~ shall  
3 report its plan of action for enrollees who consistently fail to  
4 meet their cost-sharing requirements to the legislature. ~~by June 1,~~  
5 ~~2014.~~

6 (c) Give enrollees described in subdivision (a) a choice in  
7 choosing among contracted health plans.

8 (d) Ensure that all enrollees described in subdivision (a)  
9 have access to a primary care practitioner who is licensed,  
10 registered, or otherwise authorized to engage in his or her health  
11 care profession in this state and **ACCESS** to preventive services.  
12 The department ~~of community health~~ shall require that all new  
13 enrollees be assigned and have scheduled an initial appointment  
14 with their primary care practitioner within 60 days of initial  
15 enrollment. The department ~~of community health~~ shall monitor and  
16 track contracted health plans for compliance in this area and  
17 consider that compliance in any health plan incentive programs. The  
18 department ~~of community health~~ shall ensure that the contracted  
19 health plans have procedures to ensure that the privacy of the  
20 enrollees' personal information is protected in accordance with the  
21 health insurance portability and accountability act of 1996, Public  
22 Law 104-191.

23 (e) Require enrollees described in subdivision (a) with annual  
24 incomes between 100% and 133% of the federal poverty guidelines to  
25 contribute not more than 5% of income annually for cost-sharing  
26 requirements. Cost-sharing includes co-pays and required  
27 contributions made into the accounts authorized under subdivision

1 (a). Contributions required in this subdivision do not apply for  
2 the first 6 months an individual described in subdivision (a) is  
3 enrolled. Required contributions to an account used to pay for  
4 incurred health expenses shall be 2% of income annually.  
5 Notwithstanding this minimum, required contributions may be reduced  
6 by the contracting health plan. The reductions may occur only if  
7 healthy behaviors are being addressed as attested to by the  
8 contracted health plan based on uniform standards developed by the  
9 department ~~of community health~~ in consultation with the contracted  
10 health plans. The uniform standards shall include healthy behaviors  
11 that must include, but are not limited to, completing a ~~department~~  
12 ~~of community health approved~~ **DEPARTMENT-APPROVED** annual health risk  
13 assessment to identify unhealthy characteristics, including alcohol  
14 use, substance use disorders, tobacco use, obesity, and  
15 immunization status. Co-pays can be reduced if healthy behaviors  
16 are met, but not until annual accumulated co-pays reach 2% of  
17 income except co-pays for specific services may be waived by the  
18 contracted health plan if the desired outcome is to promote greater  
19 access to services that prevent the progression of and  
20 complications related to chronic diseases. If the enrollee  
21 described in subdivision (a) becomes ineligible for medical  
22 assistance under the program described in this section, the  
23 remaining balance in the account described in subdivision (a) shall  
24 be returned to that enrollee in the form of a voucher for the sole  
25 purpose of purchasing and paying for private insurance.

26 (f) ~~By July 1, 2014, design and implement~~ **IMPLEMENT AND**  
27 **MAINTAIN** a co-pay structure that encourages use of high-value

1 services, while discouraging low-value services such as nonurgent  
2 emergency department use.

3 (g) During the enrollment process, inform enrollees described  
4 in subdivision (a) about advance directives and require the  
5 enrollees to complete a ~~department of community health-approved~~  
6 **DEPARTMENT-APPROVED** advance directive on a form that includes an  
7 option to decline. ~~The~~ **AN** advance ~~directives~~ **DIRECTIVE** received  
8 from ~~enrollees~~ **AN ENROLLEE** as provided in this subdivision shall be  
9 transmitted to the peace of mind registry organization to be placed  
10 on the peace of mind registry.

11 (h) ~~By April 1, 2015, develop~~ **MAINTAIN** incentives for  
12 enrollees and providers who assist the department ~~of community~~  
13 ~~health~~ in detecting fraud and abuse in the medical assistance  
14 program. The department ~~of community health~~ shall provide an annual  
15 report that includes the type of fraud detected, the amount saved,  
16 and the outcome of the investigation to the legislature.

17 (i) Allow for services provided by telemedicine from a  
18 practitioner who is licensed, registered, or otherwise authorized  
19 under section 16171 of the public health code, 1978 PA 368, MCL  
20 333.16171, to engage in his or her health care profession in the  
21 state where the patient is located.

22 (2) For services rendered to an uninsured individual, a  
23 hospital that participates in the medical assistance program under  
24 this act shall accept 115% of ~~medicare~~ **MEDICARE** rates as payments  
25 in full from an uninsured individual with an annual income level up  
26 to 250% of the federal poverty guidelines. This subsection applies  
27 whether or not either or both of the waivers requested under this

1 section are approved, the patient protection and affordable care  
2 act is repealed, or the state terminates or opts out of the program  
3 established under this section.

4 (3) Not more than 7 calendar days after receiving each of the  
5 official waiver-related written correspondence from the United  
6 States ~~department of health and human services~~ **DEPARTMENT OF HEALTH**  
7 **AND HUMAN SERVICES** to implement the provisions of this section, the  
8 department ~~of community health~~ shall submit a written copy of the  
9 approved waiver provisions to the legislature for review.

10 (4) ~~By September 30, 2015, the department of community health~~  
11 ~~shall develop and~~ **THE DEPARTMENT SHALL DEVELOP, implement, AND**  
12 **MAINTAIN** a plan to enroll all existing fee-for-service enrollees  
13 into contracted health plans if allowable by law, if the medical  
14 assistance program is the primary payer and if that enrollment is  
15 cost-effective. This includes all newly eligible enrollees as  
16 described in subsection (1) (a). The department ~~of community health~~  
17 shall include contracted health plans as the mandatory delivery  
18 system in its waiver request. The department ~~of community health~~  
19 also shall pursue any and all necessary waivers to enroll persons  
20 eligible for both ~~medicaid and medicare~~ **MEDICAID AND MEDICARE** into  
21 the 4 integrated care demonstration regions beginning July 1, 2014.  
22 By September 30, 2015, the department ~~of community health~~ shall  
23 identify all remaining populations eligible for managed care,  
24 develop plans for their integration into managed care, and provide  
25 recommendations for a performance bonus incentive plan mechanism  
26 for long-term care managed care providers that are consistent with  
27 other managed care performance bonus incentive plans. By September

1 30, 2015, the department of ~~community health~~ shall make  
2 recommendations for a performance bonus incentive plan for long-  
3 term care managed care providers of up to 3% of their ~~medicaid~~  
4 **MEDICAID** capitation payments, consistent with other managed care  
5 performance bonus incentive plans. These payments shall comply with  
6 federal requirements and shall be based on measures that identify  
7 the appropriate use of long-term care services and that focus on  
8 consumer satisfaction, consumer choice, and other appropriate  
9 quality measures applicable to community-based and nursing home  
10 services. Where appropriate, these quality measures shall be  
11 consistent with quality measures used for similar services  
12 implemented by the integrated care for duals demonstration project.  
13 This subsection applies whether or not either or both of the  
14 waivers requested under this section are approved, the patient  
15 protection and affordable care act is repealed, or the state  
16 terminates or opts out of the program established under this  
17 section.

18 (5) By September 30, 2016, the department of ~~community health~~  
19 shall implement a pharmaceutical benefit that utilizes co-pays at  
20 appropriate levels allowable by the ~~centers for medicare and~~  
21 ~~medicaid services~~ **CENTERS FOR MEDICARE AND MEDICAID SERVICES** to  
22 encourage the use of high-value, low-cost prescriptions, such as  
23 generic prescriptions when ~~such~~ an alternative exists for a branded  
24 product and 90-day prescription supplies, as recommended by the  
25 enrollee's prescribing provider and as is consistent with section  
26 109h and sections 9701 to 9709 of the public health code, 1978 PA  
27 368, MCL 333.9701 to 333.9709. This subsection applies whether or

1 not either or both of the waivers requested under this section are  
2 approved, the patient protection and affordable care act is  
3 repealed, or the state terminates or opts out of the program  
4 established under this section.

5 (6) The department ~~of community health~~ shall work with  
6 providers, contracted health plans, and other departments as  
7 necessary to create processes that reduce the amount of uncollected  
8 cost-sharing and reduce the administrative cost of collecting cost-  
9 sharing. To this end, a minimum 0.25% of payments to contracted  
10 health plans shall be withheld for the purpose of establishing a  
11 cost-sharing compliance bonus pool. ~~beginning October 1, 2015.~~ The  
12 distribution of funds from the cost-sharing compliance pool shall  
13 be based on the contracted health plans' success in collecting  
14 cost-sharing payments. The department ~~of community health~~ shall  
15 develop the methodology for distribution of these funds. This  
16 subsection applies whether or not either or both of the waivers  
17 requested under this section are approved, the patient protection  
18 and affordable care act is repealed, or the state terminates or  
19 opts out of the program established under this section.

20 (7) ~~By June 1, 2014, the~~ **THE** department ~~of community health~~  
21 shall develop a methodology that decreases the amount an enrollee's  
22 required contribution may be reduced as described in subsection  
23 (1)(e) based on, but not limited to, factors such as an enrollee's  
24 failure to pay cost-sharing requirements and the enrollee's  
25 inappropriate utilization of emergency departments.

26 (8) The program described in this section is created in part  
27 to extend health coverage to the state's low-income citizens and to



1 provide health insurance cost relief to individuals and to the  
2 business community by reducing the cost shift attendant to  
3 uncompensated care. Uncompensated care does not include courtesy  
4 allowances or discounts given to patients. The ~~medicaid~~ **MEDICAID**  
5 hospital cost report shall be part of the uncompensated care  
6 definition and calculation. In addition to the ~~medicaid~~ **MEDICAID**  
7 hospital cost report, the department of ~~community health~~ shall  
8 collect and examine other relevant financial data for all hospitals  
9 and evaluate the impact that providing medical coverage to the  
10 expanded population of enrollees described in subsection (1)(a) has  
11 had on the actual cost of uncompensated care. This shall be  
12 reported for all hospitals in the state. By December 31, 2014, the  
13 department of ~~community health~~ shall make an initial baseline  
14 uncompensated care report containing at least the data described in  
15 this subsection to the legislature and each December 31 after that  
16 shall make a report regarding the preceding fiscal year's evidence  
17 of the reduction in the amount of the actual cost of uncompensated  
18 care compared to the initial baseline report. The baseline report  
19 shall use fiscal year 2012-2013 data. Based on the evidence of the  
20 reduction in the amount of the actual cost of uncompensated care  
21 borne by the hospitals in this state, beginning April 1, 2015, the  
22 department of ~~community health~~ shall proportionally reduce the  
23 disproportionate share payments to all hospitals and hospital  
24 systems for the purpose of producing general fund savings. The  
25 department of ~~community health~~ shall recognize any savings from  
26 this reduction by September 30, 2016. All the reports required  
27 under this subsection shall be made available to the legislature

1 and shall be easily accessible on the ~~department of community~~  
2 ~~health's~~ **DEPARTMENT'S** website.

3 (9) The department of insurance and financial services shall  
4 examine the financial reports of health insurers and evaluate the  
5 impact that providing medical coverage to the expanded population  
6 of enrollees described in subsection (1)(a) has had on the cost of  
7 uncompensated care as it relates to insurance rates and insurance  
8 rate change filings, as well as its resulting net effect on rates  
9 overall. The department of insurance and financial services shall  
10 consider the evaluation described in this subsection in the annual  
11 approval of rates. By December 31, 2014, the department of  
12 insurance and financial services shall make an initial baseline  
13 report to the legislature regarding rates and each December 31  
14 after that shall make a report regarding the evidence of the change  
15 in rates compared to the initial baseline report. All the reports  
16 required under this subsection shall be made available to the  
17 legislature and shall be made available and easily accessible on  
18 the ~~department of community health's~~ **DEPARTMENT'S** website.

19 (10) The department ~~of community health~~ shall explore and  
20 develop a range of innovations and initiatives to improve the  
21 effectiveness and performance of the medical assistance program and  
22 to lower overall health care costs in this state. The department ~~of~~  
23 ~~community health~~ shall report the results of the efforts described  
24 in this subsection to the legislature and to the house and senate  
25 fiscal agencies by September 30, 2015. The report required under  
26 this subsection shall also be made available and easily accessible  
27 on the ~~department of community health's~~ **DEPARTMENT'S** website. The

1 department of ~~community health~~ shall pursue a broad range of  
2 innovations and initiatives as time and resources allow that shall  
3 include, at a minimum, all of the following:

4 (a) The value and cost-effectiveness of optional ~~medicaid~~  
5 **MEDICAID** benefits as described in federal statute.

6 (b) The identification of private sector, primarily small  
7 business, health coverage benefit differences compared to the  
8 medical assistance program services and justification for the  
9 differences.

10 (c) The minimum measures and data sets required to effectively  
11 measure the medical assistance program's return on investment for  
12 taxpayers.

13 (d) Review and evaluation of the effectiveness of current  
14 incentives for contracted health plans, providers, and  
15 beneficiaries with recommendations for expanding and refining  
16 incentives to accelerate improvement in health outcomes, healthy  
17 behaviors, and cost-effectiveness and review of the compliance of  
18 required contributions and co-pays.

19 (e) Review and evaluation of the current design principles  
20 that serve as the foundation for the state's medical assistance  
21 program to ensure the program is cost-effective and that  
22 appropriate incentive measures are utilized. The review shall  
23 include, at a minimum, the auto-assignment algorithm and  
24 performance bonus incentive pool. This subsection applies whether  
25 or not either or both of the waivers requested under this section  
26 are approved, the patient protection and affordable care act is  
27 repealed, or the state terminates or opts out of the program

1 established under this section.

2 (f) The identification of private sector initiatives used to  
3 incent individuals to comply with medical advice.

4 (11) By December 31, 2015, the department ~~of community health~~  
5 shall review and report to the legislature the feasibility of  
6 programs recommended by multiple national organizations that  
7 include, but are not limited to, the ~~council~~ **COUNCIL** of state  
8 ~~governments,~~ **STATE GOVERNMENTS**, the ~~national conference~~ **NATIONAL**  
9 **CONFERENCE** of state legislatures, **STATE LEGISLATURES**, and the  
10 American legislative exchange council, **LEGISLATIVE EXCHANGE**  
11 **COUNCIL**, on improving the cost-effectiveness of the medical  
12 assistance program.

13 (12) ~~By January 1, 2014, the~~ **THE** department of community  
14 ~~health~~ in collaboration with the contracted health plans and  
15 providers shall create **AND IMPLEMENT** financial incentives for all  
16 of the following:

17 (a) Contracted health plans that meet specified population  
18 improvement goals.

19 (b) Providers who meet specified quality, cost, and  
20 utilization targets.

21 (c) Enrollees who demonstrate improved health outcomes or  
22 maintain healthy behaviors as identified in a health risk  
23 assessment as identified by their primary care practitioner who is  
24 licensed, registered, or otherwise authorized to engage in his or  
25 her health care profession in this state. This subsection applies  
26 whether or not either or both of the waivers requested under this  
27 section are approved, the patient protection and affordable care

1 act is repealed, or the state terminates or opts out of the program  
2 established under this section.

3 (13) ~~By October 1, 2015, the~~ **THE** performance bonus incentive  
4 pool for contracted health plans that are not specialty prepaid  
5 health plans shall include inappropriate utilization of emergency  
6 departments, ambulatory care, contracted health plan all-cause  
7 acute 30-day readmission rates, and generic drug utilization when  
8 ~~such~~ an alternative exists for a branded product and consistent  
9 with section 109h and sections 9701 to 9709 of the public health  
10 code, 1978 PA 368, MCL 333.9701 to 333.9709, as a percentage of  
11 total. These measurement tools shall be considered and weighed  
12 within the 6 highest factors used in the formula. This subsection  
13 applies whether or not either or both of the waivers requested  
14 under this section are approved, the patient protection and  
15 affordable care act is repealed, or the state terminates or opts  
16 out of the program established under this section.

17 (14) The department ~~of community health~~ shall ensure that all  
18 capitated payments made to contracted health plans are actuarially  
19 sound. This subsection applies whether or not either or both of the  
20 waivers requested under this section are approved, the patient  
21 protection and affordable care act is repealed, or the state  
22 terminates or opts out of the program established under this  
23 section.

24 (15) The department ~~of community health~~ shall maintain  
25 administrative costs at a level of not more than 1% of the  
26 ~~department of community health's~~ **DEPARTMENT'S** appropriation of the  
27 state medical assistance program. These administrative costs shall

1 be capped at the total administrative costs for the fiscal year  
2 ending September 30, 2016, except for inflation and project-related  
3 costs required to achieve medical assistance net general fund  
4 savings. This subsection applies whether or not either or both of  
5 the waivers requested under this section are approved, the patient  
6 protection and affordable care act is repealed, or the state  
7 terminates or opts out of the program established under this  
8 section.

9 (16) ~~By October 1, 2015, the~~ **THE** department of ~~community~~  
10 ~~health~~ shall establish uniform procedures and compliance metrics  
11 for utilization by the contracted health plans to ensure that cost-  
12 sharing requirements are being met. This shall include  
13 ramifications for the contracted health plans' failure to comply  
14 with performance or compliance metrics. This subsection applies  
15 whether or not either or both of the waivers requested under this  
16 section are approved, the patient protection and affordable care  
17 act is repealed, or the state terminates or opts out of the program  
18 established under this section.

19 (17) ~~Beginning October 1, 2015, the~~ **THE** department of  
20 ~~community health~~ shall withhold, at a minimum, 0.75% of payments to  
21 contracted health plans, except for specialty prepaid health plans,  
22 for the purpose of expanding the existing performance bonus  
23 incentive pool. Distribution of funds from the performance bonus  
24 incentive pool is contingent on the contracted health plan's  
25 completion of the required performance or compliance metrics. This  
26 subsection applies whether or not either or both of the waivers  
27 requested under this section are approved, the patient protection

1 and affordable care act is repealed, or the state terminates or  
2 opts out of the program established under this section.

3 (18) ~~By October 1, 2015, the~~ **THE** department of community  
4 ~~health~~ shall withhold, at a minimum, 0.75% of payments to specialty  
5 prepaid health plans for the purpose of establishing a performance  
6 bonus incentive pool. Distribution of funds from the performance  
7 bonus incentive pool is contingent on the specialty prepaid health  
8 plan's completion of the required performance of compliance metrics  
9 ~~, which shall~~ **THAT MUST** include, at a minimum, partnering with  
10 other contracted health plans to reduce nonemergent emergency  
11 department utilization, increased participation in patient-centered  
12 medical homes, increased use of electronic health records and data  
13 sharing with other providers, and identification of enrollees who  
14 may be eligible for services through the veterans administration.  
15 This subsection applies whether or not either or both of the  
16 waivers requested under this section are approved, the patient  
17 protection and affordable care act is repealed, or the state  
18 terminates or opts out of the program established under this  
19 section.

20 (19) The department ~~of community health~~ shall measure  
21 contracted health plan or specialty prepaid health plan performance  
22 metrics, as applicable, on application of standards of care as that  
23 relates to appropriate treatment of substance use disorders and  
24 efforts to reduce substance use disorders. This subsection applies  
25 whether or not either or both of the waivers requested under this  
26 section are approved, the patient protection and affordable care  
27 act is repealed, or the state terminates or opts out of the program

1 established under this section.

2 (20) By September 1, 2015, in addition to the waiver requested  
3 in subsection (1), the department ~~of community health~~ shall seek an  
4 additional waiver from the United States ~~department~~ **DEPARTMENT** of  
5 ~~health~~ **HEALTH** and ~~human services~~ **HUMAN SERVICES** that requires  
6 individuals who are between 100% and 133% of the federal poverty  
7 guidelines and who have had medical assistance coverage for 48  
8 cumulative months beginning on the date of their enrollment into  
9 the program described in subsection (1) to choose 1 of the  
10 following options:

11 (a) Change their medical assistance program eligibility  
12 status, in accordance with federal law, to be considered eligible  
13 for federal advance premium tax credit and cost-sharing subsidies  
14 from the federal government to purchase private insurance coverage  
15 through an American health benefit exchange without financial  
16 penalty to the state.

17 (b) Remain in the medical assistance program but increase  
18 cost-sharing requirements up to 7% of income. Required  
19 contributions shall be deposited into an account used to pay for  
20 incurred health expenses for covered benefits and shall be 3.5% of  
21 income but may be reduced as provided in subsection (1)(e). The  
22 ~~department of community health~~ may reduce co-pays as provided in  
23 subsection (1)(e), but not until annual accumulated co-pays reach  
24 3% of income.

25 (21) The department ~~of community health~~ shall notify enrollees  
26 60 days before the end of the enrollee's forty-eighth month that  
27 coverage under the current program is no longer available to them



1 and that, in order to continue coverage, the enrollee must choose  
2 between the options described in subsection (20) (a) or (b).

3 (22) The department ~~of community health~~ shall implement a  
4 system for individuals who fail to choose an option described under  
5 subsection (20) (a) or (b) within a specified time determined by the  
6 department ~~of community health~~ that enrolls those individuals into  
7 the option described in subsection (20) (b).

8 (23) If the waiver requested under subsection (20) is not  
9 approved by the United States ~~department~~ **DEPARTMENT** of health  
10 **HEALTH** and ~~human services~~ **HUMAN SERVICES** by December 31, 2015,  
11 medical coverage for individuals described in subsection (1) (a)  
12 shall no longer be provided. If the waiver is not approved by  
13 December 31, 2015, then by January 31, 2016, the department ~~of~~  
14 ~~community health~~ shall notify enrollees that the program described  
15 in subsection (1) shall be terminated on April 30, 2016. If a  
16 waiver requested under subsection (1) or (20) is approved and is  
17 required to be renewed at any time after approval, medical coverage  
18 for individuals described in subsection (1) (a) shall no longer be  
19 provided if either renewal request is not approved by the United  
20 States ~~department~~ **DEPARTMENT** of health **HEALTH** and ~~human services~~  
21 **HUMAN SERVICES** or if a waiver is canceled after approval. The  
22 department ~~of community health~~ shall give enrollees 4 months'  
23 advance notice before termination of coverage based on a renewal  
24 request not being approved as described in this subsection. A  
25 notification described in this subsection shall state that the  
26 enrollment was terminated due to the failure of the United States  
27 ~~department~~ **DEPARTMENT** of health **HEALTH** and ~~human services~~ **HUMAN**

1 **SERVICES** to approve the waiver requested under subsection (20) or  
2 renewal of a waiver described in this subsection.

3 (24) Individuals described in 42 CFR 440.315 are not subject  
4 to the provisions of the waiver described in subsection (20).

5 (25) The department ~~of community health~~ shall make available  
6 at least 3 years of state medical assistance program data, without  
7 charge, to any vendor considered qualified by the department of  
8 community health who indicates interest in submitting proposals to  
9 contracted health plans in order to implement cost savings and  
10 population health improvement opportunities through the use of  
11 innovative information and data management technologies. Any  
12 program or proposal to the contracted health plans must be  
13 consistent with the state's goals of improving health, increasing  
14 the quality, reliability, availability, and continuity of care, and  
15 reducing the cost of care of the eligible population of enrollees  
16 described in subsection (1) (a). The use of the data described in  
17 this subsection for the purpose of assessing the potential  
18 opportunity and subsequent development and submission of formal  
19 proposals to contracted health plans is not a cost or contractual  
20 obligation to the department ~~of community health~~ or the state.

21 (26) If the department ~~of community health~~ does not receive  
22 approval for both of the waivers required under this section before  
23 December 31, 2015, the program described in this section is  
24 terminated. The department ~~of community health~~ shall request  
25 written documentation from the United States department ~~department~~ **DEPARTMENT**  
26 of ~~health~~ **HEALTH** and ~~human services~~ **HUMAN SERVICES** that if the  
27 waivers described in this section are rejected causing the medical

1 assistance program to revert back to the eligibility requirements  
2 in effect on ~~the effective date of the amendatory act that added~~  
3 ~~this section~~, **MARCH 14, 2014**, excluding any waivers that have not  
4 been renewed, there shall be no financial federal funding penalty  
5 to the state associated with the implementation and subsequent  
6 cancellation of the program created in this section. If the  
7 department ~~of community health~~ does not receive this documentation  
8 by December 31, 2013, the department ~~of community health~~ shall not  
9 implement the program described in this section.

10 (27) This section does not apply if either of the following  
11 occurs:

12 (a) If the department ~~of community health~~ is unable to obtain  
13 either of the federal waivers requested in subsection (1) or (20).

14 (b) If federal government matching funds for the program  
15 described in this section are reduced below 100% and annual state  
16 savings and other nonfederal net savings associated with the  
17 implementation of that program are not sufficient to cover the  
18 reduced federal match. The department ~~of community health~~ shall  
19 determine and the state budget office shall approve how annual  
20 state savings and other nonfederal net savings shall be calculated  
21 by June 1, 2014. By September 1, 2014, the calculations and  
22 methodology used to determine the state and other nonfederal net  
23 savings shall be submitted to the legislature.

24 (28) The department ~~of community health~~ shall develop,  
25 administer, and coordinate with the department of treasury a  
26 procedure for offsetting the state tax refunds of an enrollee who  
27 owes a liability to the state of past due uncollected cost-sharing,

1 as allowable by the federal government. The procedure shall include  
2 a guideline that the department ~~of community health~~ submit to the  
3 department of treasury, not later than November 1 of each year, all  
4 requests for the offset of state tax refunds claimed on returns  
5 filed or to be filed for that tax year. For the purpose of this  
6 subsection, any nonpayment of the cost-sharing required under this  
7 section owed by the enrollee is considered a liability to the state  
8 under section 30a(2)(b) of 1941 PA 122, MCL 205.30a.

9 (29) For the purpose of this subsection, any nonpayment of the  
10 cost-sharing required under this section owed by the enrollee is  
11 considered a current liability to the state under section 32 of the  
12 McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL  
13 432.32, and shall be handled in accordance with the procedures for  
14 handling a liability to the state under that section, as allowed by  
15 the federal government.

16 (30) By November 30, 2013, the department ~~of community health~~  
17 shall convene a symposium to examine the issues of emergency  
18 department overutilization and improper usage. By December 31,  
19 2014, the department ~~of community health~~ shall submit a report to  
20 the legislature that identifies the causes of overutilization and  
21 improper emergency service usage that includes specific best  
22 practice recommendations for decreasing overutilization of  
23 emergency departments and improper emergency service usage, as well  
24 as how those best practices are being implemented. Both broad  
25 recommendations and specific recommendations related to the  
26 ~~medicaid~~ **MEDICAID** program, enrollee behavior, and health plan  
27 access issues shall be included.

1           (31) The department ~~of community health~~ shall contract with an  
2 independent third party vendor to review the reports required in  
3 subsections (8) and (9) and other data as necessary, in order to  
4 develop a methodology for measuring, tracking, and reporting  
5 medical cost and uncompensated care cost reduction or rate of  
6 increase reduction and their effect on health insurance rates along  
7 with recommendations for ongoing annual review. The final report  
8 and recommendations shall be submitted to the legislature by  
9 September 30, 2015.

10           (32) For the purposes of submitting reports and other  
11 information or data required under this section only, "legislature"  
12 means the senate majority leader, the speaker of the house of  
13 representatives, the chairs of the senate and house of  
14 representatives appropriations committees, the chairs of the senate  
15 and house of representatives appropriations subcommittees on the  
16 department of community health budget, and the chairs of the senate  
17 and house of representatives standing committees on health policy.

18           (33) As used in this section:

19           (a) "Patient protection and affordable care act" means the  
20 patient protection and affordable care act, Public Law 111-148, as  
21 amended by the federal health care and education reconciliation act  
22 of 2010, Public Law 111-152.

23           (b) "Peace of mind registry" and "peace of mind registry  
24 organization" mean those terms as defined in section 10301 of the  
25 public health code, 1978 PA 368, MCL 333.10301.

26           (c) "State savings" means any state fund net savings,  
27 calculated as of the closing of the financial books for the

1 department of ~~community health~~ at the end of each fiscal year, that  
2 result from the program described in this section. The savings  
3 shall result in a reduction in spending from the following state  
4 fund accounts: adult benefit waiver, ~~non-medicaid~~ **NON-MEDICAID**  
5 community mental health, and prisoner health care. Any identified  
6 savings from other state fund accounts shall be proposed to the  
7 house of representatives and senate appropriations committees for  
8 approval to include in that year's state savings calculation. It is  
9 the intent of the legislature that for fiscal year ending September  
10 30, 2014 only, \$193,000,000.00 of the state savings shall be  
11 deposited in the roads and risks reserve fund created in section  
12 211b of article VIII of 2013 PA 59.

13 (d) "Telemedicine" means that term as defined in section 3476  
14 of the insurance code of 1956, 1956 PA 218, MCL 500.3476.

15 **SEC. 105G. (1) BEGINNING OCTOBER 1, 2017, THE DEPARTMENT SHALL**  
16 **NO LONGER ACCEPT NEW ENROLLMENTS IN THE MEDICAL ASSISTANCE PROGRAM**  
17 **FOR INDIVIDUALS ELIGIBLE UNDER SECTION 1396A(A) (10) (A) (I) (VIII) OF**  
18 **TITLE XIX.**

19 (2) **THE DEPARTMENT MAY RENEW ENROLLMENT FOR AN INDIVIDUAL**  
20 **ELIGIBLE FOR THE MEDICAL ASSISTANCE PROGRAM UNDER SECTION**  
21 **1396A(A) (10) (A) (I) (VIII) OF TITLE XIX AND SECTION 105D IF THAT**  
22 **INDIVIDUAL CONTINUES TO MEET THE ELIGIBILITY REQUIREMENTS UNDER**  
23 **THIS ACT.**

24 (3) **THE DEPARTMENT SHALL AMEND THE MEDICAID STATE PLAN AND**  
25 **APPLY FOR ANY WAIVER NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS**  
26 **SECTION.**

27 Enacting section 1. This amendatory act takes effect 90 days

1 after the date it is enacted into law.