

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senators MacGregor, Stamas and Hansen

ENROLLED SENATE BILL No. 1037

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” (MCL 400.1 to 400.119b) by adding section 111n.

The People of the State of Michigan enact:

Sec. 111n. (1) If the department issues a new interpretation of existing Medicaid provider policy directly affecting nursing facility Medicaid cost reports, that change in policy must have a prospective effective date. A policy may have a retrospective effective date as part of a state plan amendment approval or waiver approval, or if required by state law, federal law, or judicial ruling.

(2) By July 1, 2019, but no later than October 1, 2019, the department shall revise the Medicaid nonavailable bed plan policy to allow a nursing facility to remove beds from service for up to 5 years. As part of the revised nonavailable bed plan policy, all of the following apply:

- (a) A nursing facility is not required to remove all beds from a room.
- (b) The beds placed in a nonavailable bed plan may be from noncontiguous rooms.

(c) The department shall allow the entire nursing facility to be utilized during the period when the nursing facility has a bed in the nonavailable bed plan, but the square footage associated with each nonavailable bed is nonreimbursable on the Medicaid cost report.

(3) The department shall establish a process to automatically change the program enrollment type and managed care enrollment status in the community health automated Medicaid processing system (CHAMPS) immediately when a filing has been made by a health maintenance organization to disenroll a nursing facility resident from a health maintenance organization and the resident has completed 45 days of skilled care at a nursing facility. The department may utilize a filing to disenroll a nursing facility resident from a health maintenance organization, admission and discharge data entered by a nursing facility in CHAMPS, or automated admission, discharge, and transfer transactions to verify the 45-day limit.

(4) Within 60 days after receipt of a request from a nursing facility, the department shall perform a secondary review of a denied rate exception, including, but not limited to, rate relief, or application of a classwide average rate. The secondary review must be performed by department staff who are separate from the department staff who performed the initial review determination.

(5) The department shall offer a quarterly meeting and invite appropriate nursing facility stakeholders. Appropriate stakeholders shall include at least 1 representative from each nursing facility provider trade association, the state long-term care ombudsman, and any other representatives. Individuals who participate in these quarterly meetings, in conjunction with the department, may designate advisory workgroups to develop recommendations on the discussion topics that should include, at a minimum, the following:

(a) Seeking quality improvement to the cost report audit and settlement process, including clarification to process-related policies and protocols that include, but are not limited to, the following:

- (i) Improving the auditors' and providers' quality and preparedness.
- (ii) Enhanced communication between applicable parties such as department staff, consultants, and providers.
- (iii) Improving Medicaid providers' ability to provide auditable documentation on a timely basis.

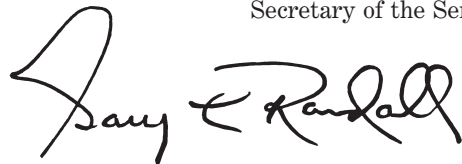
(b) Promoting transparency between providers and department staff, including, but not limited to, applying regulations and policy in an accurate, consistent, and timely manner and evaluating changes that have been implemented to resolve any identified problems and concerns.

Enacting section 1. This amendatory act takes effect 180 days after the date it is enacted into law.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor