

**SUBSTITUTE FOR
SENATE BILL NO. 38**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 109 (MCL 400.109), as amended by 2024 PA 248.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 109. (1) An eligible individual may receive the following
2 medical services 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) ~~Physicians~~ **Physician** services authorized by the
11 department. The services may be furnished in the physician's
12 office, the eligible individual's home, a medical institution, or
13 elsewhere in case of emergency. A physician must be paid a
14 reasonable charge for the service rendered. The department must
15 determine reasonable charges. Reasonable charges must not be more
16 than those paid in this state for services rendered under title
17 XVIII.

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



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

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

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

27 (iii) For county-owned facilities with per patient day updated
28 variable costs not exceeding the concomitant nursing home class
29 variable cost limit, the county maintenance of effort rate must



1 equal zero.

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

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

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

25 (d) Pharmaceutical services from a licensed pharmacist of the
26 individual's choice as prescribed by a licensed physician or
27 dentist and approved by the department. In an emergency, but not
28 routinely, the individual may receive pharmaceutical services
29 rendered personally by a licensed physician or dentist on the same



1 basis as approved for pharmacists.

2 (e) Other medical and health services as authorized by the
3 department.

4 (f) Psychiatric care **provided** according to the guidelines
5 established by the department to the extent of appropriations made
6 available by the legislature for the fiscal year.

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

14 (h) Medically necessary acute medical detoxification for
15 opioid use disorder, medically necessary inpatient care at an
16 approved facility, or care in an appropriately licensed substance
17 use disorder residential treatment facility.

18 (i) Mental health screenings during the postpartum period as
19 described in section 9137 of the public health code, 1978 PA 368,
20 MCL 333.9137.

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

28 **(i) Ensure that the services described under this subdivision**
29 **are provided by a perinatal or gynecological professional who is**



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

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

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

18 (A) Promotes high-quality, cost-effective, and evidence-based
19 care.

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

21 (C) Prevents risk in subsequent pregnancies.

22 (2) The director must provide notice to the public, according
23 to applicable federal regulations, and must obtain the approval of
24 the committees on appropriations of the house of representatives
25 and senate of the state legislature, of a proposed change in the
26 statewide method or level of reimbursement for a service, if the
27 proposed change is expected to increase or decrease payments for
28 that service by 1% or more during the 12 months after the effective
29 date of the change.



1 (3) As used in this act:

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

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

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