

HOUSE BILL No. 4231

February 21, 1989, Introduced by Reps. Webb, Johnson, Leland, Knight, Porreca, Jondahl, Ciaramitaro, Dutko, Weeks, Dunaskiss, Gubow, Gire, Crandall, Owen, Miller, Stallworth, Sofio, Brown, Berman, Allen, Scott, Wallace, DeMars, Muxlow, Jaye, Profit, Maynard, Hollister, Munsell, Oxender, Kosteva and Joe Young, Jr. and referred to the Committee on Social Services and Youth.

A bill to establish a system for providing medical services and certain other services to persons who leave public assistance to obtain employment; to provide for the powers and duties of certain state officers and agencies; to provide for the promulgation of rules; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "work incentive welfare reduction act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of social services.

5 (b) "Medicaid" means the medical assistance program estab-
6 lished and operated under the social welfare act.

7 (c) "Poverty level" means the official poverty level
8 established by the federal government.

1 (d) "Public assistance" means aid to families with dependent
2 children or general assistance administered under the social
3 welfare act.

4 (e) "Social welfare act" means Act No. 280 of the Public
5 Acts of 1939, being sections 400.1 to 400.121 of the Michigan
6 Compiled Laws.

7 (f) "Unemployment benefits" means benefits paid to an unem-
8 ployed individual under the Michigan employment security act, Act
9 No. 1 of the Public Acts of the Extra Session of 1936, being sec-
10 tions 421.1 to 421.73 of the Michigan Compiled Laws.

11 Sec. 3. (1) The department shall establish and operate a
12 program that provides medical services to persons described in
13 subsection (2).

14 (2) A person is eligible for medical services under this act
15 if he or she meets both of the following conditions:

16 (a) He or she received public assistance in this state after
17 the effective date of this act and thereafter became financially
18 ineligible for further public assistance because he or she became
19 employed.

20 (b) The income he or she receives is equal to or less than
21 185% of the poverty level as determined for medicaid eligibility,
22 after subtracting the cost of any medical expenses he or she
23 pays.

24 (3) A person who qualifies as eligible under subsection (2)
25 shall remain eligible until either of the following occurs:

1 (a) A period of 48 months expires after the date on which
2 the person became ineligible for further public assistance
3 because of employment.

4 (b) His or her employment is terminated, except that he or
5 she shall remain eligible for an extension period of 90 days
6 after his or her employment is terminated, or for the duration of
7 his or her receipt of unemployment benefits, whichever is longer,
8 but in no case longer than expiration of the 48-month period
9 established in subdivision (a).

10 (4) A person who, at the time he or she becomes financially
11 ineligible for further public assistance because of employment,
12 is not eligible under subsection (2) because his or her income is
13 greater than the level established in subsection (2)(b) may
14 become eligible at any time during the 48-month period estab-
15 lished in subsection (3)(a) if his or her income decreases to the
16 limit established in subsection (2)(b). The person then becomes
17 subject to the same conditions of continuing eligibility pre-
18 scribed in subsection (3).

19 (5) The eligibility of a person who is receiving medical
20 services under this act shall be redetermined every 6 months.

21 Sec. 4. (1) The following medical services shall be pro-
22 vided under this act to persons eligible under section 3(2) and
23 their dependents subject to a monthly premium of \$5.00 per indi-
24 vidual or \$10.00 per household:

25 (a) Hospitalization, both inpatient and outpatient.

26 (b) Physician services and ambulatory services.

1 (c) Prescription drugs, subject to a co-pay equal to the
2 co-pay required of recipients of medical assistance under the
3 social welfare act.

4 (d) Preventive health care services for pregnant women and
5 young children.

6 (e) Dental care.

7 (f) Vision care.

8 (g) Hearing care.

9 (2) If a person or his or her dependents are provided health
10 insurance or health care coverage from his or her employer, or
11 from any source other than the program established under this
12 act, the medical services provided under this act shall be sec-
13 ondary to any other available health insurance or health care
14 coverage.

15 (3) The department shall reimburse providers of medical
16 services provided under this act in the same manner as providers
17 are reimbursed pursuant to medicaid. A provider of medical serv-
18 ices under this act shall meet the same standards required of
19 participants in medicaid as to licensure, quality of medical
20 services, financial accountability, and other factors determined
21 by the department. The state's payment to providers of medical
22 services under this act shall be considered payment in full.

23 Sec. 5. (1) The state department may award a grant or enter
24 into a contract for support of community-based programs that pro-
25 vide transportation to and from work and to and from day care
26 facilities, if needed, for persons eligible for medical services
27 under this act.

1 (2) The state share payable under this section shall not
2 exceed 40% of the total cost of the services rendered by a
3 community-based program during the term of the contract or
4 grant. The total cost of the services rendered by a
5 community-based program may include the fair market value of
6 in-kind contributions by the community-based program, including,
7 but not limited to, volunteer services.

8 (3) A person is eligible for transportation services under
9 this section, if available, as long as he or she is eligible for
10 medical services under this act.

11 Sec. 6. (1) The department shall make day care services
12 available to the children of persons eligible for medical serv-
13 ices under this act through day care programs operated by the
14 department that provide direct care to infants, preschool chil-
15 dren, or school age children of persons who are employed, includ-
16 ing programs funded under title XX of the social security act, 42
17 U.S.C. 1397 to 1397e.

18 (2) The department may enter into contracts with nonprofit
19 organizations in this state under which the department pays a
20 reasonable administrative fee to the nonprofit organization for
21 providing the following services relating to day care services
22 made available under subsection (1):

23 (a) Identification of eligible persons whose children
24 require day care services.

25 (b) Verification of the eligibility of persons.

26 (c) Documentation of day care needs.

1 (d) Establishment of a day care plan for each eligible
2 person, including consultation and referral to qualified day care
3 providers.

4 (e) Provision of all required forms and assistance in com-
5 pleting the forms.

6 (f) Verification of all required day care authorizations.

7 (g) Continual and ongoing case management as prescribed in
8 subdivisions (a) to (f).

9 (h) Provision of information related to the licensing of day
10 care providers.

11 (3) This section does not prevent a nonprofit organization
12 under contract with the department from providing services relat-
13 ing to day care programs funded under title XX of the social
14 security act to persons not eligible for medical services under
15 this act, except that no administrative fee shall be paid for
16 those services.

17 (4) A person is eligible for day care services under this
18 section as long as he or she is eligible for medical services
19 under this act.

20 Sec. 7. (1) The medical services, day care programs, and
21 transportation services established under this act shall be paid
22 for with state funds except to the extent that federal funds are
23 permitted to be used for all or any part of those programs.

24 (2) The department shall endeavor to use all federal funds
25 that may be used for purposes of this act, and promptly shall
26 seek any waivers of federal regulations that are required to
27 implement any part of this act.

1 (3) The department shall determine client eligibility for
2 other federally funded programs prior to use of programs estab-
3 lished under this act.

4 Sec. 8. (1) An employer shall not do any of the following:

5 (a) Deny health insurance or health care coverage or fail to
6 provide health insurance or health care coverage to a person, or
7 revoke the provision of health insurance or health care coverage
8 to a person, for the purpose of allowing that person to become or
9 remain eligible for medical services under this act.

10 (b) Hire or offer to hire a person on the condition that the
11 person be or become eligible for medical services under this
12 act.

13 (c) Discharge or lay off an employee for the purpose of
14 hiring a person who is eligible for medical services under this
15 act.

16 (2) An employer who violates this section is guilty of a
17 misdemeanor, punishable by a fine of not more than \$1,000.00, or
18 by imprisonment for not more than 90 days, or both.

19 Sec. 9. The director of the department shall obtain
20 periodic evaluations of the effect of this act through arrange-
21 ments with public colleges and universities in this state that
22 receive state funding.

23 Sec. 10. The department may promulgate rules to implement
24 this act pursuant to the administrative procedures act of 1969,
25 Act No. 306 of the Public Acts of 1969, being sections 24.201 to
26 24.328 of the Michigan Compiled Laws.