

SUBSTITUTE FOR

SENATE BILL NO. 1255

(Amended, May 31, 2006)

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
(MCL 400.1 to 400.119b) by adding section 105b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 105B. THE DEPARTMENT SHALL SEEK APPROPRIATE AMENDMENTS TO  
2 THE MEDICAID STATE PLAN AND SHALL <<INCLUDE IN ANY FEDERAL WAIVER  
3 REQUEST, SUBMITTED WITH THE INTENT TO SECURE FEDERAL MATCHING FUNDS TO  
4 COVER THE MEDICALLY UNINSURED, LANGUAGE>> TO ALLOW THE DEPARTMENT OF  
5 COMMUNITY HEALTH TO DO, AT A MINIMUM, ALL OF THE FOLLOWING:

6           (A) USE MEDICAID FUNDS TO CREATE INCENTIVES FOR INDIVIDUAL  
7 MEDICAL ASSISTANCE RECIPIENTS WHO PRACTICE SPECIFIED POSITIVE  
8 HEALTH BEHAVIORS. THE INCENTIVES DESCRIBED IN THIS SUBDIVISION MAY  
9 INCLUDE, BUT ARE NOT LIMITED TO, EXPANDED BENEFITS AND <<  
10           >> INCENTIVES RELATING TO PREMIUMS, CO-PAYS, OR BENEFITS.

11           (B) ALLOW THE DEPARTMENT OF COMMUNITY HEALTH TO CREATE PAY-  
FOR-PERFORMANCE INCENTIVES FOR CONTRACTED MEDICAID HEALTH

Senate Bill No. 1255 as amended May 31, 2006

1 MAINTENANCE ORGANIZATIONS. THE MEDICAID HEALTH MAINTENANCE  
2 ORGANIZATION CONTRACTS WOULD INCLUDE INCENTIVES FOR MEETING HEALTH  
3 OUTCOME TARGETS FOR CHRONIC DISEASE STATES AND PATIENT COMPLIANCE  
4 TARGETS ESTABLISHED BY THE DEPARTMENT OF COMMUNITY HEALTH.

5 (C) ALLOW THE DEPARTMENT OF COMMUNITY HEALTH TO ESTABLISH A  
6 <<PREFERRED PRODUCT AND SERVICE FORMULARY>> PROGRAM FOR DURABLE MEDICAL  
EQUIPMENT. THE  
7 <<PREFERRED PRODUCT AND SERVICE FORMULARY>> PROGRAM FOR DURABLE MEDICAL  
EQUIPMENT WOULD  
8 REQUIRE PARTICIPATION FROM THE DEPARTMENT OF COMMUNITY HEALTH, THE  
9 CONTRACTED MEDICAID HEALTH MAINTENANCE ORGANIZATIONS, AND PROVIDER  
10 ORGANIZATIONS. <<

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14 (D) PROVIDE FINANCIAL SUPPORT FOR ELECTRONIC HEALTH RECORDS  
15 INCLUDING E-PRESCRIBING, WEB-BASED MEDICAL RECORDS, AND OTHER  
16 HEALTH INFORMATION TECHNOLOGY INITIATIVES USING MEDICAID FUNDS.