

# 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.