

HOUSE BILL NO. 4726

July 15, 2025, Introduced by Reps. Bierlein, Borton, Frisbie and Martin and referred to Committee on Insurance.

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,

1 transportation, and nursing care incident to the medical, surgical,
2 or obstetrical care. The period of inpatient hospital service ~~shall~~
3 **must** be the minimum period necessary in this type of facility for
4 the proper care and treatment of the individual. Necessary
5 hospitalization to provide dental care must be provided if
6 certified by the attending dentist with the approval of the
7 department. An individual who is receiving medical treatment as an
8 inpatient because of a diagnosis of mental disease may receive
9 service under this section, notwithstanding the mental health code,
10 1974 PA 258, MCL 330.1001 to 330.2106. The department must pay for
11 hospital services according to the state plan for medical
12 assistance adopted under section 10 and approved by the United
13 States Department of Health and Human Services.

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

22 (c) Nursing home services in a state licensed nursing home, a
23 medical care facility, or other facility or identifiable unit of
24 that facility, certified by the appropriate authority as meeting
25 established standards for a nursing home under the laws and rules
26 of this state and the United States Department of Health and Human
27 Services, to the extent found necessary by the attending physician,
28 dentist, or certified Christian Science practitioner. An eligible
29 individual may receive nursing home services in an extended care

1 services program established under section 22210 of the public
2 health code, 1978 PA 368, MCL 333.22210, to the extent found
3 necessary by the attending physician when the combined length of
4 stay in the acute care bed and short-term nursing care bed exceeds
5 the average length of stay for Medicaid hospital diagnostic related
6 group reimbursement. The department shall not make a final payment
7 under title XIX for benefits available under title XVIII without
8 documentation that title XVIII claims have been filed and denied.
9 The department must pay for nursing home services according to the
10 state plan for medical assistance adopted according to section 10
11 and approved by the United States Department of Health and Human
12 Services. A county must reimburse a county maintenance of effort
13 rate determined on an annual basis for each patient day of Medicaid
14 nursing home services provided to eligible individuals in long-term
15 care facilities owned by the county and licensed to provide nursing
16 home services. For purposes of determining rates and costs
17 described in this subdivision, all of the following apply:

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

26 (ii) For county-owned facilities with per patient day updated
27 variable costs not exceeding the variable cost limit for the county
28 facility, county maintenance of effort rate means 45% of the
29 difference between per patient day updated variable cost and the

1 concomitant nursing home class variable cost limit.

2 (iii) For county-owned facilities with per patient day updated
3 variable costs not exceeding the concomitant nursing home class
4 variable cost limit, the county maintenance of effort rate must
5 equal zero.

6 (iv) For the purposes of this section: "per patient day updated
7 variable costs and the variable cost limit for the county facility"
8 must be determined according to the state plan for medical
9 assistance; for freestanding county facilities the "nursing home
10 class variable cost limit" must be determined according to the
11 state plan for medical assistance and for hospital attached county
12 facilities the "nursing class variable cost limit" must be
13 determined according to the state plan for medical assistance plus
14 \$5.00 per patient day; and "freestanding" and "hospital attached"
15 must be determined according to the federal regulations.

16 (v) If the county maintenance of effort rate computed under
17 this section exceeds the county maintenance of effort rate in
18 effect as of September 30, 1984, the rate in effect as of September
19 30, 1984 must remain in effect until a time that the rate computed
20 under this section is less than the September 30, 1984 rate. This
21 limitation remains in effect until December 31, ~~2025~~**2030** or until
22 a new reimbursement system determined by the department replaces
23 the current system, whichever is sooner. For each subsequent county
24 fiscal year, the maintenance of effort rate may not increase by
25 more than \$1.00 per patient day each year.

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

29 (d) Pharmaceutical services from a licensed pharmacist of the

1 individual's choice as prescribed by a licensed physician or
2 dentist and approved by the department. In an emergency, but not
3 routinely, the individual may receive pharmaceutical services
4 rendered personally by a licensed physician or dentist on the same
5 basis as approved for pharmacists.

6 (e) Other medical and health services as authorized by the
7 department.

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

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

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

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

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

1 proposed change is expected to increase or decrease payments for
2 that service by 1% or more during the 12 months after the effective
3 date of the change.

4 (3) As used in this act:

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

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

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