



MICHIGAN COUNTY
MEDICAL CARE
FACILITIES
COUNCIL

Our Mission Sets Us Apart

3/17/2022

Good morning. I want to thank Representative Kahle for introducing this bill and the health policy committee members for hearing testimony on HB 5875 today.

My name is Renee Beniak, and I am the Executive Director for the association that represents the 34 county-owned nursing homes in Michigan, serving all of Michigan's 83 counties. We serve as a safety net provider for Michigan's most vulnerable citizens who need nursing home care, regardless of their ability to pay. We serve on a statewide average of 15% more Medicaid than the average for-profit and non-profit nursing home in Michigan.

Prior to 1980, County Medical Care Facilities (MCFs) were reimbursed a Medicaid rate which had a ceiling. Most, if not all, CMCFs had costs over this ceiling. This placed CMCFs in the position of having to request that their county commissioners appropriate an allocation to support their budget above and beyond what Medicaid pays. Around this same time, the state implemented a prospective Medicaid reimbursement system. This change leads the legislature to direct the counties to maintain their previous levels of participation in operating their MCF, thus the term Maintenance of Effort (MOE).

In 1980, the state established the MOE tax as a way to bring in more federal money to the Medicaid system. This reimbursement system is a partnership between the state and counties with MCFs. The MOE program has allowed county MCFs to continue receiving a higher Medicaid reimbursement rate, maintain their mission, and reduce state and county costs while maintaining the financial responsibility of county governments. However, since 1984 the state has capped the MOE rate for MCFs and extended the cap every 3-5 years.

We appreciate your consideration of this legislation extending the MOE rate for another three years, or until a new Michigan Medicaid reimbursement system is in place and continues the county's contribution to the system at present levels and maintains Class III county-owned nursing homes as the safety net provider for Medicaid. And even with the extreme staffing shortage that all providers face, hours dedicated to each resident in a medical care facility is 6.28 hours per day. In contrast, in other MI nursing homes, residents, on average, receive 4.99 hours of care each day.

Dr. Renee Beniak, RN, CNHA, CPHQ
MCMCFC
110 W. Michigan Ave, Ste. 200
Lansing, MI 48933

www.mcmcfc.org

517.372.5433

renee@mcmcfc.org