

SENATE BILL NO. 774

March 12, 2024, Introduced by Senators HERTEL, WOJNO, BAYER, DAMOOSE, POLEHANKI, GEISS, CHANG, SHINK and MCMORROW and referred to the Committee on Health Policy.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 109 (MCL 400.109), as amended by 2022 PA 98.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

21 (c) An eligible individual may receive nursing home services
22 in a state licensed nursing home, a medical care facility, or other
23 facility or identifiable unit of that facility, certified by the
24 appropriate authority as meeting established standards for a
25 nursing home under the laws and rules of this state and the United
26 States Department of Health and Human Services, to the extent found
27 necessary by the attending physician, dentist, or certified
28 Christian Science practitioner. An eligible individual may receive
29 nursing services in an extended care services program established

1 under section 22210 of the public health code, 1978 PA 368, MCL
2 333.22210, to the extent found necessary by the attending physician
3 when the combined length of stay in the acute care bed and short-
4 term nursing care bed exceeds the average length of stay for
5 Medicaid hospital diagnostic related group reimbursement. The
6 department shall not make a final payment under title XIX for
7 benefits available under title XVIII without documentation that
8 title XVIII claims have been filed and denied. The department must
9 pay for nursing home services according to the state plan for
10 medical assistance adopted according to section 10 and approved by
11 the United States Department of Health and Human Services. A county
12 must reimburse a county maintenance of effort rate determined on an
13 annual basis for each patient day of Medicaid nursing home services
14 provided to eligible individuals in long-term care facilities owned
15 by the county and licensed to provide nursing home services. For
16 purposes of determining rates and costs described in this
17 subdivision, all of the following apply:

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

26 (ii) For county-owned facilities with per patient day updated
27 variable costs not exceeding the variable cost limit for the county
28 facility, county maintenance of effort rate means 45% of the
29 difference between per patient day updated variable cost and the

1 concomitant nursing home class variable cost limit.

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

6 (iv) For the purposes of this section: "per patient day updated
7 variable costs and the variable cost limit for the county facility"
8 must be determined according to the state plan for medical
9 assistance; for freestanding county facilities the "nursing home
10 class variable cost limit" must be determined according to the
11 state plan for medical assistance and for hospital attached county
12 facilities the "nursing class variable cost limit" must be
13 determined according to the state plan for medical assistance plus
14 \$5.00 per patient day; and "freestanding" and "hospital attached"
15 must be determined according to the federal regulations.

16 (v) If the county maintenance of effort rate computed under
17 this section exceeds the county maintenance of effort rate in
18 effect as of September 30, 1984, the rate in effect as of September
19 30, 1984 must remain in effect until a time that the rate computed
20 under this section is less than the September 30, 1984 rate. This
21 limitation remains in effect until December 31, 2025 or until a new
22 reimbursement system determined by the department replaces the
23 current system, whichever is sooner. For each subsequent county
24 fiscal year, the maintenance of effort rate may not increase by
25 more than \$1.00 per patient day each year.

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

29 (d) An eligible individual may receive pharmaceutical services

1 from a licensed pharmacist of the individual's choice as prescribed
2 by a licensed physician or dentist and approved by the department.
3 In an emergency, but not routinely, the individual may receive
4 pharmaceutical services rendered personally by a licensed physician
5 or dentist on the same basis as approved for pharmacists.

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

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

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

20 (h) An eligible individual may receive medically necessary
21 acute medical detoxification for opioid use disorder, medically
22 necessary inpatient care at an approved facility, or care in an
23 appropriately licensed substance use disorder residential treatment
24 facility.

25 **(2) The department must provide medical assistance benefits**
26 **under this act for a cranial hair prosthesis to an eligible**
27 **individual who is less than 19 years of age and has cranial hair**
28 **loss as a result of a medical condition or as a result of treatment**
29 **for a medical condition. The coverage required by this subsection**

1 is not subject to a dollar limit, a deductible, or a coinsurance
2 provision that is less favorable than coverage applied to any other
3 prosthesis. As used in this subsection, "cranial hair prosthesis"
4 includes any human or synthetic substitute for cranial hair.

5 (3) ~~(2)~~—The director must provide notice to the public,
6 according to applicable federal regulations, and must obtain the
7 approval of the committees on appropriations of the house of
8 representatives and senate of the state legislature, of a proposed
9 change in the statewide method or level of reimbursement for a
10 service, if the proposed change is expected to increase or decrease
11 payments for that service by 1% or more during the 12 months after
12 the effective date of the change.

13 (4) ~~(3)~~—As used in this act:

14 (a) "Title XVIII" means title XVIII of the social security
15 act, 42 USC 1395 to 1395lll.

16 (b) "Title XIX" means title XIX of the social security act, 42
17 USC 1396 to ~~1396w-6~~.1396w-7.

18 (c) "Title XX" means title XX of the social security act, 42
19 USC 1397 to 1397n-13.

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