

# HOUSE BILL No. 5629

March 22, 1990, Introduced by Reps. Sofio, Alley, Bennane, Jacobetti, Gagliardi, Stupak, Jonker, Hollister, Ostling, Middaugh, Allen, Ouwinga, Muxlow, Giese, Pridnia, Crandall, Stacey, Gnodtke, Niederstadt, Hart, Scott, Emerson, Martin and DeMars and referred to the Committee on Public Health.

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 an eligible person may receive  
8 consist of medical, surgical, or obstetrical care, together with  
9 necessary drugs, x-rays, physical therapy, prosthesis,

1 transportation, and nursing care incident to the medical,  
2 surgical, or obstetrical care. The period of inpatient hospital  
3 service shall be the minimum period necessary in this type of  
4 facility for the proper care and treatment of the individual.  
5 Necessary hospitalization to provide dental care shall be pro-  
6 vided if certified by the attending dentist with the approval of  
7 the state department. A person who is receiving medical treat-  
8 ment as an inpatient because of a diagnosis of tuberculosis or  
9 mental disease may receive service under this section, notwith-  
10 standing the mental health code, Act No. 258 of the Public Acts  
11 of 1974, as amended, being sections 330.1001 to 330.2106 of the  
12 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. UNLESS  
18 PROHIBITED UNDER FEDERAL LAW, THE STATE DEPARTMENT SHALL NOT DIF-  
19 FERENTIATE IN THE AMOUNT PAID FOR HOSPITAL SERVICES BASED SOLELY  
20 ON THE SIZE OR LOCATION, OR BOTH, OF THE FACILITY IN WHICH THE  
21 HOSPITAL SERVICES WERE RENDERED. UNLESS PROHIBITED UNDER FEDERAL  
22 LAW, THE STATE DEPARTMENT SHALL NOT DIFFERENTIATE IN THE AMOUNT  
23 PAID FOR HEALTH SERVICES OTHER THAN HOSPITAL SERVICES BASED  
24 SOLELY ON THE GEOGRAPHIC LOCATION WHERE THE HEALTH SERVICES WERE  
25 DELIVERED.

26 (b) An eligible person may receive physician services  
27 authorized by the state department. The service may be furnished

1 in the office of the physician, the eligible person's home, a  
2 medical institution, or elsewhere in case of emergency. A physi-  
3 cian shall be paid a reasonable charge for the service rendered.  
4 Reasonable charges shall be determined by the state department  
5 and shall not be more than those paid in this state for services  
6 rendered under title XVIII.

7 (c) An eligible person may receive nursing home services in  
8 a state licensed nursing home, a medical care facility, or other  
9 facility or identifiable unit of that facility INCLUDING, BUT NOT  
10 LIMITED TO, A SHORT-TERM NURSING CARE PROGRAM ESTABLISHED UNDER  
11 SECTION 22210 OF THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE  
12 PUBLIC ACTS OF 1978, BEING SECTION 333.22210 OF THE MICHIGAN  
13 COMPILED LAWS, certified by the appropriate authority as meeting  
14 established standards for a nursing home under the laws and rules  
15 of this state and the United States department of health and  
16 human services, to the extent found necessary by the attending  
17 physician, dentist, or certified Christian Science practitioner.  
18 The state department shall not make a final payment pursuant to  
19 title XIX for benefits available under title XVIII without docu-  
20 mentation that title XVIII claims have been filed and denied.  
21 The state department shall pay for nursing home services in  
22 accordance with the state plan for medical assistance adopted  
23 pursuant to section 10 and approved by the United States depart-  
24 ment of health and human services. A county shall reimburse a  
25 county maintenance of effort rate determined on an annual basis  
26 for each patient day of medicaid nursing home services provided

1 to eligible persons in long term care facilities owned by the  
2 county and licensed to provide nursing home services.

3       (i) For county owned facilities with per patient day updated  
4 variable costs exceeding the variable cost limit for the county  
5 facility, county maintenance of effort rate means 45% of the dif-  
6 ference between per patient day updated variable cost and the  
7 concomitant nursing home-class variable cost limit, the quantity  
8 offset by the difference between per patient day updated variable  
9 cost and the concomitant variable cost limit for the county  
10 facility. The county rate shall not be less than zero.

11       (ii) For county owned facilities with per patient day  
12 updated variable costs not exceeding the variable cost limit for  
13 the county facility, county maintenance of effort rate means 45%  
14 of the difference between per patient day updated variable cost  
15 and the concomitant nursing home class variable cost limit.

16       (iii) For county owned facilities with per patient day  
17 updated variable costs not exceeding the concomitant nursing home  
18 class variable cost limit, the county maintenance of effort rate  
19 will equal zero.

20       (iv) For the purposes of this section: "per patient day  
21 updated variable costs and the variable cost limit for the county  
22 facility" shall be determined pursuant to the state plan for med-  
23 ical assistance; for freestanding county facilities the "nursing  
24 home class variable cost limit" shall be determined pursuant to  
25 the state plan for medical assistance and for hospital attached  
26 county facilities the "nursing class variable cost limit" shall  
27 be determined pursuant to the state plan for medical assistance

1 plus \$5.00 per patient day; and "freestanding" and "hospital  
2 attached" shall be determined in accordance with the federal  
3 regulations.

4       (v) If the county maintenance of effort rate computed in  
5 accordance with the provisions of this section exceeds the county  
6 maintenance of effort rate in effect as of September 30, 1984,  
7 the rate in effect as of September 30, 1984 shall remain in  
8 effect until such time as the rate computed in accordance with  
9 the provisions of this section is less than the September 30,  
10 1984 rate. This limitation shall remain in effect for 5 years  
11 after the effective date of this act. For each subsequent county  
12 fiscal year the maintenance of effort may not increase by more  
13 than \$1.00 per patient day each year.

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

17       (d) An eligible person may receive pharmaceutical services  
18 from a licensed pharmacist of the person's choice as prescribed  
19 by a licensed physician or dentist and approved by the state  
20 department. In an emergency, but not routinely, the person may  
21 receive pharmaceutical services rendered personally by a licensed  
22 physician or dentist on the same basis as approved for  
23 pharmacists.

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

26       (f) Psychiatric care may also be provided pursuant to the  
27 guidelines established by the state department to the extent of

1 appropriations made available by the legislature for the fiscal  
2 year.

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

11       (3) As used in this act:

12       (a) "Title V" means title V of the social security act, 42  
13 U.S.C. 701 to 704 and 705 to 709.

14       (b) "Title XVIII" means title XVIII of the social security  
15 act, 42 U.S.C. 1395 to 1395b, 1395c to 1395i, and 1395i-2 to  
16 1395xx.

17       (c) "Title XIX" means title XIX of the social security act,  
18 42 U.S.C. 1396 to 1396p.

19       (d) "Title XX" means title XX of the social security act, 42  
20 U.S.C. 1397 to 1397f.