

HOUSE BILL No. 5184

September 15, 2005, Introduced by Reps. Baxter, Vander Veen, Hoogendyk, Marleau, Rocca, Amos, Shaffer, Hummel, Green, Gosselin, Stahl, Taub, Robertson, Hildenbrand, Caswell, Ball and Nitz and referred to the Committee on Family and Children Services.

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending sections 57b and 106 (MCL 400.57b and 400.106), section 57b as amended by 1999 PA 9 and section 106 as amended by 2004 PA 409.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 57b. (1) Subject to section 57l, an individual who meets
2 all of the following requirements is eligible for family
3 independence assistance:

4 (a) Is a member of a family or a family independence
5 assistance group.

6 (b) Is a member of a program group whose income and assets are
7 less than the income and asset limits set by the ~~family~~

1 ~~independence agency~~ DEPARTMENT.

2 (c) In the case of a minor parent, meets the requirements of
3 subsection (2).

4 (d) Is a United States citizen, a permanent resident alien, or
5 a refugee.

6 (e) Is a resident of this state as described in section 32.

7 **(F) PROVIDES PROOF OF IDENTIFICATION AND PROOF OF UNITED**
8 **STATES CITIZENSHIP.**

9 **(G)** ~~-(f)-~~ Meets any other eligibility criterion required for
10 the receipt of federal or state funds or determined by the ~~family~~
11 ~~independence agency~~ DEPARTMENT to be necessary for the
12 accomplishment of the goals of the family independence program.

13 (2) A minor parent and the minor parent's child shall not
14 receive family independence assistance unless they live in an
15 adult-supervised household. The family independence assistance
16 shall be paid on behalf of the minor parent and child to an adult
17 in the adult-supervised household. Child care in conjunction with
18 participation in education, employment readiness, training, or
19 employment programs, ~~which~~ **THAT** have been approved by the ~~family~~
20 ~~independence agency~~ DEPARTMENT, shall be provided for the minor
21 parent's child. The minor parent and child shall live with the
22 minor parent's parent, stepparent, or legal guardian unless the
23 ~~family independence agency~~ DEPARTMENT determines that there is
24 good cause for not requiring the minor parent and child to live
25 with a parent, stepparent, or legal guardian. The ~~family~~
26 ~~independence agency~~ DEPARTMENT shall determine the circumstances
27 that constitute good cause, based on a parent's, stepparent's, or

1 guardian's unavailability or unwillingness or based on a reasonable
2 belief that there is physical, sexual, or substance abuse, or
3 domestic violence, occurring in the household, or that there is
4 other risk to the physical or emotional health or safety of the
5 minor parent or child. If the ~~family independence agency~~
6 **DEPARTMENT** determines that there is good cause for not requiring a
7 minor parent to live with a parent, stepparent, or legal guardian,
8 the minor parent and child shall live in another adult-supervised
9 household. A local office director may waive the requirement set
10 forth in this subsection with respect to a minor parent who is at
11 least 17 years of age, attending secondary school full-time, and
12 participating in a **DEPARTMENT** service ~~plan of the family~~
13 ~~independence agency~~ or a teen parenting program, if moving would
14 require the minor parent to change schools.

15 Sec. 106. (1) A medically indigent individual is defined as:

16 (a) An individual receiving family independence program
17 benefits or an individual receiving supplemental security income
18 under title XVI or state supplementation under title XVI subject to
19 limitations imposed by the director according to title XIX.

20 (b) Except as provided in section 106a, an individual who
21 meets all of the following conditions:

22 (i) The individual has applied in the manner the ~~family~~
23 ~~independence agency~~ **DEPARTMENT** prescribes.

24 (ii) The individual's need for the type of medical assistance
25 available under this act for which the individual applied has been
26 professionally established and payment for it is not available
27 through the legal obligation of a public or private contractor to

1 pay or provide for the care without regard to the income or
2 resources of the patient. The ~~state~~ department is subrogated to
3 any right of recovery that a patient may have for the cost of
4 hospitalization, pharmaceutical services, physician services,
5 nursing services, and other medical services not to exceed the
6 amount of funds expended by the ~~state~~ department for the care and
7 treatment of the patient. The patient or other person acting in the
8 patient's behalf shall execute and deliver an assignment of claim
9 or other authorizations as necessary to secure the right of
10 recovery to the department. A payment may be withheld under this
11 act for medical assistance for an injury or disability for which
12 the individual is entitled to medical care or reimbursement for the
13 cost of medical care under sections 3101 to 3179 of the insurance
14 code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179, or under
15 another policy of insurance providing medical or hospital benefits,
16 or both, for the individual unless the individual's entitlement
17 to that medical care or reimbursement is at issue. If a payment is
18 made, the ~~state~~ department, to enforce its subrogation right, may
19 do either of the following: (a) intervene or join in an action or
20 proceeding brought by the injured, diseased, or disabled
21 individual, the individual's guardian, personal representative,
22 estate, dependents, or survivors, against the third person who may
23 be liable for the injury, disease, or disability, or against
24 contractors, public or private, who may be liable to pay or provide
25 medical care and services rendered to an injured, diseased, or
26 disabled individual; (b) institute and prosecute a legal
27 proceeding against a third person who may be liable for the injury,

1 disease, or disability, or against contractors, public or private,
2 who may be liable to pay or provide medical care and services
3 rendered to an injured, diseased, or disabled individual, in state
4 or federal court, either alone or in conjunction with the injured,
5 diseased, or disabled individual, the individual's guardian,
6 personal representative, estate, dependents, or survivors. The
7 state department may institute the proceedings in its own name or
8 in the name of the injured, diseased, or disabled individual, the
9 individual's guardian, personal representative, estate, dependents,
10 or survivors. As provided in section 6023 of the revised judicature
11 act of 1961, 1961 PA 236, MCL 600.6023, the ~~state~~ department, in
12 enforcing its subrogation right, shall not satisfy a judgment
13 against the third person's property that is exempt from levy and
14 sale. The injured, diseased, or disabled individual may proceed in
15 his or her own name, collecting the costs without the necessity of
16 joining the ~~state~~ department or the state as a named party. The
17 injured, diseased, or disabled individual shall notify the ~~state~~
18 department of the action or proceeding entered into upon
19 commencement of the action or proceeding. An action taken by the
20 state or the ~~state~~ department in connection with the right of
21 recovery afforded by this section does not deny the injured,
22 diseased, or disabled individual any part of the recovery beyond
23 the costs expended on the individual's behalf by the ~~state~~
24 department. The costs of legal action initiated by the state shall
25 be paid by the state. A payment shall not be made under this act
26 for medical assistance for an injury, disease, or disability for
27 which the individual is entitled to medical care or the cost of

1 medical care under the worker's disability compensation act of
2 1969, 1969 PA 317, MCL 418.101 to 418.941; except that payment may
3 be made if an appropriate application for medical care or the cost
4 of the medical care has been made under the worker's disability
5 compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941,
6 entitlement has not been finally determined, and an arrangement
7 satisfactory to the ~~state~~ department has been made for
8 reimbursement if the claim under the worker's disability
9 compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, is
10 finally sustained.

11 (iii) The individual has an annual income that is below, or
12 because of medical expenses falls below, the protected basic
13 maintenance level. The protected basic maintenance level for 1-
14 person and 2-person families shall be at least 100% of the higher
15 of the payment standards generally used to determine eligibility in
16 the family independence program and the supplemental security
17 income program under title XVI, including state supplementation.
18 For families of 3 or more persons, the protected basic maintenance
19 level shall be at least 100% of the payment standard generally used
20 to determine eligibility in the family independence program. These
21 levels shall recognize regional variations and shall not exceed
22 133-1/3% of the payment standard generally used to determine
23 eligibility in the family independence program.

24 (iv) The individual, if a family independence program related
25 individual and living alone, has liquid or marketable assets of not
26 more than \$2,000.00 in value, or, if a 2-person family, the family
27 has liquid or marketable assets of not more than \$3,000.00 in

1 value. The ~~family independence agency~~ **DEPARTMENT** shall establish
2 comparable liquid or marketable asset amounts for larger family
3 groups. Excluded in making the determination of the value of liquid
4 or marketable assets are the values of: the homestead; clothing;
5 household effects; \$1,000.00 of cash surrender value of life
6 insurance, except that if the health of the insured makes
7 continuance of the insurance desirable, the entire cash surrender
8 value of life insurance is excluded from consideration, up to the
9 maximum provided or allowed by federal regulations and in
10 accordance with the **DEPARTMENT'S** rules ~~of the family independence~~
11 ~~agency~~; the fair market value of tangible personal property used
12 in earning income; an amount paid as judgment or settlement for
13 damages suffered as a result of exposure to agent orange, as
14 defined in section 5701 of the public health code, 1978 PA 368, MCL
15 333.5701; and a space or plot purchased for the purposes of burial
16 for the person. For individuals related to the title XVI program,
17 the appropriate resource levels and property exemptions specified
18 in title XVI shall be used.

19 (v) The individual is not an inmate of a public institution
20 except as a patient in a medical institution.

21 (vi) The individual meets the eligibility standards for
22 supplemental security income under title XVI or for state
23 supplementation under the act, subject to limitations imposed by
24 the director according to title XIX; or meets the eligibility
25 standards for family independence program benefits, except for
26 income or income and resources; or is a child from 18 to 21 years
27 of age and his or her adult caretaker would be eligible for family

1 independence program benefits except for age, income, or income and
2 resources; or is a child under 21 years of age and is from a family
3 whose income is below the basic maintenance level.

4 (2) As used in this act:

5 (a) "Medicaid contracted health plan" means a managed care
6 organization with whom the ~~state~~ department contracts to provide
7 or arrange for the delivery of comprehensive health care services
8 as authorized under this act.

9 (b) "Medical institution" means a state licensed or approved
10 hospital, nursing home, medical care facility, psychiatric
11 hospital, or other facility or identifiable unit of a listed
12 institution certified as meeting established standards for a
13 nursing home or hospital in accordance with the laws of this state.

14 (c) "Title XVI" means title XVI of the social security act,
15 42 USC 1381 to 1382j and 1383 to 1383f.

16 (3) An individual receiving medical assistance under this act
17 or his or her legal counsel shall notify the ~~state~~ department
18 when filing an action in which the ~~state~~ department may have a
19 right to recover expenses paid under this act. If the individual is
20 enrolled in a medicaid contracted health plan, the individual or
21 his or her legal counsel shall provide notice to the contracted
22 health plan in addition to providing notice to the ~~state~~
23 department.

24 (4) If a legal action in which the ~~state~~ department, a
25 medicaid contracted health plan, or both has a right to recover
26 expenses paid under this act is filed and settled after ~~the date~~
27 ~~of the amendatory act that added this subsection~~ **NOVEMBER 29, 2004**

1 without notice to the ~~state~~ department or the medicaid contracted
2 health plan, the ~~state~~ department or the medicaid contracted
3 health plan may file a legal action against the individual or his
4 or her legal counsel, or both, to recover expenses paid under this
5 act. The attorney general shall recover any cost or attorney fees
6 associated with a recovery under this subsection.

7 (5) The ~~state~~ department has first priority against the
8 proceeds of the net recovery from the settlement or judgment in an
9 action settled in which notice has been provided under subsection
10 (3). A medicaid contracted health plan has priority immediately
11 after the ~~state~~ department in an action settled in which notice
12 has been provided under subsection (3). The ~~state~~ department and
13 a medicaid contracted health plan shall recover the full cost of
14 expenses paid under this act unless the ~~state~~ department or the
15 medicaid contracted health plan agrees to accept an amount less
16 than the full amount. If the individual would recover less against
17 the proceeds of the net recovery than the expenses paid under this
18 act, the ~~state~~ department or medicaid contracted health plan, and
19 the individual shall share equally in the proceeds of the net
20 recovery. As used in this subsection, "net recovery" means the
21 total settlement or judgment less the costs and fees incurred by or
22 on behalf of the individual who obtains the settlement or judgment.

23 (6) **IN ORDER FOR AN INDIVIDUAL TO BE ELIGIBLE FOR MEDICAL**
24 **ASSISTANCE BENEFITS UNDER THIS ACT, THE INDIVIDUAL MUST PROVIDE**
25 **PROOF OF IDENTIFICATION AND PROOF OF UNITED STATES CITIZENSHIP.**