

# HOUSE BILL No. 5092

September 27, 1989, Introduced by Reps. Ostling, Gagliardi, Sofio, Van Singel, Stacey, Nye, Allen, Knight, Crandall, London, Trim, Krause, Berman, Pridnia, Martin, Spaniola, Giese, Bender, Middaugh, Randall, Hoffman, Sikkema, Joe Young, Sr., DeMars, Harrison, Jacobetti, Profit, Stupak, Hickner, Mathieu, Fitzgerald, Camp, Power, Strand, Walberg, Johnson, DeLange, Gilmer, Bandstra, Hollister, Gnodtke, Griffin, Niederstadt, Muxlow, Willis Bullard and Leland and referred to the Committee on Appropriations.

A bill to amend section 109 of Act No. 280 of the Public Acts of 1939, entitled as amended

"The social welfare act,"

as amended by Act No. 408 of the Public Acts of 1984, being section 400.109 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 109 of Act No. 280 of the Public Acts of  
2 1939, as amended by Act No. 408 of the Public Acts of 1984, being  
3 section 400.109 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 109. (1) The following medical services may be pro-  
6 vided under this act:

7 (a) Hospital services ~~which~~ THAT an eligible person may  
8 receive consist of medical, surgical, or obstetrical care,  
9 together with necessary drugs, x-rays, physical therapy,

1 prosthesis, transportation, and nursing care incident to the  
2 medical, surgical, or obstetrical care. The period of inpatient  
3 hospital service shall be the minimum period necessary in this  
4 type of facility for the proper care and treatment of the  
5 individual. Necessary hospitalization to provide dental care  
6 shall be provided if certified by the attending dentist with the  
7 approval of the state department. A person who is receiving med-  
8 ical treatment as an inpatient because of a diagnosis of tubercu-  
9 losis or mental disease may receive service under this section,  
10 notwithstanding the mental health code, Act No. 258 of the Public  
11 Acts of 1974, as amended, being sections 330.1001 to 330.2106 of  
12 the Michigan Compiled Laws, and Act No. 177 of the Public Acts of  
13 1925, as amended, being sections 332.151 to 332.164 of the  
14 Michigan Compiled Laws. The state department shall pay for hos-  
15 pital services in accordance with the state plan for medical  
16 assistance adopted pursuant to section 10 and approved by the  
17 United States department of health and human services.

18 (b) An eligible person may receive physician services autho-  
19 rized by the state department. The service may be furnished in  
20 the office of the physician, the eligible person's home, a medi-  
21 cal institution, or elsewhere in case of emergency. A physician  
22 shall be paid a reasonable charge for the service rendered.  
23 Reasonable charges shall be determined by the state department  
24 and shall not be more than those paid in this state for services  
25 rendered under title XVIII.

26 (c) An eligible person may receive nursing home services in  
27 a state licensed nursing home, a medical care facility, or other

1 facility or identifiable unit of that facility, certified by the  
2 appropriate authority as meeting established standards for a  
3 nursing home under the laws and rules of this state and the  
4 United States department of health and human services, to the  
5 extent found necessary by the attending physician, dentist, or  
6 certified Christian Science practitioner. The state department  
7 shall not make a final payment pursuant to title XIX for benefits  
8 available under title XVIII without documentation that title  
9 XVIII claims have been filed and denied. The state department  
10 shall pay for nursing home services in accordance with the state  
11 plan for medical assistance adopted pursuant to section 10 and  
12 approved by the United States department of health and human  
13 services. A county shall reimburse a county maintenance of  
14 effort rate determined on an annual basis for each patient day of  
15 medicaid nursing home services provided to eligible persons in  
16 long term care facilities owned by the county and licensed to  
17 provide nursing home services.

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 dif-  
21 ference 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 shall not be less than zero.

26 (ii) For county owned facilities with per patient day  
27 updated variable costs not exceeding the variable cost limit for

1 the county facility, county maintenance of effort rate means 45%  
2 of the difference between per patient day updated variable cost  
3 and the concomitant nursing home class variable cost limit.

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

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

19 (v) If the county maintenance of effort rate computed in  
20 accordance with ~~the provisions of~~ this section exceeds the  
21 county maintenance of effort rate in effect as of September 30,  
22 1984, the rate in effect as of September 30, 1984 shall remain in  
23 effect until such time as the rate computed in accordance with  
24 ~~the provisions of~~ this section is less than the September 30,  
25 1984 rate. This limitation shall remain in effect ~~for 5 years~~  
26 ~~after the effective date of this act~~ UNTIL DECEMBER 28, 1994.

1 For each subsequent county fiscal year the maintenance of effort  
2 may not increase by more than \$1.00 per patient day each year.

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

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

13 (e) An eligible person may receive other medical and health  
14 services as authorized by the state department.

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

19 (2) The director shall provide notice to the public, in  
20 accordance with applicable federal regulations, and shall obtain  
21 the approval of the committees on appropriations of the house of  
22 representatives and senate of the legislature of this state, of  
23 any proposed change in the statewide method or level of reim-  
24 bursement for a service, if the proposed change is expected to  
25 increase or decrease payments for that service by 1% or more  
26 during the 12 months after the effective date of the change.

1 (3) As used in this act:

2 (a) "Title V" means title V of the social security act,  
3 CHAPTER 531, 49 STAT. 620, 42 U.S.C. 701 to 703, 704, and 705 to  
4 709.

5 (b) "Title XVIII" means title XVIII of the social security  
6 act, CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1395 to 1395b, ~~+395c-~~  
7 1395b-2 to 1395i, ~~and~~ 1395i-1a TO 1395i-2 ~~to +395xx~~ 1395j TO  
8 1395dd, 1395ff TO 1395mm, AND 1395oo TO 1395ccc.

9 (c) "Title XIX" means title XIX of the social security act,  
10 CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1396 to ~~+396p~~ 1396d, 1396f  
11 TO 1396g, AND 1396i TO 1396s.

12 (d) "Title XX" means title XX of the social security act,  
13 CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1397 to ~~+397f~~ 1397e.