

Act No. 54
Public Acts of 1998
Approved by the Governor
April 7, 1998
Filed with the Secretary of State
April 8, 1998
EFFECTIVE DATE: April 8, 1998

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Ciaramitaro, Johnson and Emerson

Reps. Agee, Alley, Baade, Baird, Bankes, Basham, Birkholz, Bodem, Bogardus, Brackenridge, Brater, Brewer, Brown, Cassis, Cherry, Crissman, Cropsey, Curtis, Dalman, DeHart, DeVuyt, Frank, Freeman, Gagliardi, Galloway, Geiger, Gernaat, Gilmer, Gire, Goschka, Gubow, Hammerstrom, Hanley, Harder, Hood, Horton, Jansen, Jelinek, Jellema, Kelly, Kukuk, LaForge, Law, Leland, Llewellyn, London, Lowe, Martinez, McBryde, Middaugh, Murphy, Owen, Oxender, Palamara, Parks, Perricone, Profit, Prusi, Rhead, Richner, Rison, Rocca, Schauer, Schermesser, Scott, Scranton, Sikkema, Tesanovich, Thomas, Varga, Vaughn, Voorhees, Wallace and Willard named co-sponsors

ENROLLED HOUSE BILL No. 5532

AN ACT to make certain appropriations for the department of community health for the fiscal year ending September 30, 1998; and to provide for the expenditure of those certain appropriations.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 1998, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	32,091,700
ADJUSTED GROSS APPROPRIATION.....	\$	32,091,700
Federal revenues:		
Total federal revenues	\$	31,591,700
State general fund/general purpose	\$	500,000

MEDICAL SERVICES ADMINISTRATION

MiChild administration	\$	1,200,000
GROSS APPROPRIATION.....	\$	1,200,000
Appropriated from:		
Federal revenues:		
Total federal revenues	\$	1,200,000

For Fiscal Year
Ending Sept. 30,
1998

MEDICAL SERVICES

Medicaid outreach.....	\$	5,000,000
MIChild outreach.....	\$	2,813,000
MIChild program.....	\$	23,078,700
GROSS APPROPRIATION.....	\$	30,891,700
Appropriated from:		
Federal revenues:		
Total federal revenues.....	\$	30,391,700
Special revenue funds:		
State general fund/general purpose.....	\$	500,000

Sec. 201. (1) The appropriation in section 101 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MICHild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health care coverage for children in families below 150% of the federal poverty level shall be provided through expanded eligibility under the state's Medicaid program. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department shall enter into a contract to obtain MICHild services from any health maintenance organization, dental care corporation, or any other entity that offers to provide the managed health care benefits for MICHild services at the MICHild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(3) The department may enter into contracts to obtain certain MICHild services from community mental health service programs.

(4) The department may make payments on behalf of children enrolled in the MICHild program from the line-item appropriation associated with the program as described in the MICHild state plan approved by the United States department of health and human services, or from other medical services line-item appropriations providing for specific health care services.

Sec. 202. For families applying for a MICHild benefit, the department shall do all of the following:

(a) Provide a single application for determining family eligibility for MICHild, Medicaid, and other health programs offered by the state.

(b) Allow families to submit applications for the program by mail.

(c) Provide immediate and simultaneous determinations of a family's eligibility for MICHild or Medicaid benefits.

(d) Provide MICHild or Medicaid coverage when eligibility is established under subdivision (c).

Sec. 203. (1) The department may seek a waiver from the United States department of health and human services that would allow the state to conduct demonstrations on expanding health coverage to families whose income is at or below 200% of poverty by allowing those families to purchase private health insurance through the use of vouchers or other cost sharing mechanisms.

(2) From the funds appropriated under 1997 PA 94 for a medical services buy-in program, the department shall provide coverage to adults in MICHild eligible families no longer receiving transitional Medicaid coverage due to employment.

Sec. 204. (1) From the funds appropriated in section 101, the department shall develop a comprehensive approach to the marketing and outreach of the MICHild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

(2) The department shall fund allowable education and outreach activities for Medicaid eligibility determinations authorized by the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105.

Sec. 205. The department may provide up to 1 year of continuous eligibility to a family made eligible for the MICHild program unless the family's status changes and its members no longer meet the eligibility criteria as specified in the federally approved MICHild state plan.

Sec. 206. The department shall continue eligibility for all beneficiaries in the caring program for children until their eligibility for the MICHild program is established.

Sec. 207. The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not exceed \$5.00 for a family.

Sec. 208. The department shall not require copayments under the MICHild program.

Sec. 209. Families whose category of eligibility changes between the Medicaid and MICHild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

Sec. 210. A department employee shall determine eligibility for each MICHild applicant.

Sec. 211. Within 120 days after the health care financing administration's approval of the state's MICHild plan, the department shall implement the MICHild program in each county of the state in which a MICHild provider is willing to provide the MICHild benefits at or below the regionally adjusted capitation rate.

Sec. 212. To be eligible for the MICHild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The parent's income, including stepparents' income when living with the child, or other responsible relative's income is to be used. The following verification shall be used:

(a) For annual income, a W-2 form or most recent pay stub.

(b) For child support, a court order. However, the custodial parent shall supply the department with proof of efforts to obtain that court-ordered support. Verification from the friend of the court will be considered proof of this effort. If the child support is not paid to the parent after this effort, the unpaid child support income shall not be considered for purposes of determining eligibility for MICHild.

(c) For SSI/RSDI income, a yearly statement or bank statements.

(d) For self-employed persons, a completed internal revenue service 1040 form, first page, line 31, showing gross adjusted income.

Sec. 213. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through the qualified health plans and consistent with federal law, including but not limited to the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MICHild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

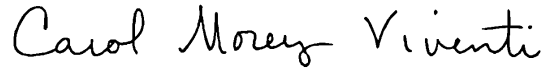
Sec. 214. The MICHild program shall be the payer of last resort for children who have coverage through other state or federal programs or private or commercial health insurance programs.

Sec. 215. The department shall amend the state MICHild plan to reflect the requirements of this act. The state shall submit the necessary changes to the health care financing administration not later than 10 days after the health care financing administration approves the state plan, or 10 days after this act takes effect, whichever is later.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.