

HOUSE BILL No. 5470

February 8, 1990, Introduced by Reps. DeMars, DeBeaussiaert, Bartnik, Owen, Weeks, Martin, Wallace, Ciaramitaro, Pitonjak, Gire, Nye, Scott, Hart and Niederstadt and referred to the Committee on Military and Veterans' Affairs.

A bill to amend sections 56g and 106 of Act No. 280 of the Public Acts of 1939, entitled as amended

"The social welfare act,"

section 106 as amended by Act No. 405 of the Public Acts of 1982, being sections 400.56g and 400.106 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 56g and 106 of Act No. 280 of the
2 Public Acts of 1939, section 106 as amended by Act No. 405 of the
3 Public Acts of 1982, being sections 400.56g and 400.106 of the
4 Michigan Compiled Laws, are amended to read as follows:

5 Sec. 56g. (1) Aid to dependent children may be provided to
6 a dependent child or family who, in addition to the requirements
7 under section 56 meets the following:

1 (a) Does not own tangible and intangible property having a
 2 market value in excess of \$1,500.00 for a single individual, or
 3 if a family group, the tangible and intangible property of the
 4 family group does not exceed \$2,000.00. The following is
 5 excluded in making the determination of the value of tangible or
 6 intangible property: ~~(i) the~~

7 (i) THE value of a homestead occupied by the applicant or
 8 recipient as a home. ~~;(ii) \$1,000.00~~

9 (ii) ONE THOUSAND DOLLARS of the cash surrender value of
 10 life insurance. ~~however, if~~ IF the health of the insured is
 11 such as to make continuance of the insurance desirable, the
 12 entire cash surrender value of life insurance shall be excluded
 13 from consideration up to the maximums provided or allowed by fed-
 14 eral regulations and in accordance with the rules of the state
 15 department. ~~;(iii) household~~

16 (iii) HOUSEHOLD goods and wearing apparel. ~~;(iv)~~
 17 ~~property~~

18 (iv) PROPERTY used in earning income, including farm stock
 19 or implements, horses, cattle, poultry, power machinery and motor
 20 powered vehicles or tools, equipment, or an automobile necessary
 21 for attaining or retaining remunerative employment and having a
 22 fair market value of less than \$750.00.

23 (v) AN AMOUNT PAID TO A FAMILY MEMBER THAT IS A JUDGMENT OR
 24 SETTLEMENT FOR DAMAGES SUFFERED AS A RESULT OF EXPOSURE TO AGENT
 25 ORANGE, AS DEFINED IN SECTION 5701 OF THE PUBLIC HEALTH CODE, ACT
 26 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.5701 OF THE
 27 MICHIGAN COMPILED LAWS.

1 (b) Does not have sufficient income from all sources of more
2 than the amount necessary to provide the person or family with a
3 minimum subsistence compatible with decency and health, as deter-
4 mined by the state department.

5 (c) Has not made an assignment or transfer of any real or
6 personal property within 1 year immediately preceding the date of
7 application, or has not made an assignment or transfer after the
8 granting of assistance, for the purpose of qualifying for assist-
9 ance or for the purpose of increasing the amount of assistance to
10 be received under this act.

11 (d) Has no spouse, parent, other person, association, soci-
12 ety, or corporation legally or contractually responsible under
13 the laws of this state for his OR HER support and found by the
14 state department to be able to support him OR HER. If a spouse,
15 parent, other person, association, society, or corporation is
16 partially able to support the applicant, the partial support
17 shall be taken into consideration in fixing the amount of the
18 assistance.

19 (2) The interest of the applicant or recipient in an estate
20 or trust as heir, devisee, legatee, cestui que trust, or other-
21 wise shall not be considered the property of the applicant or the
22 recipient for eligibility requirements unless it is distributed
23 to him OR HER or is available to him OR HER for disposition or
24 expenditure by him OR HER. In fixing the value of property under
25 this section, ownership of real property located in another state
26 by a spouse not having a legal residence in Michigan ~~shall~~ DOES
27 not preclude the applicant from receiving the aid unless it

1 appears that the applicant has a present legal interest in the
2 property.

3 Sec. 106. (1) A medically indigent individual is defined
4 as:

5 (a) An individual receiving aid to dependent children or an
6 individual receiving supplemental security income under title XVI
7 of the social security act, 42 U.S.C. 1381 to 1385, or state sup-
8 plementation thereunder subject to limitations imposed by the
9 director pursuant to title XIX. ~~or~~

10 (b) An individual meeting all of the following conditions:

11 (i) The individual has made application in the manner pre-
12 scribed by the state department.

13 (ii) The individual's need for the type of medical assist-
14 ance available under this act for which application has been made
15 has been professionally established and payment for it is not
16 available through the legal obligation of a contractor, public or
17 private, to pay or provide for the care without regard to the
18 income or resources of the patient. The state department shall
19 be subrogated to any right of recovery which a patient may have
20 for the cost of hospitalization, pharmaceutical services, physi-
21 cian services, nursing services, and other medical services not
22 to exceed the amount of funds expended by the department for the
23 care and treatment of the patient. The patient or other person
24 acting in the patient's behalf shall execute and deliver an
25 assignment of claim or other authorizations as necessary to
26 secure the right of recovery to the department. A payment may be
27 withheld under this act for medical assistance for an injury or

1 disability for which the patient is entitled to medical care or
2 reimbursement for the cost of medical care under sections 3101 to
3 3179 of the insurance code of 1956, Act No. 218 of the Public
4 Acts of 1956, as amended, being sections 500.3101 to 500.3179 of
5 the Michigan Compiled Laws, or under any other policy of insur-
6 ance providing medical or hospital benefits, or both, for the
7 patient unless the patient's entitlement to that medical care or
8 reimbursement is at issue. If a payment is made, the state
9 department, to enforce its subrogation right, may do either of
10 the following: (a) intervene or join in an action or proceeding
11 brought by the injured, diseased, or disabled person, the
12 person's guardian, personal representative, estate, dependents,
13 or survivors, against the third person who may be liable for the
14 injury, disease, or disability, or against contractors, public or
15 private, who may be liable to pay or provide medical care and
16 services rendered to an injured, diseased, or disabled patient;
17 (b) institute and prosecute a legal proceeding against a third
18 person who may be liable for the injury, disease, or disability,
19 or against contractors, public or private, who may be liable to
20 pay or provide medical care and services rendered to an injured,
21 diseased, or disabled patient, in state or federal court, either
22 alone or in conjunction with the injured, diseased, or disabled
23 person, the person's guardian, personal representative, estate,
24 dependents, or survivors. The state department may institute the
25 proceedings in its own name or in the name of the injured, dis-
26 eased, or disabled person, the person's guardian, personal
27 representative, estate, dependents, or survivors. As provided in

1 section 6023 of the revised judicature act of 1961, Act No. 236
2 of the Public Acts of 1961, as amended, being section 600.6023 of
3 the Michigan Compiled Laws, the state department, in enforcing
4 its subrogation right, shall not satisfy a judgment against the
5 third person's property which is exempt from levy and sale. The
6 injured, diseased, or disabled person may proceed in his or her
7 own name, collecting the costs without the necessity of joining
8 the state department or the state as a named party. The injured,
9 diseased, or disabled person shall notify the state department of
10 the action or proceeding entered into upon commencement of the
11 action or proceeding. An action taken by the state or the state
12 department in connection with the right of recovery afforded by
13 this section ~~shall~~ DOES not operate to deny the injured, dis-
14 eased, or disabled person any part of the recovery beyond the
15 costs expended on the person's behalf by the state department.
16 The costs of legal action initiated by the state shall be paid by
17 the state. A payment shall not be made under this act for medi-
18 cal assistance for an injury, disease, or disability for which
19 the patient is entitled to medical care or the cost of medical
20 care under the worker's disability compensation act of 1969, Act
21 No. 317 of the Public Acts of 1969, as amended, being sections
22 418.101 to 418.941 of the Michigan Compiled Laws; except that
23 payment may be made if an appropriate application for medical
24 care or the cost of the medical care has been made under Act
25 No. 317 of the Public Acts of 1969, as amended, entitlement
26 ~~thereto~~ has not been finally determined, and an arrangement
27 satisfactory to the state department has been made for

1 reimbursement if the claim under ~~the worker's disability~~
2 ~~compensation act of 1969~~, Act No. 317 of the Public Acts of
3 1969, as amended, is finally sustained.

4 (iii) The individual has an annual income which is below, or
5 because of medical expenses falls below, the protected basic
6 maintenance level. The protected basic maintenance level for
7 1-person and 2-person families shall be at least 100% of the
8 higher of the payment standards generally used to determine eli-
9 gibility in the aid to dependent children program and the supple-
10 mental security income program under title XVI of the social
11 security act, 42 U.S.C. 1381 to 1385, including state
12 supplementation. For families of 3 or more persons, the pro-
13 tected basic maintenance level shall be at least 100% of the pay-
14 ment standard generally used to determine eligibility in the aid
15 to dependent children program. These levels shall recognize
16 regional variations and shall not exceed 133-1/3% of the payment
17 standard generally used to determine eligibility in the aid to
18 dependent children program.

19 (iv) The individual, if an aid to dependent children related
20 individual and living alone, has liquid or marketable assets of
21 not more than \$1,500.00 in value, or, if a 2-person family, the
22 family has liquid or marketable assets of not more than \$2,000.00
23 in value. The state department shall establish comparable liquid
24 or marketable asset amounts for larger family groups. Excluded
25 in making the determination of the value of liquid or marketable
26 assets are the values of: the homestead; clothing; household
27 effects; \$1,000.00 of cash surrender value of life insurance,

1 except THAT if the health of the insured is such as to make
2 continuance of the insurance desirable, the entire cash surrender
3 value of life insurance is to be excluded from consideration, up
4 to the maximums provided or allowed by federal regulations and in
5 accordance with the rules of the state department; the fair
6 market value of tangible personal property used in earning
7 income; AN AMOUNT PAID AS JUDGMENT OR SETTLEMENT FOR DAMAGES SUFFERED
8 AS A RESULT OF EXPOSURE TO AGENT ORANGE, AS DEFINED IN
9 SECTION 5701 OF THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC
10 ACTS OF 1978, BEING SECTION 333.5701 OF THE MICHIGAN COMPILED
11 LAWS; and a space or plot purchased for the purposes of burial
12 for the person. For individuals related to the title XVI program
13 of the social security act, 42 U.S.C. 1381 to 1385, the appropriate
14 resource levels and property exemptions specified
15 ~~therein~~ IN TITLE XVI shall be used.

16 (v) The individual is not an inmate of a public institution
17 except as a patient in a medical institution.

18 (vi) The individual meets the eligibility standards for supplemental
19 security income under title XVI of the social security
20 act, 42 U.S.C. 1381 to 1385, or for state supplementation under
21 the act, subject to limitations imposed by the director pursuant
22 to title XIX; or meets the eligibility standards for aid to
23 dependent children, except for income or income and resources; or
24 is a child from 18 to 21 years of age and his or her adult caretaker
25 would be eligible for aid to dependent children except for
26 age, income, or income and resources; or is a child under 21

1 years of age and is from a family whose income is below the basic
2 maintenance level.

3 (2) As used in this act, "medical institution" means a state
4 licensed or approved hospital, nursing home, medical care facili-
5 ty, psychiatric hospital, or other facility or identifiable unit
6 thereof certified as meeting established standards for a nursing
7 home or hospital in accordance with the laws ~~and rules~~ of this
8 state.