

Act No. 85  
Public Acts of 1995  
Approved by the Governor  
June 20, 1995  
Filed with the Secretary of State  
June 20, 1995

**STATE OF MICHIGAN**  
**88TH LEGISLATURE**  
**REGULAR SESSION OF 1995**

Introduced by Reps. DeLange, Dalman, Hammerstrom, Brackenridge and McNutt

# **ENROLLED HOUSE BILL No. 4328**

AN ACT to amend Act No. 280 of the Public Acts of 1939, entitled as amended "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," as amended, being sections 400.1 to 400.119b of the Michigan Compiled Laws, by adding sections 112b, 112c, 112d, and 112e.

*The People of the State of Michigan enact:*

Section 1. Act No. 280 of the Public Acts of 1939, as amended, being sections 400.1 to 400.119b of the Michigan Compiled Laws, is amended by adding sections 112b, 112c, 112d, and 112e to read as follows:

Sec. 112b. As used in this section and sections 112c to 112e:

- (a) "Home health care" means care described in section 109c.
- (b) "Long-term care insurance policy" means a policy described in chapter 39 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.3901 to 500.3955 of the Michigan Compiled Laws.
- (c) "Medicaid" means the program of medical assistance established by the department under section 105.
- (d) "Nursing home care" means nursing home services as described in section 109(1)(c).

(e) "Partnership policy" means a long-term care insurance policy that meets the requirements set forth in section 112d.

(f) "Partnership program" means the Michigan partnership for long-term care program established under section 112c.

Sec. 112c. (1) Subject to subsection (4), the department shall establish the Michigan partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medicaid.

(2) An individual is eligible to participate in the partnership program if he or she meets all of the following requirements:

(a) Is a Michigan resident.

(b) Purchases a partnership policy that is delivered, issued for delivery, or renewed on or after the effective date of this section, and maintains the partnership policy in effect throughout the period of participation in the partnership program.

(c) Exhausts the minimum benefits under the partnership policy as described in section 112d(1)(a). Benefits received under a long-term care insurance policy before the effective date of this section do not count toward the exhaustion of benefits required in this subdivision.

(3) Upon application of an individual who meets the requirements described in subsection (2), the department shall determine the individual's eligibility for medicaid in accordance with both of the following:

(a) After disregarding financial assets exempted under medicaid eligibility requirements, the department shall disregard an additional amount of financial assets equal to the dollar amount of coverage under the partnership policy.

(b) The department shall consider the individual's income in accordance with medicaid eligibility requirements.

(4) The department shall seek appropriate amendments to the medicaid state plan and shall apply for any necessary waiver of medicaid requirements by the federal health care financing administration to implement the partnership program.

(5) The department shall not implement the partnership program unless both of the following apply:

(a) A federal waiver of medicaid requirements is obtained, if necessary.

(b) Federal law exempts individuals who receive medicaid under this section from estate recovery requirements under section 1917 of title XIX of the social security act, 42 U.S.C. 1396p.

Sec. 112d. (1) A partnership policy shall meet all of the following requirements:

(a) Minimum coverage shall be for a period of not less than 3 years and for a dollar amount equal to 36 months of nursing home care at the minimum daily benefit rate determined and adjusted under subdivision (b). The policy shall provide for home health care benefits to be substituted for nursing home care benefits on the basis of 2 home health care days for 1 nursing home care day.

(b) Minimum daily benefits shall be \$100.00 for nursing home care or \$50.00 for home care. These minimum daily benefit amounts shall be adjusted by the department on October 1 of each year, based on the health care index used under medicaid for nursing home rate setting. Adjusted minimum daily benefit amounts shall be rounded to the nearest whole dollar.

(c) A third party designated by the insured shall be entitled to receive notice if the policy is about to lapse for nonpayment of premium, and an additional 30-day grace period for payment of premium shall be granted following notification to that person.

(d) The policy shall cover all of the following services:

(i) Nursing home care.

(ii) Home health care.

(iii) Care management.

(iv) Up to 14 days of nursing care in a hospital while the individual is waiting for long-term care placement. Payment for this service shall not exceed the daily benefit amount for nursing home care.

(2) A partnership policy shall offer both of the following options for an adjusted premium:

(a) An elimination period of not more than 100 days.

(b) Nonforfeiture benefits for applicants between the ages of 18 and 75.

Sec. 112e. The department may promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, as necessary to implement the partnership program.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved -----

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Governor.