

SUBSTITUTE FOR
SENATE BILL NO. 1057

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 109 (MCL 400.109), as amended by 2022 PA 98.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 109. (1) ~~The~~ **An eligible individual may receive the**
2 following medical services ~~may be provided~~ under this act:

3 (a) Hospital services that ~~an eligible individual may receive~~
4 consist of medical, surgical, or obstetrical care, together with
5 necessary drugs, X-rays, physical therapy, prosthesis,
6 transportation, and nursing care incident to the medical, surgical,
7 or obstetrical care. The period of inpatient hospital service ~~shall~~
8 **must** be the minimum period necessary in this type of facility for
9 the proper care and treatment of the individual. Necessary

1 hospitalization to provide dental care must be provided if
2 certified by the attending dentist with the approval of the
3 department. An individual who is receiving medical treatment as an
4 inpatient because of a diagnosis of mental disease may receive
5 service under this section, notwithstanding the mental health code,
6 1974 PA 258, MCL 330.1001 to 330.2106. The department must pay for
7 hospital services according to the state plan for medical
8 assistance adopted under section 10 and approved by the United
9 States Department of Health and Human Services.

10 (b) ~~An eligible individual may receive physician~~ **Physician**
11 services authorized by the department. The ~~service~~ **services** may be
12 furnished in the physician's office, the eligible individual's
13 home, a medical institution, or elsewhere in case of emergency. A
14 physician must be paid a reasonable charge for the service
15 rendered. The department must determine reasonable charges.
16 Reasonable charges must not be more than those paid in this state
17 for services rendered under title XVIII.

18 (c) ~~An eligible individual may receive nursing~~ **Nursing** home
19 services in a state licensed nursing home, a medical care facility,
20 or other facility or identifiable unit of that facility, certified
21 by the appropriate authority as meeting established standards for a
22 nursing home under the laws and rules of this state and the United
23 States Department of Health and Human Services, to the extent found
24 necessary by the attending physician, dentist, or certified
25 Christian Science practitioner. An eligible individual may receive
26 nursing **home** services in an extended care services program
27 established under section 22210 of the public health code, 1978 PA
28 368, MCL 333.22210, to the extent found necessary by the attending
29 physician when the combined length of stay in the acute care bed

1 and short-term nursing care bed exceeds the average length of stay
2 for Medicaid hospital diagnostic related group reimbursement. The
3 department shall not make a final payment under title XIX for
4 benefits available under title XVIII without documentation that
5 title XVIII claims have been filed and denied. The department must
6 pay for nursing home services according to the state plan for
7 medical assistance adopted according to section 10 and approved by
8 the United States Department of Health and Human Services. A county
9 must reimburse a county maintenance of effort rate determined on an
10 annual basis for each patient day of Medicaid nursing home services
11 provided to eligible individuals in long-term care facilities owned
12 by the county and licensed to provide nursing home services. For
13 purposes of determining rates and costs described in this
14 subdivision, all of the following apply:

15 (i) For county-owned facilities with per patient day updated
16 variable costs exceeding the variable cost limit for the county
17 facility, county maintenance of effort rate means 45% of the
18 difference between per patient day updated variable cost and the
19 concomitant nursing home-class variable cost limit, the quantity
20 offset by the difference between per patient day updated variable
21 cost and the concomitant variable cost limit for the county
22 facility. The county rate must not be less than zero.

23 (ii) For county-owned facilities with per patient day updated
24 variable costs not exceeding the variable cost limit for the county
25 facility, county maintenance of effort rate means 45% of the
26 difference between per patient day updated variable cost and the
27 concomitant nursing home class variable cost limit.

28 (iii) For county-owned facilities with per patient day updated
29 variable costs not exceeding the concomitant nursing home class

1 variable cost limit, the county maintenance of effort rate must
2 equal zero.

3 (iv) For the purposes of this section: "per patient day updated
4 variable costs and the variable cost limit for the county facility"
5 must be determined according to the state plan for medical
6 assistance; for freestanding county facilities the "nursing home
7 class variable cost limit" must be determined according to the
8 state plan for medical assistance and for hospital attached county
9 facilities the "nursing class variable cost limit" must be
10 determined according to the state plan for medical assistance plus
11 \$5.00 per patient day; and "freestanding" and "hospital attached"
12 must be determined according to the federal regulations.

13 (v) If the county maintenance of effort rate computed under
14 this section exceeds the county maintenance of effort rate in
15 effect as of September 30, 1984, the rate in effect as of September
16 30, 1984 must remain in effect until a time that the rate computed
17 under this section is less than the September 30, 1984 rate. This
18 limitation remains in effect until December 31, 2025 or until a new
19 reimbursement system determined by the department replaces the
20 current system, whichever is sooner. For each subsequent county
21 fiscal year, the maintenance of effort rate may not increase by
22 more than \$1.00 per patient day each year.

23 (vi) For county-owned facilities, reimbursement for plant costs
24 must continue to be based on interest expense and depreciation
25 allowance unless otherwise provided by law.

26 ~~(d) An eligible individual may receive pharmaceutical~~
27 **Pharmaceutical** services from a licensed pharmacist of the
28 individual's choice as prescribed by a licensed physician or
29 dentist and approved by the department. In an emergency, but not

1 routinely, the individual may receive pharmaceutical services
2 rendered personally by a licensed physician or dentist on the same
3 basis as approved for pharmacists.

4 (e) ~~An eligible individual may receive other~~ **Other** medical and
5 health services as authorized by the department.

6 (f) Psychiatric care ~~may also be~~ provided according to the
7 guidelines established by the department to the extent of
8 appropriations made available by the legislature for the fiscal
9 year.

10 (g) ~~An eligible individual may receive screening,~~ **Screening,**
11 laboratory services, diagnostic services, early intervention
12 services, and treatment for chronic kidney disease under guidelines
13 established by the department. A clinical laboratory performing a
14 creatinine test on an eligible individual under this subdivision
15 must include in the lab report the glomerular filtration rate
16 (eGFR) of the individual and must report it as a percentage of
17 kidney function remaining.

18 (h) ~~An eligible individual may receive medically~~ **Medically**
19 necessary acute medical detoxification for opioid use disorder,
20 medically necessary inpatient care at an approved facility, or care
21 in an appropriately licensed substance use disorder residential
22 treatment facility.

23 (i) **Perinatal and gynecological services if the department**
24 **applies to the United States Department of Health and Human**
25 **Services for an amendment to this state's Medicaid state plan to**
26 **include the services described under this subdivision, and promptly**
27 **seek and receive any necessary federal approval to include the**
28 **services described under this subdivision. The department shall do**
29 **all of the following:**

1 (i) Ensure that the services described under this subdivision
2 are provided by a perinatal or gynecological professional who is
3 licensed, registered, or otherwise authorized to practice in this
4 state, including, but not limited to, a physician, a certified
5 nurse-midwife as defined under section 2701 of the public health
6 code, 1978 PA 368, MCL 333.2701, or a licensed midwife acting
7 within the scope of his or her profession, whether the
8 gynecological or perinatal care service is provided in a hospital,
9 medical care facility, freestanding birth center licensed under
10 article 17 of the public health code, 1978 PA 368, MCL 333.20101 to
11 333.22260, midwifery care facility, or home setting.

12 (ii) Monitor and track contracted health plans for compliance
13 in this area and consider that compliance in any health plan
14 incentive programs.

15 (iii) Pay the same rate to a perinatal or gynecological
16 professional described under subparagraph (i) for the same services
17 described under this subdivision, and reimburse a perinatal care or
18 gynecological professional described under subparagraph (i) in a
19 manner that does all of the following:

20 (A) Promotes high-quality, cost-effective, and evidence-based
21 care.

22 (B) Promotes high-value, evidence-based payment models.

23 (C) Prevents risk in subsequent pregnancies.

24 (2) The director must provide notice to the public, according
25 to applicable federal regulations, and must obtain the approval of
26 the committees on appropriations of the house of representatives
27 and senate of the state legislature, of a proposed change in the
28 statewide method or level of reimbursement for a service, if the
29 proposed change is expected to increase or decrease payments for

1 that service by 1% or more during the 12 months after the effective
2 date of the change.

3 (3) As used in this act:

4 (a) "Title XVIII" means title XVIII of the social security
5 act, 42 USC 1395 to 1395lll.

6 (b) "Title XIX" means title XIX of the social security act, 42
7 USC 1396 to ~~1396w-6~~. **1396w-7**.

8 (c) "Title XX" means title XX of the social security act, 42
9 USC 1397 to 1397n-13.

10 Enacting section 1. This amendatory act does not take effect
11 unless House Bill No. 5636 of the 102nd Legislature is enacted into
12 law.