

**SUBSTITUTE FOR
HOUSE BILL NO. 5063**

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

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

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

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

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

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

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

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

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

10 (iv) For the purposes of this section: "per patient day updated
11 variable costs and the variable cost limit for the county facility"
12 shall be determined pursuant to the state plan for medical
13 assistance; for freestanding county facilities the "nursing home
14 class variable cost limit" shall be determined pursuant to the
15 state plan for medical assistance and for hospital attached county
16 facilities the "nursing class variable cost limit" shall be
17 determined pursuant to the state plan for medical assistance plus
18 \$5.00 per patient day; and "freestanding" and "hospital attached"
19 shall be determined in accordance with the federal regulations.

20 (v) If the county maintenance of effort rate computed in
21 accordance with this section exceeds the county maintenance of
22 effort rate in effect as of September 30, 1984, the rate in effect
23 as of September 30, 1984 shall remain in effect until a time that
24 the rate computed in accordance with this section is less than the
25 September 30, 1984 rate. This limitation remains in effect until
26 December 31, 2007. For each subsequent county fiscal year the
27 maintenance of effort may not increase by more than \$1.00 per

1 patient day each year.

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

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

12 (e) An eligible individual may receive other medical and
13 health services as authorized by the department of community
14 health.

15 (f) Psychiatric care may also be provided pursuant to the
16 guidelines established by the department of community health to the
17 extent of appropriations made available by the legislature for the
18 fiscal year.

19 **(G) AN ELIGIBLE INDIVIDUAL MAY RECEIVE SCREENING, LABORATORY**
20 **SERVICES, DIAGNOSTIC SERVICES, EARLY INTERVENTION SERVICES, AND**
21 **TREATMENT FOR CHRONIC KIDNEY DISEASE PURSUANT TO GUIDELINES**
22 **ESTABLISHED BY THE DEPARTMENT OF COMMUNITY HEALTH.**

23 (2) The director shall provide notice to the public, in
24 accordance with applicable federal regulations, and shall obtain
25 the approval of the committees on appropriations of the house of
26 representatives and senate of the legislature of this state, of a
27 proposed change in the statewide method or level of reimbursement

1 for a service, if the proposed change is expected to increase or
2 decrease payments for that service by 1% or more during the 12
3 months after the effective date of the change.

4 (3) As used in this act:

5 (a) "Title XVIII" means title XVIII of the social security
6 act, ~~chapter 531, 49 Stat. 620, 42 U.S.C.~~ **USC** 1395 to 1395b,
7 1395b-2, 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5,
8 1395j to 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to
9 1395w-28, 1395x to 1395yy, and 1395bbb to 1395ggg.

10 (b) "Title XIX" means title XIX of the social security act,
11 ~~chapter 531, 49 Stat. 620, 42 U.S.C.~~ **USC** 1396 to 1396r-6 and
12 1396r-8 to 1396v.

13 (c) "Title XX" means title XX of the social security act,
14 ~~chapter 531, 49 Stat. 620, 42 U.S.C.~~ **USC** 1397 to 1397f.