

## FEASIBILITY STUDY FOR LONG-TERM CARE

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<http://www.house.mi.gov/hfa>

**House Bill 4674 as introduced**  
**Sponsor: Rep. Jon Hoadley**  
**Committee: Health Policy**  
**Complete to 10-24-17**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4674 would require the Michigan Department of Health and Human Services to contract for an *independent feasibility study and actuarial model of public, private, and public-private hybrid options* to help individuals prepare for, access, and afford the long-term services and supports they need.

The study would include a *model* for all of the following:

- An affordable annual long-term care benefit available to all who meet the minimum eligibility of needing assistance with two activities of daily living, with the maximum benefit to be determined by actuarial analysis.
- A public-private reinsurance or risk-sharing model, with the purpose of providing a stable and ongoing source of reimbursement to insurers for a portion of their catastrophic long-term care services and supports losses in order to provide additional insurance capacity for the state. The entity would operate as a public-private partnership supporting the private sector's role as the primary risk bearer.
- A long-term care benefit paid for and open to those that are not currently eligible for the state Medicaid program.

The study would also include a *report of its findings*, which would include all of the following:

- An analysis of public and private long-term care programs that exist in the state, the participation rates for those programs, and any clear gaps that exist, including, but not limited to, gaps in coverage, affordability, and participation.
- The expected costs and benefits for participants in a new long-term care benefit program, when accounting for a living wage rate for home care workers and compliance with the Fair Labor Standards Act of 1938 and related federal regulations and state labor laws.
- The total anticipated number of participants.
- The impact on the current workforce.
- A recruitment and retention plan to meet the anticipated shortage in the workforce due to the increasing aging population.
- The impact of current services, access to a paid workforce, and affordability of care on family caregivers, including the impact that providing care has on a family caregiver and other considerations.
- The projected savings to the Michigan Medicaid program, if any.
- Legal and financial risks to Michigan.

The bill would require MDHHS to provide oversight and direction for the analysis of public and private long-term care programs and to convene interested stakeholders, including consumer and worker representatives, to provide ongoing input on the feasibility study design. MDHHS would have to hold at least one meeting to obtain this input before initiating the study, one during the study's implementation, and one after the study is completed.

Finally, the bill would require that the feasibility study and its included actuarial analysis be completed and submitted to MDHHS no later than nine months after the study's start date. At that time, MDHHS would have to hold a public hearing presenting its findings. Additionally, MDHHS would have to submit a report to the legislature no later than 60 days after the completion of the feasibility study, which would include its director's findings and recommendations based on the study and analysis.

#### **FISCAL IMPACT:**

Studies of similar size and scope have cost the Department of Health and Human Services between \$500,000 and \$750,000. There would not be a fiscal impact to local units of government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.