

# HOUSE BILL No. 4357

March 14, 2017, Introduced by Reps. Hoadley, Lucido, Hammoud, Pagan, Chang, Ellison, Wittenberg, Geiss, Camilleri, Chirkun, Yanez, Moss, Phelps, Love and Lasinski and referred to the Committee on Insurance.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 109 (MCL 400.109), as amended by 2016 PA 551.

## **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,  
7 or obstetrical care. The period of inpatient hospital service shall  
8 be the minimum period necessary in this type of facility for the  
9 proper care and treatment of the individual. Necessary  
10 hospitalization to provide dental care shall be provided if

1 certified by the attending dentist with the approval of the  
2 department. An individual who is receiving medical treatment as an  
3 inpatient because of a diagnosis of tuberculosis or mental disease  
4 may receive service under this section, notwithstanding the mental  
5 health code, 1974 PA 258, MCL 330.1001 to 330.2106, and 1925 PA  
6 177, MCL 332.151 to 332.164. The department shall pay for hospital  
7 services according to the state plan for medical assistance adopted  
8 under section 10 and approved by the United States Department of  
9 Health and Human Services.

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

18 (c) An eligible individual may receive nursing home services  
19 in a state licensed nursing home, a medical care facility, or other  
20 facility or identifiable unit of that facility, certified by the  
21 appropriate authority as meeting established standards for a  
22 nursing home under the laws and rules of this state and the United  
23 States Department of Health and Human Services, to the extent found  
24 necessary by the attending physician, dentist, or certified  
25 Christian Science practitioner. An eligible individual may receive  
26 nursing services in an extended care services program established  
27 under section 22210 of the public health code, 1978 PA 368, MCL

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

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

25 (ii) For ~~county owned~~ **COUNTY-OWNED** facilities with per patient  
26 day updated variable costs not exceeding the variable cost limit  
27 for the county facility, county maintenance of effort rate means

1 45% of the difference between per patient day updated variable cost  
2 and the concomitant nursing home class variable cost limit.

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

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

17 (v) If the county maintenance of effort rate computed under  
18 this section exceeds the county maintenance of effort rate in  
19 effect as of September 30, 1984, the rate in effect as of September  
20 30, 1984 shall remain in effect until a time that the rate computed  
21 under this section is less than the September 30, 1984 rate. This  
22 limitation remains in effect until December 31, 2022. For each  
23 subsequent county fiscal year, the maintenance of effort **RATE** may  
24 not increase by more than \$1.00 per patient day each year.

25 (vi) For ~~county owned~~ **COUNTY-OWNED** facilities, reimbursement  
26 for plant costs will continue to be based on interest expense and  
27 depreciation allowance unless otherwise provided by law.

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

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

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

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

21 **(2) THE DEPARTMENT SHALL PROVIDE MEDICAL ASSISTANCE BENEFITS**  
22 **UNDER THIS ACT FOR A CRANIAL HAIR PROSTHESIS TO AN ELIGIBLE**  
23 **INDIVIDUAL WHO IS LESS THAN 19 YEARS OF AGE AND HAS CRANIAL HAIR**  
24 **LOSS AS A RESULT OF A MEDICAL CONDITION OR AS A RESULT OF TREATMENT**  
25 **FOR A MEDICAL CONDITION. THE COVERAGE REQUIRED BY THIS SUBSECTION**  
26 **IS NOT SUBJECT TO A DOLLAR LIMIT, A DEDUCTIBLE, OR A COINSURANCE**  
27 **PROVISION THAT IS LESS FAVORABLE THAN COVERAGE APPLIED TO ANY OTHER**

1 PROsthesis. AS USED IN THIS SUBSECTION, "CRANIAL HAIR PROsthesis"  
2 INCLUDES ANY HUMAN OR SYNTHETIC SUBSTITUTE FOR CRANIAL HAIR.

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

11 (4) ~~(3)~~—As used in this act:

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

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

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

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