

HOUSE BILL No. 4289

February 23, 1999, Introduced by Reps. Koetje and Voorhees and referred to the Committee on Family and Children Services.

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 106 (MCL 400.106), as amended by 1990 PA
145.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 (a) An individual receiving ~~aid to dependent children~~
4 FAMILY INDEPENDENCE ASSISTANCE or an individual receiving supple-
5 mental security income under title XVI ~~of the social security~~
6 ~~act, 42 U.S.C. 1381 to 1385,~~ or state supplementation
7 ~~thereunder~~ UNDER TITLE XVI subject to limitations imposed by
8 the director pursuant to title XIX.

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

1 (i) The individual has made application in the manner
2 prescribed by the ~~state~~ department.

3 (ii) The individual's need for the type of medical assist-
4 ance available under this act ~~for which application has been~~
5 ~~made~~ THAT HE OR SHE APPLIED FOR has been professionally estab-
6 lished and payment for it is not available through the legal
7 obligation of a PUBLIC OR PRIVATE contractor ~~, public or~~
8 ~~private,~~ to pay or provide for the care without regard to the
9 income or resources of the patient. The ~~state~~ department
10 ~~shall be~~ IS subrogated to any right of recovery ~~which~~ THAT a
11 patient ~~may have~~ HAS for the cost of hospitalization, pharma-
12 ceutical services, physician services, nursing services, and
13 other medical services not to exceed the amount of funds expended
14 by the department for the care and treatment of the patient. The
15 patient or other person acting in the patient's behalf shall exe-
16 cute and deliver an assignment of claim or other authorizations
17 ~~as~~ necessary to secure the right of recovery to the
18 department. A payment may be withheld under this act for medical
19 assistance for an injury or disability for which the patient is
20 entitled to medical care or reimbursement for the cost of medical
21 care under sections 3101 to 3179 of the insurance code of 1956,
22 ~~Act No. 218 of the Public Acts of 1956, as amended, being sec-~~
23 ~~tions 500.3101 to 500.3179 of the Michigan Compiled Laws 1956 PA~~
24 218, MCL 500.3101 TO 500.3179, or under any other policy of
25 insurance providing medical or hospital benefits, or both, for
26 the patient unless the patient's entitlement to that medical care
27 or reimbursement is at issue. If a payment is made, the ~~state~~

1 department, to enforce its subrogation right, may do either of
2 the following: (a) intervene or join in an action or proceeding
3 brought by the injured, diseased, or disabled person —, OR the
4 person's guardian, personal representative, estate, dependents,
5 or survivors, against the third person who may be liable for the
6 injury, disease, or disability, or against PUBLIC OR PRIVATE con-
7 tractors ~~—, public or private,~~ who may be liable to pay or pro-
8 vide medical care and services rendered to an injured, diseased,
9 or disabled patient; (b) institute and prosecute a legal proceed-
10 ing against a third person who may be liable for the injury, dis-
11 ease, or disability, or against PUBLIC OR PRIVATE contractors —,
12 ~~public or private,~~ who may be liable to pay or provide medical
13 care and services rendered to an injured, diseased, or disabled
14 patient, in state or federal court, either alone or in conjunc-
15 tion with the injured, diseased, or disabled person —, OR the
16 person's guardian, personal representative, estate, dependents,
17 or survivors. The ~~state~~ department may institute the proceed-
18 ings in its own name or in the name of the injured, diseased, or
19 disabled person —, OR the person's guardian, personal represen-
20 tative, estate, dependents, or survivors. As provided in section
21 6023 of the revised judicature act of 1961, ~~Act No. 236 of the~~
22 ~~Public Acts of 1961, as amended, being section 600.6023 of the~~
23 ~~Michigan Compiled Laws~~ 1961 PA 236, MCL 600.6023, the ~~state~~
24 department, in enforcing its subrogation right, shall not satisfy
25 a judgment against the third person's property ~~which~~ THAT is
26 exempt from levy and sale. The injured, diseased, or disabled
27 person may proceed in his or her own name, collecting the costs

1 without the necessity of joining the ~~state~~ department or the
2 state as a named party. The injured, diseased, or disabled
3 person shall notify the ~~state~~ department of the action or pro-
4 ceeding entered into upon commencement of the action or
5 proceeding. An action taken by the state or the ~~state~~ depart-
6 ment in connection with the right of recovery afforded by this
7 section does not ~~operate to~~ deny the injured, diseased, or dis-
8 abled person any part of the recovery beyond the costs expended
9 on the person's behalf by the ~~state~~ department. The costs of
10 legal action initiated by the state shall be paid by the state.
11 A payment shall not be made under this act for medical assistance
12 for an injury, disease, or disability for which the patient is
13 entitled to medical care or the cost of medical care under the
14 worker's disability compensation act of 1969, ~~Act No. 317 of the~~
15 ~~Public Acts of 1969, as amended, being sections 418.101 to~~
16 ~~418.941 of the Michigan Compiled Laws~~ 1969 PA 317, MCL 418.101
17 TO 418.941; except that payment may be made if an appropriate
18 application for medical care or the cost of the medical care has
19 been made under ~~Act No. 317 of the Public Acts of 1969, as~~
20 ~~amended~~ THE WORKER'S DISABILITY COMPENSATION ACT OF 1969, 1969
21 PA 317, MCL 418.101 TO 418.941, entitlement has not been finally
22 determined, and an arrangement satisfactory to the ~~state~~
23 department has been made for reimbursement if the claim under
24 ~~Act No. 317 of the Public Acts of 1969, as amended~~ THE WORKER'S
25 DISABILITY COMPENSATION ACT OF 1969, 1969 PA 317, MCL 418.101 TO
26 418.941, is finally sustained.

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

16 (iv) The individual, if ~~an aid to dependent children~~ A
17 FAMILY INDEPENDENCE ASSISTANCE related individual, ~~and~~ living
18 alone, AND NOT A SENIOR CITIZEN, has liquid or marketable assets
19 of not more than \$1,500.00 in value, or, if a 2-person family,
20 the family has liquid or marketable assets of not more than
21 \$2,000.00 in value. The ~~state~~ department shall establish com-
22 parable liquid or marketable asset amounts for larger family
23 groups. THE INDIVIDUAL, IF A SENIOR CITIZEN, HAS LIQUID OR MAR-
24 KETABLE ASSETS OF NOT MORE THAN \$15,000.00 IN VALUE. AS USED IN
25 THIS SUBPARAGRAPH, "SENIOR CITIZEN" MEANS AN INDIVIDUAL WHO IS 65
26 YEARS OF AGE OR OLDER. Excluded in making the determination of
27 the value of liquid or marketable assets are the values of: the

1 homestead; clothing; household effects; \$1,000.00 of cash
2 surrender value of life insurance, except that if the health of
3 the insured ~~is such as to make continuance of~~ MAKES CONTINUING
4 the insurance desirable, the entire cash surrender value of life
5 insurance is ~~to be~~ excluded from consideration, up to the maxi-
6 mums provided or allowed by federal regulations and in accordance
7 with the rules of the ~~state~~ department; the fair market value
8 of tangible personal property used in earning income; an amount
9 paid as judgment or settlement for damages suffered as a result
10 of exposure to agent orange, as defined in section 5701 of the
11 public health code, ~~Act No. 368 of the Public Acts of 1978,~~
12 ~~being section 333.5701 of the Michigan Compiled Laws~~ 1978 PA
13 368, MCL 333.5701; and a space or plot purchased for the
14 ~~purposes~~ PURPOSE of burial for the person. For ~~individuals~~
15 AN INDIVIDUAL related to the title XVI program, ~~of the social~~
16 ~~security act, 42 U.S.C. 1381 to 1385,~~ the appropriate resource
17 levels and property exemptions specified in title XVI shall be
18 used.

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

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

1 caretaker would be eligible for aid to dependent children except
2 for age, income, or income and resources; or is a child under 21
3 years of age and is from a family whose income is below the basic
4 maintenance level.

5 (2) As used in this act: ~~---"medical"~~

6 (A) "MEDICAL institution" means a state licensed or approved
7 hospital, nursing home, medical care facility, psychiatric hospi-
8 tal, or other facility or identifiable unit ~~thereof~~ OF THE
9 FACILITY certified as meeting established standards for a nursing
10 home or hospital in accordance with the laws of this state.

11 (B) "TITLE XVI" MEANS TITLE XVI OF THE SOCIAL SECURITY ACT,
12 CHAPTER 531, 49 STAT. 620, 42 U.S.C. 1381 TO 1383f.