

SENATE BILL No. 97

January 29, 2003, Introduced by Senators SCHAUER, BRATER, GOSCHKA, LELAND, BARCIA, PRUSI, CHERRY, THOMAS, BASHAM, OLSHOVE, JACOBS and BERNERO and referred to the Committee on Appropriations.

A bill to protect and promote children's health; to create the MICHild program; to prescribe the powers and duties of the department of community health; and to prescribe certain duties of certain other state departments, officers, and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan's families health care act".

3 Sec. 2. As used in this act:

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

8 (b) "Department" means the department of community health.

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

1 (d) "Federal poverty guidelines" means the poverty guidelines
2 published annually in the federal register by the United States
3 department of health and human services under its authority to
4 revise the poverty line under section 673(2) of subtitle B of
5 title VI of the omnibus budget reconciliation act of 1981, Public
6 Law 97-35, 42 U.S.C. 9902.

7 (e) "Medicaid" means the program for medical assistance
8 established under title XIX of the social security act, chapter
9 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and 1396r-8 to
10 1396v, and administered by the department under the social
11 welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

12 (f) "MICHild program" means the program created in
13 section 3.

14 Sec. 3. (1) The department shall establish and administer
15 the MICHild program to provide comprehensive health care coverage
16 to all children less than 19 years of age who reside in families
17 with income at or below 200% of the federal poverty guidelines,
18 who are uninsured and have not had coverage by other
19 comprehensive health insurance within 6 months of making
20 application for MICHild benefits, and who are residents of this
21 state. The department shall develop detailed eligibility
22 criteria through the medical services administration public
23 concurrence process, consistent with this act. Health care
24 coverage for children in families below 150% of the federal
25 poverty level shall be provided through expanded eligibility
26 under the state's medicaid program. Health coverage for children
27 in families between 150% and 200% of the federal poverty

1 guidelines shall be provided through a state-based private health
2 care program.

3 (2) The department shall provide comprehensive health care
4 coverage to parents of children meeting the eligibility criteria
5 established under this act. Parents of children meeting the
6 eligibility criteria are not required to complete an application
7 for coverage other than the application submitted for the
8 eligible child.

9 Sec. 5. (1) The department shall enter into a contract to
10 obtain MICHild services from an HMO, a dental care corporation,
11 or another entity that offers to provide the managed health care
12 benefits for MICHild services at the MICHild capitated rate.

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

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

22 Sec. 7. The department shall continue a comprehensive
23 approach to MICHild's marketing and outreach program. Marketing
24 and outreach required under this section shall be coordinated
25 with current outreach, information dissemination, and marketing
26 efforts and activities conducted by the department.

27 Sec. 9. The department may provide up to 1 year of

1 continuous eligibility to children eligible for the MICHild
2 program and their parents unless the status of the children's
3 family changes and the family members no longer meet the
4 eligibility criteria as specified in the federally approved
5 MICHild state plan.

6 Sec. 11. (1) The department may establish premiums for
7 MICHild eligible persons in families with income above 150% of
8 the federal poverty guidelines. The monthly premiums shall not
9 exceed \$5.00 for a family.

10 (2) The department shall not require copayments under the
11 MICHild program.

12 Sec. 13. Children whose category of eligibility changes
13 between the medicaid and MICHild programs are allowed to keep
14 their current health care providers through the current
15 prescribed course of treatment for up to 1 year, subject to
16 periodic reviews by the department if the beneficiary has a
17 serious medical condition and is undergoing active treatment for
18 that condition.

19 Sec. 15. To be eligible for the MICHild program, a child
20 must reside in a family with an adjusted gross income of less
21 than or equal to 200% of the federal poverty guidelines. The
22 department's verification policy shall be used to determine
23 eligibility.

24 Sec. 17. The MICHild program shall provide all benefits
25 available under the state employee insurance plan that are
26 delivered through the medicaid HMOs and consistent with federal
27 law, including, but not limited to, all of the following

1 medically necessary services:

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

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

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

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

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

16 (f) Care management services for mental health diagnoses.

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

19 (h) Emergency ambulance services.

20 Sec. 19. The department shall explore options under the
21 federal state children's health insurance program (SCHIP),
22 including waiver requests, to extend coverage to low-income
23 parents of MICHild eligible children. The department may also
24 explore options to increase the medicaid income disregard for
25 parents of medicaid or MICHild eligible children who have income
26 up to 100% of the federal poverty guidelines. The department
27 shall issue a report that identifies the estimated number of

1 persons to be served and the projected costs for the various
2 health care coverage options considered to the house and senate
3 appropriations subcommittees on community health and the house
4 and senate fiscal agencies by March 1, 2005.