

**SUBSTITUTE FOR
SENATE BILL NO. 118**

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2016; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2016, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	3,689.1

1	Average population	893.0	
2	GROSS APPROPRIATION.....		\$ 19,013,702,400
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers	9,678,100	
6	ADJUSTED GROSS APPROPRIATION.....		\$ 19,004,024,300
7	Federal revenues:		
8	Total federal revenues.....	13,470,797,100	
9	Social security act, temporary assistance for needy		
10	families	17,814,100	
11	Special revenue funds:		
12	Total local revenues.....	85,974,700	
13	Total private revenues.....	127,698,700	
14	Merit award trust fund.....	108,334,700	
15	Total other state restricted revenues.....	2,065,050,700	
16	State general fund/general purpose.....		\$ 3,128,354,300
17	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
18	Full-time equated unclassified positions.....	6.0	
19	Full-time equated classified positions.....	190.7	
20	Director and other unclassified--6.0 FTE positions ...		\$ 735,500
21	Departmental administration and management--180.7		
22	FTE positions	28,019,500	
23	Worker's compensation program.....	5,205,700	
24	Rent and building occupancy.....	10,602,500	
25	Developmental disabilities council and		
26	projects--10.0 FTE positions	3,038,900	
27	Human trafficking intervention services.....	<u>200,000</u>	

1	GROSS APPROPRIATION.....	\$	47,802,100
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		16,096,300
5	Special revenue funds:		
6	Total private revenues.....		35,200
7	Total other state restricted revenues.....		834,500
8	State general fund/general purpose.....	\$	30,836,100
9	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION		
10	AND SPECIAL PROJECTS		
11	Full-time equated classified positions.....	108.0	
12	Behavioral health program administration--107.0 FTE		
13	positions	\$	47,093,200
14	Gambling addiction--1.0 FTE position.....		3,003,700
15	Protection and advocacy services support		194,400
16	Community residential and support services		592,100
17	Federal and other special projects		2,535,600
18	Family support subsidy.....		17,633,600
19	Housing and support services.....		<u>13,238,800</u>
20	GROSS APPROPRIATION.....	\$	84,291,400
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues.....		38,767,700
24	Social security act, temporary assistance for needy		
25	families		17,814,100
26	Special revenue funds:		
27	Total private revenues.....		1,000,000

1	Total other state restricted revenues	3,003,700
2	State general fund/general purpose	\$ 23,705,900
3	Sec. 104. BEHAVIORAL HEALTH SERVICES	
4	Full-time equated classified positions.....	9.5
5	Medicaid mental health services	\$ 2,365,893,200
6	Community mental health non-Medicaid services	117,050,400
7	Mental health services for special populations	8,842,800
8	Medicaid substance use disorder services	46,967,800
9	Civil service charges	1,499,300
10	Federal mental health block grant--2.5 FTE positions .	15,444,600
11	State disability assistance program substance use	
12	disorder services	2,018,800
13	Community substance use disorder prevention,	
14	education, and treatment	73,811,800
15	Children's waiver home care program	21,544,900
16	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,258,800
17	Children with serious emotional disturbance waiver ...	12,647,900
18	Health homes	3,369,000
19	Healthy Michigan plan - behavioral health	310,767,700
20	Autism services	<u>36,769,400</u>
21	GROSS APPROPRIATION	\$ 3,028,886,400
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	Interdepartmental grant from the department of human	
25	services	6,340,500
26	Federal revenues:	
27	Total federal revenues	2,028,945,800

1	Special revenue funds:	
2	Total local revenues	25,475,800
3	Total other state restricted revenues	22,512,700
4	State general fund/general purpose	\$ 945,611,600
5	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
6	MENTAL HEALTH SERVICES	
7	Total average population	893.0
8	Full-time equated classified positions	2,130.9
9	Caro Regional Mental Health Center - psychiatric	
10	hospital - adult--461.3 FTE positions	\$ 56,313,400
11	Average population	185.0
12	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
13	positions	64,459,400
14	Average population	189.0
15	Walter P. Reuther Psychiatric Hospital -	
16	adult--420.8 FTE positions	55,835,000
17	Average population	234.0
18	Hawthorn Center - psychiatric hospital - children	
19	and adolescents--226.4 FTE positions	28,735,600
20	Average population	75.0
21	Center for forensic psychiatry--556.3 FTE positions ..	72,538,000
22	Average population	210.0
23	Revenue recapture	750,000
24	IDEA, federal special education	120,000
25	Special maintenance	332,500
26	Purchase of medical services for residents of	
27	hospitals and centers	445,600

1	Gifts and bequests for patient living and treatment	
2	environment	<u>1,000,000</u>
3	GROSS APPROPRIATION.....	\$ 280,529,500
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	34,711,200
7	Special revenue funds:	
8	Other local revenues.....	19,480,700
9	Total private revenues.....	1,000,000
10	Total other state restricted revenues.....	18,868,500
11	State general fund/general purpose.....	\$ 206,469,100
12	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
13	Full-time equated classified positions.....	100.4
14	Public health administration--7.3 FTE positions	\$ 1,547,800
15	Health and wellness initiatives--11.7 FTE positions ..	4,259,200
16	Vital records and health statistics--81.4 FTE	
17	positions	<u>11,763,400</u>
18	GROSS APPROPRIATION.....	\$ 17,570,400
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of human	
22	services	1,206,100
23	Federal revenues:	
24	Total federal revenues.....	3,650,800
25	Special revenue funds:	
26	Total other state restricted revenues.....	11,389,700
27	State general fund/general purpose.....	\$ 1,323,800

1 **Sec. 107. HEALTH POLICY**

2	Full-time equated classified positions.....	64.8	
3	Certificate of need program administration--12.3 FTE		
4	positions		\$ 2,781,400
5	Emergency medical services program--23.0 FTE positions		6,415,200
6	Health innovation grants.....		1,500,000
7	Health policy administration--24.1 FTE positions		18,006,300
8	Michigan essential health provider.....		3,591,300
9	Minority health grants and contracts.....		612,700
10	Nurse education and research program--3.0 FTE		
11	positions		1,041,500
12	Primary care services--1.4 FTE positions		4,067,500
13	Rural health services--1.0 FTE position.....		<u>1,555,500</u>
14	GROSS APPROPRIATION.....		\$ 39,571,400
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	Interdepartmental grant from the department of		
18	licensing and regulatory affairs.....		1,041,500
19	Interdepartmental grant from the department of		
20	treasury, Michigan state hospital finance authority.		116,000
21	Federal revenues:		
22	Total federal revenues.....		22,987,200
23	Special revenue funds:		
24	Total private revenues.....		865,000
25	Total other state restricted revenues.....		6,561,700
26	State general fund/general purpose.....		\$ 8,000,000

27 **Sec. 108. LABORATORY SERVICES**

1	Full-time equated classified positions.....	100.0	
2	Laboratory services--100.0 FTE positions		\$ <u>20,295,500</u>
3	GROSS APPROPRIATION.....		\$ 20,295,500
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	Interdepartmental grant from the department of		
7	environmental quality		974,000
8	Federal revenues:		
9	Total federal revenues.....		2,294,400
10	Special revenue funds:		
11	Total other state restricted revenues		10,261,900
12	State general fund/general purpose		\$ 6,765,200
13	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE		
14	Full-time equated classified positions.....	144.9	
15	AIDS surveillance and prevention program.....		\$ 1,854,100
16	Bioterrorism preparedness--52.0 FTE positions		30,077,600
17	Epidemiology administration--41.6 FTE positions		12,455,700
18	Healthy homes program--8.0 FTE positions		4,384,300
19	Immunization program--12.8 FTE positions		16,817,900
20	Newborn screening follow-up and treatment		
21	services--10.5 FTE positions		7,223,000
22	Sexually transmitted disease control program--20.0		
23	FTE positions		6,246,900
24	Tuberculosis control and prevention.....		<u>867,000</u>
25	GROSS APPROPRIATION.....		\$ 79,926,500
26	Appropriated from:		
27	Federal revenues:		

1	Total federal revenues.....	60,864,000
2	Special revenue funds:	
3	Total private revenues.....	339,000
4	Total other state restricted revenues.....	11,577,900
5	State general fund/general purpose.....	\$ 7,145,600
6	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
7	Full-time equated classified positions..... 2.0	
8	Essential local public health services.....	\$ 40,886,100
9	Implementation of 1993 PA 133, MCL 333.17015.....	20,000
10	Local health services--2.0 FTE positions.....	496,100
11	Medicaid outreach cost reimbursement to local health	
12	departments	<u>9,000,000</u>
13	GROSS APPROPRIATION.....	\$ 50,402,200
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	9,536,100
17	Special revenue funds:	
18	Total local revenues.....	5,150,000
19	State general fund/general purpose.....	\$ 35,716,100
20	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND	
21	HEALTH PROMOTION	
22	Full-time equated classified positions..... 113.0	
23	AIDS prevention, testing, and care programs--47.7	
24	FTE positions	\$ 70,423,000
25	Cancer prevention and control program--13.0 FTE	
26	positions	15,005,800
27	Chronic disease control and health promotion	

1	administration--29.4 FTE positions.....	6,456,200
2	Diabetes and kidney program--8.0 FTE positions	3,038,100
3	Smoking prevention program--12.0 FTE positions	2,107,600
4	Violence prevention--2.9 FTE positions	<u>1,823,700</u>
5	GROSS APPROPRIATION.....	\$ 98,854,400
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	52,671,100
9	Special revenue funds:	
10	Total private revenues.....	38,778,400
11	Total other state restricted revenues.....	5,534,000
12	State general fund/general purpose.....	\$ 1,870,900
13	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
14	SERVICES	
15	Full-time equated classified positions..... 69.6	
16	Childhood lead program--2.5 FTE positions.....	\$ 1,563,300
17	Dental programs--3.0 FTE positions.....	1,667,200
18	Dental program for persons with developmental	
19	disabilities	151,000
20	Family, maternal, and children's health services	
21	administration--50.1 FTE positions.....	8,387,000
22	Family planning local agreements.....	8,310,700
23	Local MCH services.....	7,018,100
24	Pregnancy prevention program.....	602,100
25	Prenatal care outreach and service delivery	
26	support--14.0 FTE positions	16,683,100
27	Special projects.....	6,289,100

1	Sudden infant death syndrome program.....	<u>321,300</u>
2	GROSS APPROPRIATION.....	\$ 50,992,900
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	42,214,500
6	Special revenue funds:	
7	Total local revenues.....	75,000
8	Total private revenues.....	874,500
9	Total other state restricted revenues.....	20,000
10	State general fund/general purpose.....	\$ 7,808,900
11	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND	
12	NUTRITION PROGRAM	
13	Full-time equated classified positions.....	45.0
14	Women, infants, and children program administration	
15	and special projects--45.0 FTE positions.....	\$ 17,905,900
16	Women, infants, and children program local	
17	agreements and food costs	<u>256,285,000</u>
18	GROSS APPROPRIATION.....	\$ 274,190,900
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	213,113,000
22	Special revenue funds:	
23	Total private revenues.....	61,077,900
24	State general fund/general purpose.....	\$ 0
25	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
26	Full-time equated classified positions.....	46.8
27	Children's special health care services	

1	administration--44.0 FTE positions.....	\$	5,897,900
2	Requests for care and services--2.8 FTE positions....		1,528,200
3	Outreach and advocacy.....		5,510,000
4	Nonemergency medical transportation.....		905,900
5	Medical care and treatment.....		<u>189,966,200</u>
6	GROSS APPROPRIATION.....	\$	203,808,200
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues.....		107,080,900
10	Special revenue funds:		
11	Total private revenues.....		1,008,900
12	Total other state restricted revenues.....		3,858,400
13	State general fund/general purpose.....	\$	91,860,000
14	Sec. 115. CRIME VICTIM SERVICES COMMISSION		
15	Full-time equated classified positions..... 13.0		
16	Grants administration services--13.0 FTE positions...	\$	2,129,800
17	Justice assistance grants.....		15,000,000
18	Crime victim rights services grants.....		<u>16,870,000</u>
19	GROSS APPROPRIATION.....	\$	33,999,800
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues.....		18,697,500
23	Special revenue funds:		
24	Total other state restricted revenues.....		15,302,300
25	State general fund/general purpose.....	\$	0
26	Sec. 116. OFFICE OF SERVICES TO THE AGING		
27	Full-time equated classified positions..... 40.0		

1	Office of services to aging administration--40.0 FTE	
2	positions	\$ 7,784,500
3	Community services.....	39,013,900
4	Nutrition services.....	39,044,000
5	Foster grandparent volunteer program.....	2,233,600
6	Retired and senior volunteer program.....	627,300
7	Senior companion volunteer program.....	1,604,400
8	Employment assistance.....	3,500,000
9	Respite care program.....	<u>5,868,700</u>
10	GROSS APPROPRIATION.....	\$ 99,676,400
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	57,525,800
14	Special revenue funds:	
15	Total private revenues.....	520,000
16	Merit award trust fund.....	4,068,700
17	Total other state restricted revenues.....	1,400,000
18	State general fund/general purpose.....	\$ 36,161,900
19	Sec. 117. MEDICAL SERVICES ADMINISTRATION	
20	Full-time equated classified positions..... 510.5	
21	Medical services administration--450.5 FTE positions .	\$ 92,898,600
22	Healthy Michigan plan administration--36.0 FTE	
23	positions	49,342,300
24	Facility inspection contract.....	132,800
25	MIChild administration.....	3,500,000
26	Electronic health record incentive program--24.0 FTE	
27	positions	<u>144,226,200</u>

1	GROSS APPROPRIATION.....	\$	290,099,900
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		242,788,100
5	Special revenue funds:		
6	Total local revenues.....		105,700
7	Total private revenues.....		99,800
8	Total other state restricted revenues.....		331,300
9	State general fund/general purpose.....	\$	46,775,000
10	Sec. 118. MEDICAL SERVICES		
11	Hospital services and therapy.....	\$	1,241,483,000
12	Hospital disproportionate share payments.....		47,907,000
13	Physician services.....		367,790,200
14	Medicare premium payments.....		408,503,400
15	Pharmaceutical services.....		303,791,800
16	Home health services.....		5,804,700
17	Hospice services.....		115,382,500
18	Transportation.....		23,288,200
19	Auxiliary medical services.....		7,268,800
20	Dental services.....		224,270,800
21	Ambulance services.....		23,000,000
22	Long-term care services.....		1,384,879,700
23	Integrated care organizations.....		478,495,500
24	Medicaid home- and community-based services waiver...		325,318,000
25	Adult home help services.....		300,140,800
26	Personal care services.....		12,237,000
27	Program of all-inclusive care for the elderly.....		74,947,600

1	Health plan services.....	4,963,216,500
2	MIChild program.....	18,022,600
3	Federal Medicare pharmaceutical program.....	160,295,400
4	Maternal and child health.....	20,279,500
5	Healthy Michigan plan.....	3,215,577,600
6	Subtotal basic medical services program.....	13,721,900,600
7	School-based services.....	112,102,700
8	Special Medicaid reimbursement.....	388,891,700
9	Subtotal special medical services payments.....	<u>500,994,400</u>
10	GROSS APPROPRIATION.....	\$ 14,222,895,000
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	10,473,399,900
14	Special revenue funds:	
15	Total local revenues.....	35,687,500
16	Total private revenues.....	2,100,000
17	Merit award trust fund.....	104,266,000
18	Total other state restricted revenues.....	1,951,608,300
19	State general fund/general purpose.....	\$ 1,655,833,300
20	Sec. 119. INFORMATION TECHNOLOGY	
21	Information technology services and projects.....	\$ 36,958,100
22	Michigan Medicaid information system.....	<u>50,201,100</u>
23	GROSS APPROPRIATION.....	\$ 87,159,200
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	45,452,800
27	Special revenue funds:	

1	Total private revenues.....	20,000,000
2	Total other state restricted revenues.....	1,985,800
3	State general fund/general purpose.....	\$ 19,720,600
4	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS	
5	University autism programs.....	\$ 2,500,000
6	Pay for success contracts.....	100
7	Bone marrow transplant registry.....	250,000
8	Child and adolescent health services.....	100
9	Mental health commission recommendations.....	<u>100</u>
10	GROSS APPROPRIATION.....	\$ 2,750,300
11	Appropriated from:	
12	State general fund/general purpose	\$ 2,750,300

13 PART 2

14 PROVISIONS CONCERNING APPROPRIATIONS

15 FOR FISCAL YEAR 2015-2016

16 **GENERAL SECTIONS**

17 Sec. 201. Pursuant to section 30 of article IX of the state

18 constitution of 1963, total state spending from state resources

19 under part 1 for fiscal year 2015-2016 is \$5,301,739,700.00 and

20 state spending from state resources to be paid to local units of

21 government for fiscal year 2015-2016 is \$1,125,753,200.00. The

22 itemized statement below identifies appropriations from which

23 spending to local units of government will occur:

24 DEPARTMENT OF COMMUNITY HEALTH

25 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

1	Community residential and support services	\$	592,100
2	Housing and support services		667,400
3	BEHAVIORAL HEALTH SERVICES		
4	State disability assistance program substance use		
5	disorder services	\$	2,018,000
6	Community substance use disorder prevention,		
7	education, and treatment programs		14,553,400
8	Medicaid mental health services		785,082,300
9	Community mental health non-Medicaid services		117,050,400
10	Mental health services for special populations		8,842,800
11	Medicaid substance use disorder services		15,806,200
12	Children's waiver home care program		6,056,200
13	Nursing home PAS/ARR-OBRA		2,725,300
14	LABORATORY SERVICES		
15	Laboratory services	\$	5,000
16	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
17	Sexually transmitted disease control program	\$	377,000
18	LOCAL HEALTH ADMINISTRATION AND GRANTS		
19	Implementation of 1993 PA 133, MCL 333.17015	\$	300
20	Essential local public health services		34,199,500
21	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
22	AIDS prevention, testing, and care programs	\$	606,100
23	Cancer prevention and control program		116,700
24	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
25	Prenatal care outreach and service delivery support ..	\$	2,044,800
26	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
27	Medical care and treatment	\$	949,800

1	Outreach and advocacy.....	2,204,000
2	CRIME VICTIM SERVICES COMMISSION	
3	Crime victim rights services grants.....	\$ 6,389,800
4	OFFICE OF SERVICES TO THE AGING	
5	Community services.....	\$ 13,333,500
6	Nutrition services.....	9,287,000
7	Foster grandparent volunteer program.....	579,200
8	Retired and senior volunteer program.....	197,300
9	Senior companion volunteer program.....	351,400
10	Respite care program.....	5,868,700
11	MEDICAL SERVICES	
12	Dental services.....	\$ 1,202,000
13	Long-term care services.....	81,530,900
14	Hospital services and therapy.....	2,449,500
15	Physician services.....	<u>10,665,900</u>
16	TOTAL OF PAYMENTS TO LOCAL UNITS	
17	OF GOVERNMENT.....	\$ 1,125,753,200
18	Sec. 202. The appropriations authorized under this part and	
19	part 1 are subject to the management and budget act, 1984 PA 431,	
20	MCL 18.1101 to 18.1594.	
21	Sec. 203. As used in this part and part 1:	
22	(a) "AIDS" means acquired immunodeficiency syndrome.	
23	(b) "CMHSP" means a community mental health services program	
24	as that term is defined in section 100a of the mental health code,	
25	1974 PA 258, MCL 330.1100a.	
26	(c) "Current fiscal year" means the fiscal year ending	
27	September 30, 2016.	

1 (d) "Department" means the department of community health.

2 (e) "Director" means the director of the department.

3 (f) "DSH" means disproportionate share hospital.

4 (g) "EPSDT" means early and periodic screening, diagnosis, and
5 treatment.

6 (h) "Federal poverty level" means the poverty guidelines
7 published annually in the Federal Register by the United States
8 Department of Health and Human Services under its authority to
9 revise the poverty line under 42 USC 9902.

10 (i) "FTE" means full-time equated.

11 (j) "GME" means graduate medical education.

12 (k) "Health plan" means, at a minimum, an organization that
13 meets the criteria for delivering the comprehensive package of
14 services under the department's comprehensive health plan.

15 (l) "HEDIS" means healthcare effectiveness data and
16 information set.

17 (m) "HIV" means human immunodeficiency virus.

18 (n) "HMO" means health maintenance organization.

19 (o) "IDEA" means the individuals with disabilities education
20 act, 20 USC 1400 to 1482.

21 (p) "MCH" means maternal and child health.

22 (q) "MIChild" means the program described in section 1670.

23 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
24 resident review required under the omnibus budget reconciliation
25 act of 1987, section 1919(e)(7) of the social security act, 42 USC
26 1396r.

27 (s) "PIHP" means an entity designated by the department as a

1 regional entity or a specialty prepaid inpatient health plan for
2 Medicaid mental health services, services to individuals with
3 developmental disabilities, and substance use disorder services.
4 Regional entities are described in section 204b of the mental
5 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
6 inpatient health plans are described in section 232b of the mental
7 health code, 1974 PA 258, MCL 330.1232b.

8 (t) "Temporary assistance for needy families" means part A of
9 subchapter IV of the social security act, 42 USC 601 to 619.

10 (u) "Title X" means title X of the public health service act,
11 42 USC 300 to 300a-8, which establishes grants to states for family
12 planning services.

13 (v) "Title XVIII" and "Medicare" mean subchapter XVIII of the
14 social security act, 42 USC 1395 to 1395lll.

15 (w) "Title XIX" and "Medicaid" mean subchapter XIX of the
16 social security act, 42 USC 1396 to 1396w-5.

17 Sec. 204. In addition to the metrics required under section
18 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for
19 each new program or program enhancement for which funds in excess
20 of \$500,000.00 are appropriated in part 1, the department shall
21 provide not later than November 1, 2015 a list of program-specific
22 metrics intended to measure its performance based on a return on
23 taxpayer investment. The department shall deliver the program-
24 specific metrics to members of the senate and house subcommittees
25 that have subject matter jurisdiction for this budget, fiscal
26 agencies, and the state budget director. The department shall
27 provide an update on its progress in tracking program-specific

1 metrics and the status of program success at an appropriations
2 subcommittee meeting called for by the subcommittee chair.

3 Sec. 206. (1) In addition to the funds appropriated in part 1,
4 there is appropriated an amount not to exceed \$200,000,000.00 for
5 federal contingency funds. These funds are not available for
6 expenditure until they have been transferred to another line item
7 in part 1 under section 393(2) of the management and budget act,
8 1984 PA 431, MCL 18.1393.

9 (2) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$40,000,000.00 for state
11 restricted contingency funds. These funds are not available for
12 expenditure until they have been transferred to another line item
13 in part 1 under section 393(2) of the management and budget act,
14 1984 PA 431, MCL 18.1393.

15 (3) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$20,000,000.00 for local
17 contingency funds. These funds are not available for expenditure
18 until they have been transferred to another line item in part 1
19 under section 393(2) of the management and budget act, 1984 PA 431,
20 MCL 18.1393.

21 (4) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$40,000,000.00 for private
23 contingency funds. These funds are not available for expenditure
24 until they have been transferred to another line item in part 1
25 under section 393(2) of the management and budget act, 1984 PA 431,
26 MCL 18.1393.

27 Sec. 207. The department shall maintain, on a public

1 accessible website, a department scorecard that identifies, tracks,
2 and regularly updates key metrics that are used to monitor and
3 improve the department's performance.

4 Sec. 208. The departments and agencies receiving
5 appropriations in part 1 shall use the Internet to fulfill the
6 reporting requirements of this part and part 1. This requirement
7 may include transmission of reports via electronic mail to the
8 recipients identified for each reporting requirement, or it may
9 include placement of reports on the Internet or Intranet site.

10 Sec. 209. Funds appropriated in part 1 shall not be used for
11 the purchase of foreign goods or services, or both, if
12 competitively priced and of comparable quality American goods or
13 services, or both, are available. Preference shall be given to
14 goods or services, or both, manufactured or provided by Michigan
15 businesses if they are competitively priced and of comparable
16 quality. In addition, preference shall be given to goods or
17 services, or both, that are manufactured or provided by Michigan
18 businesses owned and operated by veterans if they are competitively
19 priced and of comparable quality.

20 Sec. 210. The director and the director of the office of
21 services to the aging shall take all reasonable steps to ensure
22 businesses in deprived and depressed communities compete for and
23 perform contracts to provide services or supplies, or both. The
24 director and the director of the office of services to the aging
25 shall strongly encourage firms with which the department contracts
26 to subcontract with certified businesses in depressed and deprived
27 communities for services, supplies, or both.

1 Sec. 211. If the revenue collected by the department from fees
2 and collections exceeds the amount appropriated in part 1, the
3 revenue may be carried forward with the approval of the state
4 budget director into the subsequent fiscal year. The revenue
5 carried forward under this section shall be used as the first
6 source of funds in the subsequent fiscal year.

7 Sec. 212. (1) On or before February 1 of the current fiscal
8 year, the department shall report to the house and senate
9 appropriations subcommittees on community health, the house and
10 senate fiscal agencies, and the state budget director on the
11 detailed name and amounts of federal, restricted, private, and
12 local sources of revenue that support the appropriations in each of
13 the line items in part 1.

14 (2) Upon the release of the next fiscal year executive budget
15 recommendation, the department shall report to the same parties in
16 subsection (1) on the amounts and detailed sources of federal,
17 restricted, private, and local revenue proposed to support the
18 total funds appropriated in each of the line items in part 1 of the
19 next fiscal year executive budget proposal.

20 Sec. 213. The state departments, agencies, and commissions
21 receiving tobacco tax funds and Healthy Michigan funds from part 1
22 shall report by April 1 of the current fiscal year to the senate
23 and house appropriations committees, the senate and house fiscal
24 agencies, and the state budget director on the following:

25 (a) Detailed spending plan by appropriation line item
26 including description of programs and a summary of organizations
27 receiving these funds.

1 (b) Description of allocations or bid processes including need
2 or demand indicators used to determine allocations.

3 (c) Eligibility criteria for program participation and maximum
4 benefit levels where applicable.

5 (d) Outcome measures used to evaluate programs, including
6 measures of the effectiveness of these programs in improving the
7 health of Michigan residents.

8 (e) Any other information considered necessary by the house of
9 representatives or senate appropriations committees or the state
10 budget director.

11 Sec. 216. (1) In addition to funds appropriated in part 1 for
12 all programs and services, there is appropriated for write-offs of
13 accounts receivable, deferrals, and for prior year obligations in
14 excess of applicable prior year appropriations, an amount equal to
15 total write-offs and prior year obligations, but not to exceed
16 amounts available in prior year revenues.

17 (2) The department's ability to satisfy appropriation
18 deductions in part 1 shall not be limited to collections and
19 accruals pertaining to services provided in the current fiscal
20 year, but shall also include reimbursements, refunds, adjustments,
21 and settlements from prior years.

22 Sec. 218. The department shall include the following in its
23 annual list of proposed basic health services as required in part
24 23 of the public health code, 1978 PA 368, MCL 333.2301 to
25 333.2321:

26 (a) Immunizations.

27 (b) Communicable disease control.

1 (c) Sexually transmitted disease control.

2 (d) Tuberculosis control.

3 (e) Prevention of gonorrhea eye infection in newborns.

4 (f) Screening newborns for the conditions listed in section
5 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
6 recommended by the newborn screening quality assurance advisory
7 committee created under section 5430 of the public health code,
8 1978 PA 368, MCL 333.5430.

9 (g) Community health annex of the Michigan emergency
10 management plan.

11 (h) Prenatal care.

12 Sec. 219. (1) The department may contract with the Michigan
13 Public Health Institute for the design and implementation of
14 projects and for other public health-related activities prescribed
15 in section 2611 of the public health code, 1978 PA 368, MCL
16 333.2611. The department may develop a master agreement with the
17 institute to carry out these purposes for up to a 3-year period.
18 The department shall report to the house and senate appropriations
19 subcommittees on community health, the house and senate fiscal
20 agencies, and the state budget director on or before January 1 of
21 the current fiscal year all of the following:

22 (a) A detailed description of each funded project.

23 (b) The amount allocated for each project, the appropriation
24 line item from which the allocation is funded, and the source of
25 financing for each project.

26 (c) The expected project duration.

27 (d) A detailed spending plan for each project, including a

1 list of all subgrantees and the amount allocated to each
2 subgrantee.

3 (2) On or before September 30 of the current fiscal year, the
4 department shall provide to the same parties listed in subsection
5 (1) a copy of all reports, studies, and publications produced by
6 the Michigan Public Health Institute, its subcontractors, or the
7 department with the funds appropriated in part 1 and allocated to
8 the Michigan Public Health Institute.

9 Sec. 223. The department may establish and collect fees for
10 publications, videos and related materials, conferences, and
11 workshops. Collected fees shall be used to offset expenditures to
12 pay for printing and mailing costs of the publications, videos and
13 related materials, and costs of the workshops and conferences. The
14 department shall not collect fees under this section that exceed
15 the cost of the expenditures.

16 Sec. 252. The appropriations in part 1 for Healthy Michigan
17 plan-behavioral health, Healthy Michigan plan administration, and
18 Healthy Michigan plan are contingent on the provisions of the
19 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
20 contained in 2013 PA 107 not being amended, repealed, or otherwise
21 altered to eliminate the Healthy Michigan plan. If that occurs,
22 then, upon the effective date of the amendatory act that amends,
23 repeals, or otherwise alters those provisions, the remaining funds
24 in the Healthy Michigan plan-behavioral health, Healthy Michigan
25 plan administration, and Healthy Michigan plan line items shall
26 only be used to pay previously incurred costs and any remaining
27 appropriations shall not be allotted to support those line items.

1 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
2 state plan amendment, or a similar proposal to the centers for
3 Medicare and Medicaid services, the department shall notify the
4 house and senate appropriations subcommittees on community health,
5 the house and senate fiscal agencies, and the state budget office
6 of the submission.

7 (2) The department shall provide written or verbal biannual
8 reports to the senate and house appropriations subcommittees on
9 community health, the senate and house fiscal agencies, and the
10 state budget office summarizing the status of any new or ongoing
11 discussions with the Centers for Medicare and Medicaid Services or
12 the United States Department of Health and Human Services regarding
13 potential or future Medicaid waiver applications.

14 (3) The department shall inform the senate and house
15 appropriations subcommittees on community health and the senate and
16 house fiscal agencies of any alterations or adjustments made to the
17 published plan for integrated care for individuals who are dual
18 Medicare/Medicaid eligibles when the final version of the plan has
19 been submitted to the federal Centers for Medicare and Medicaid
20 Services or the United States Department of Health and Human
21 Services.

22 (4) At least 30 days before implementation of the plan for
23 integrated care for individuals who are dual Medicare/Medicaid
24 eligibles, the department shall submit the plan to the legislature
25 for review.

26 Sec. 266. The departments and agencies receiving
27 appropriations in part 1 shall prepare a report on out-of-state

1 travel expenses not later than January 1 of each year. The travel
2 report shall be a listing of all travel by classified and
3 unclassified employees outside this state in the immediately
4 preceding fiscal year that was funded in whole or in part with
5 funds appropriated in the department's budget. The report shall be
6 submitted to the senate and house appropriations committees, the
7 house and senate fiscal agencies, and the state budget director.
8 The report shall include the following information:

9 (a) The dates of each travel occurrence.

10 (b) The transportation and related costs of each travel
11 occurrence, including the proportion funded with state general
12 fund/general purpose revenues, the proportion funded with state
13 restricted revenues, the proportion funded with federal revenues,
14 and the proportion funded with other revenues.

15 Sec. 267. The department shall not take disciplinary action
16 against an employee for communicating with a member of the
17 legislature or his or her staff.

18 Sec. 270. Within 180 days after receipt of the notification
19 from the attorney general's office of a legal action in which
20 expenses had been recovered pursuant to section 106(4) of the
21 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
22 under which the department has the right to recover expenses, the
23 department shall submit a written report to the house and senate
24 appropriations subcommittees on community health, the house and
25 senate fiscal agencies, and the state budget office which includes,
26 at a minimum, all of the following:

27 (a) The total amount recovered from the legal action.

1 (b) The program or service for which the money was originally
2 expended.

3 (c) Details on the disposition of the funds recovered such as
4 the appropriation or revenue account in which the money was
5 deposited.

6 (d) A description of the facts involved in the legal action.

7 Sec. 276. Funds appropriated in part 1 shall not be used by a
8 principal executive department, state agency, or authority to hire
9 a person to provide legal services that are the responsibility of
10 the attorney general. This prohibition does not apply to legal
11 services for bonding activities and for those outside services that
12 the attorney general authorizes.

13 Sec. 282. (1) The department shall work with the department of
14 technology, management, and budget to establish an automated annual
15 metric collection, validation, and reporting system for contracts
16 via the state's e-procurement system by September 30 of the current
17 fiscal year. The department shall report the status of this work
18 and a project plan to the house and senate appropriations
19 subcommittees on community health and the house and senate fiscal
20 agencies by November 1 and May 1 of the current fiscal year.

21 (2) By June 30, 2016, the automated system established in
22 subsection (1) shall be able to generate a report to the house and
23 senate appropriations subcommittees on community health and the
24 house and senate fiscal agencies that presents performance metrics
25 on all new or existing contracts at renewal of \$1,000,000.00 or
26 more funded only with state general fund/general purpose or state
27 restricted resources. The performance metrics shall include, at a

1 minimum, service delivery volumes and provider or beneficiary
2 outcomes.

3 Sec. 287. Not later than November 30, the state budget office
4 shall prepare and transmit a report that provides for estimates of
5 the total general fund/general purpose appropriation lapses at the
6 close of the prior fiscal year. This report shall summarize the
7 projected year-end general fund/general purpose appropriation
8 lapses by major departmental program or program areas. The report
9 shall be transmitted to the chairpersons of the senate and house
10 appropriations committees, and the senate and house fiscal
11 agencies.

12 Sec. 288. (1) Beginning October 1 of the current fiscal year,
13 no less than 90% of a new department contract supported solely from
14 state restricted funds or general fund/general purpose funds and
15 designated in this part or part 1 for a specific entity for the
16 purpose of providing services to individuals shall be expended for
17 such services after the first year of the contract.

18 (2) The department may allow a contract to exceed the
19 limitation on administrative and services costs if it can be
20 demonstrated that an exception should be made to the provision in
21 subsection (1).

22 (3) By September 30 of the current fiscal year, the department
23 shall report to the house and senate appropriations subcommittees
24 on community health, house and senate fiscal agencies, and state
25 budget office on the rationale for all exceptions made to the
26 provision in subsection (1) and the number of contracts terminated
27 due to violations of subsection (1).

1 Sec. 292. The department shall cooperate with the department
2 of technology, management, and budget to maintain a searchable
3 website accessible by the public at no cost that includes, but is
4 not limited to, all of the following:

5 (a) Fiscal year-to-date expenditures by category.

6 (b) Fiscal year-to-date expenditures by appropriation unit.

7 (c) Fiscal year-to-date payments to a selected vendor,
8 including the vendor name, payment date, payment amount, and
9 payment description.

10 (d) The number of active department employees by job
11 classification.

12 (e) Job specifications and wage rates.

13 Sec. 296. Within 14 days after the release of the executive
14 budget recommendation, the department shall cooperate with the
15 state budget office to provide the senate and house appropriations
16 chairs, the senate and house appropriations subcommittees on
17 community health, and the senate and house fiscal agencies with an
18 annual report on estimated state restricted fund balances, state
19 restricted fund projected revenues, and state restricted fund
20 expenditures for the fiscal years ending September 30, 2015 and
21 September 30, 2016.

22 Sec. 297. Total authorized appropriations from all sources
23 under part 1 for legacy costs for the fiscal year ending September
24 30, 2016 are \$87,425,100.00. From this amount, total agency
25 appropriations for pension-related legacy costs are estimated at
26 \$49,623,700.00. Total agency appropriations for retiree health care
27 legacy costs are estimated at \$37,801,400.00.

1 Sec. 298. From the funds appropriated in part 1 for the
2 Michigan Medicaid information system line item, \$20,000,000.00 in
3 private revenue will be allocated for the Michigan-Illinois
4 alliance Medicaid management information systems project.

5 Sec. 299. No state department or agency shall issue a request
6 for proposal (RFP) for a contract in excess of \$5,000,000.00,
7 unless the department or agency has first considered issuing a
8 request for information (RFI) or a request for qualification (RFQ)
9 relative to that contract to better enable the department or agency
10 to learn more about the market for the products or services that
11 are the subject of the RFP. The department or agency shall notify
12 the department of technology, management, and budget of the
13 evaluation process used to determine if an RFI or RFQ was not
14 necessary prior to issuing the RFP.

15 **BEHAVIORAL HEALTH SERVICES**

16 Sec. 401. Funds appropriated in part 1 are intended to support
17 a system of comprehensive community mental health services under
18 the full authority and responsibility of local CMHSPs or PIHPs in
19 accordance with the mental health code, 1974 PA 258, MCL 330.1001
20 to 330.2106, the Medicaid provider manual, federal Medicaid
21 waivers, and all other applicable federal and state laws.

22 Sec. 402. (1) From funds appropriated in part 1, final
23 authorizations to CMHSPs or PIHPs shall be made upon the execution
24 of contracts between the department and CMHSPs or PIHPs. The
25 contracts shall contain an approved plan and budget as well as
26 policies and procedures governing the obligations and

responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

Sec. 403. (1) From the funds appropriated in part 1 for mental health services for special populations, the department may require each contractor to provide data and information on performance-related metrics. These metrics may include, but are not limited to, all of the following:

(a) Each contractor or subcontractor shall have a mission that is consistent with the purpose of multicultural integration funding.

1 (b) Each contractor shall validate that any subcontractors
2 utilized within these appropriations share the same mission as the
3 lead agency receiving funding.

4 (c) Each contractor or subcontractor shall demonstrate cost-
5 effectiveness.

6 (d) Each contractor or subcontractor shall ensure its ability
7 to leverage private dollars to strengthen and maximize service
8 provision.

9 (e) Each contractor or subcontractor shall provide timely and
10 accurate reports regarding the number of clients served, units of
11 service provision, and ability to meet its stated goals.

12 (2) The department shall require an annual report from the
13 contractors that receive mental health services for special
14 populations funding. The annual report, due 60 days following the
15 end of the contract period, shall include specific information on
16 services and programs provided, the client base to which the
17 services and programs were provided, information on any wraparound
18 services provided, and the expenditures for those services. The
19 department shall provide the annual reports to the senate and house
20 appropriations subcommittees on community health, the senate and
21 house fiscal agencies, and the state budget office.

22 (3) The department of human services and the department shall
23 convene a workgroup to discuss and make recommendations on
24 including accreditation in the contractor specifications and
25 potentially moving toward competitive bidding. Each contractor
26 required to provide data per this section shall be invited to
27 participate in the workgroup.

1 Sec. 404. (1) Not later than May 31 of the current fiscal
2 year, the department shall provide a report on the community mental
3 health services programs, PIHPs, regional entities designated by
4 the department as PIHPs, and managing entities for substance use
5 disorders to the members of the house and senate appropriations
6 subcommittees on community health, the house and senate fiscal
7 agencies, and the state budget director that includes the
8 information required by this section.

9 (2) The report shall contain information for each CMHSP, PIHP,
10 regional entity designated by the department as a PIHP, and
11 managing entity for substance use disorders and a statewide
12 summary, each of which shall include at least the following
13 information:

14 (a) A demographic description of service recipients which,
15 minimally, shall include reimbursement eligibility, client
16 population, age, ethnicity, housing arrangements, and diagnosis.

17 (b) Per capita expenditures by client population group.

18 (c) Financial information that, minimally, includes a
19 description of funding authorized; expenditures by client group and
20 fund source; and cost information by service category, including
21 administration and funds specified for outside contracts. Service
22 category includes all department-approved services.

23 (d) Data describing service outcomes that includes, but is not
24 limited to, an evaluation of consumer satisfaction, consumer
25 choice, and quality of life concerns including, but not limited to,
26 housing and employment.

27 (e) Information about access to community mental health

1 services programs that includes, but is not limited to, the
2 following:

3 (i) The number of people receiving requested services.

4 (ii) The number of people who requested services but did not
5 receive services.

6 (f) The number of second opinions requested under the code and
7 the determination of any appeals.

8 (g) An analysis of information provided by CMHSPs in response
9 to the needs assessment requirements of the mental health code,
10 1974 PA 258, MCL 330.1001 to 330.2106, including information about
11 the number of individuals in the service delivery system who have
12 requested and are clinically appropriate for different services.

13 (h) Lapses and carryforwards during the immediately preceding
14 fiscal year for CMHSPs, PIHPs, regional entities designated by the
15 department as PIHPs, and managing entities for substance use
16 disorders.

17 (i) Information about contracts for both administrative and
18 mental health services entered into by CMHSPs, PIHPs, regional
19 entities designated by the department as PIHPs, and managing
20 entities for substance use disorders with providers and others,
21 including, but not limited to, all of the following:

22 (i) The amount of the contract, organized by type of service
23 provided.

24 (ii) Payment rates, organized by the type of service provided.

25 (iii) Administrative costs, including contract and consultant
26 costs, for services provided to CMHSPs, PIHPs, regional entities
27 designated by the department as PIHPs, and managing entities for

1 substance use disorders.

2 (j) Information on the community mental health Medicaid
3 managed care program, including, but not limited to, both of the
4 following:

5 (i) Expenditures by each CMHSP, PIHP, regional entity
6 designated by the department as a PIHP, and managing entity for
7 substance use disorders organized by Medicaid eligibility group,
8 including per eligible individual expenditure averages.

9 (ii) Performance indicator information required to be
10 submitted to the department in the contracts with CMHSPs, PIHPs,
11 regional entities designated by the department as PIHPs, and
12 managing entities for substance use disorders.

13 (k) An estimate of the number of direct care workers in local
14 residential settings and paraprofessional and other nonprofessional
15 direct care workers in settings where skill building, community
16 living supports and training, and personal care services are
17 provided by CMHSPs, PIHPs, regional entities designated by the
18 department as PIHPs, and managing entities for substance use
19 disorders as of September 30 of the prior fiscal year employed
20 directly or through contracts with provider organizations.

21 (l) Information on the ratio of medical loss. As used in this
22 subdivision, "ratio of medical loss" means the proportion of
23 premium revenue spent on clinical services and quality improvement.

24 (3) The department shall include data reporting requirements
25 listed in subsection (2) in the annual contract with each
26 individual CMHSP, PIHP, regional entity designated by the
27 department as a PIHP, and managing entity for substance use

1 disorders.

2 (4) The department shall take all reasonable actions to ensure
3 that the data required are complete and consistent among all
4 CMHSPs, PIHPs, regional entities designated by the department as
5 PIHPs, and managing entities for substance use disorders.

6 Sec. 406. (1) The funds appropriated in part 1 for the state
7 disability assistance substance use disorder services program shall
8 be used to support per diem room and board payments in substance
9 use disorder residential facilities. Eligibility of clients for the
10 state disability assistance substance use disorder services program
11 shall include needy persons 18 years of age or older, or
12 emancipated minors, who reside in a substance use disorder
13 treatment center.

14 (2) The department shall reimburse all licensed substance use
15 disorder programs eligible to participate in the program at a rate
16 equivalent to that paid by the department of human services to
17 adult foster care providers. Programs accredited by department-
18 approved accrediting organizations shall be reimbursed at the
19 personal care rate, while all other eligible programs shall be
20 reimbursed at the domiciliary care rate.

21 Sec. 407. (1) The amount appropriated in part 1 for substance
22 use disorder prevention, education, and treatment grants shall be
23 expended to coordinate care and services provided to individuals
24 with severe and persistent mental illness and substance use
25 disorder diagnoses.

26 (2) The department shall approve managing entity fee schedules
27 for providing substance use disorder services and charge

1 participants in accordance with their ability to pay.

2 (3) The managing entity shall continue current efforts to
3 collaborate on the delivery of services to those clients with
4 mental illness and substance use disorder diagnoses with the goal
5 of providing services in an administratively efficient manner.

6 Sec. 408. (1) By April 1 of the current fiscal year, the
7 department shall report the following data from the prior fiscal
8 year on substance use disorder prevention, education, and treatment
9 programs to the senate and house appropriations subcommittees on
10 community health, the senate and house fiscal agencies, and the
11 state budget office:

12 (a) Expenditures stratified by department-designated community
13 mental health entity, by central diagnosis and referral agency, by
14 fund source, by subcontractor, by population served, and by service
15 type. Additionally, data on administrative expenditures by
16 department-designated community mental health entity shall be
17 reported.

18 (b) Expenditures per state client, with data on the
19 distribution of expenditures reported using a histogram approach.

20 (c) Number of services provided by central diagnosis and
21 referral agency, by subcontractor, and by service type.
22 Additionally, data on length of stay, referral source, and
23 participation in other state programs.

24 (d) Collections from other first- or third-party payers,
25 private donations, or other state or local programs, by department-
26 designated community mental health entity, by subcontractor, by
27 population served, and by service type.

1 (2) The department shall take all reasonable actions to ensure
2 that the required data reported are complete and consistent among
3 all department-designated community mental health entities.

4 Sec. 410. The department shall assure that substance use
5 disorder treatment is provided to applicants and recipients of
6 public assistance through the department of human services who are
7 required to obtain substance use disorder treatment as a condition
8 of eligibility for public assistance.

9 Sec. 411. (1) The department shall ensure that each contract
10 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
11 programs to encourage diversion of individuals with serious mental
12 illness, serious emotional disturbance, or developmental disability
13 from possible jail incarceration when appropriate.

14 (2) Each CMHSP or PIHP shall have jail diversion services and
15 shall work toward establishing working relationships with
16 representative staff of local law enforcement agencies, including
17 county prosecutors' offices, county sheriffs' offices, county
18 jails, municipal police agencies, municipal detention facilities,
19 and the courts. Written interagency agreements describing what
20 services each participating agency is prepared to commit to the
21 local jail diversion effort and the procedures to be used by local
22 law enforcement agencies to access mental health jail diversion
23 services are strongly encouraged.

24 Sec. 412. The department shall contract directly with the
25 Salvation Army harbor light program to provide non-Medicaid
26 substance use disorder services.

27 Sec. 418. On or before the twenty-fifth of each month, the

1 department shall report to the senate and house appropriations
2 subcommittees on community health, the senate and house fiscal
3 agencies, and the state budget director on the amount of funding
4 paid to PIHPs to support the Medicaid managed mental health care
5 program in the preceding month. The information shall include the
6 total paid to each PIHP, per capita rate paid for each eligibility
7 group for each PIHP, and number of cases in each eligibility group
8 for each PIHP, and year-to-date summary of eligibles and
9 expenditures for the Medicaid managed mental health care program.

10 Sec. 424. Each PIHP that contracts with the department to
11 provide services to the Medicaid population shall adhere to the
12 following timely claims processing and payment procedure for claims
13 submitted by health professionals and facilities:

14 (a) A "clean claim" as described in section 111i of the social
15 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
16 days after receipt of the claim by the PIHP. A clean claim that is
17 not paid within this time frame shall bear simple interest at a
18 rate of 12% per annum.

19 (b) A PIHP shall state in writing to the health professional
20 or facility any defect in the claim within 30 days after receipt of
21 the claim.

22 (c) A health professional and a health facility have 30 days
23 after receipt of a notice that a claim or a portion of a claim is
24 defective within which to correct the defect. The PIHP shall pay
25 the claim within 30 days after the defect is corrected.

26 Sec. 428. Each PIHP shall provide, from internal resources,
27 local funds to be used as a bona fide part of the state match

1 required under the Medicaid program in order to increase capitation
2 rates for PIHPs. These funds shall not include either state funds
3 received by a CMHSP for services provided to non-Medicaid
4 recipients or the state matching portion of the Medicaid capitation
5 payments made to a PIHP.

6 Sec. 435. A county required under the provisions of the mental
7 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
8 matching funds to a CMHSP for mental health services rendered to
9 residents in its jurisdiction shall pay the matching funds in equal
10 installments on not less than a quarterly basis throughout the
11 fiscal year, with the first payment being made by October 1 of the
12 current fiscal year.

13 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,
14 PIHP, or subcontracting provider agency is reviewed and accredited
15 by a national accrediting entity for behavioral health care
16 services, the department, by April 1 of the current fiscal year,
17 shall consider that CMHSP, PIHP, or subcontracting provider agency
18 in compliance with state program review and audit requirements that
19 are addressed and reviewed by that national accrediting entity.

20 (2) By June 1 of the current fiscal year, the department shall
21 report to the house and senate appropriations subcommittees on
22 community health, the house and senate fiscal agencies, and the
23 state budget office all of the following:

24 (a) A list of each CMHSP, PIHP, and subcontracting provider
25 agency that is considered in compliance with state program review
26 and audit requirements under subsection (1).

27 (b) For each CMHSP, PIHP, or subcontracting provider agency

described in subdivision (a), all of the following:

(i) The state program review and audit requirements that the CMHSP, PIHP, or subcontracting provider agency is considered in compliance with.

(ii) The national accrediting entity that reviewed and accredited the CMHSP, PIHP, or subcontracting provider agency.

(3) The department shall continue to comply with state and federal law and shall not initiate an action that negatively impacts beneficiary safety.

(4) As used in this section, "national accrediting entity" means the Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations, the Commission on Accreditation of Rehabilitation Facilities, the Council on Accreditation, the URAC, formerly known as the Utilization Review Accreditation Commission, the National Committee for Quality Assurance, or other appropriate entity, as approved by the department.

Sec. 495. From the funds appropriated in part 1 for behavioral health program administration, \$3,350,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 497. The population data used in determining the distribution of substance use disorder block grant funds shall be from the most recent federal census.

Sec. 502. (1) The department shall continue developing an outreach program on fetal alcohol syndrome services. The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by

1 April 1 of the current fiscal year on efforts to prevent and combat
2 fetal alcohol syndrome as well as deficiencies in efforts to reduce
3 the incidence of fetal alcohol syndrome.

4 (2) The department shall explore federal grant funding to
5 address prevention services for fetal alcohol syndrome and reduce
6 alcohol consumption among pregnant women. The department shall
7 submit a progress report to the senate and house appropriations
8 subcommittees on community health and the senate and house fiscal
9 agencies by April 1 of the current fiscal year on efforts to secure
10 federal grants.

11 Sec. 503. The department shall notify the Michigan association
12 of community mental health boards when developing policies and
13 procedures that will impact PIHPs or CMHSPs.

14 Sec. 505. For the purposes of special projects involving high-
15 need children or adults, including the not guilty by reason of
16 insanity population, the department may contract directly with
17 providers of services to these identified populations.

18 Sec. 506. No later than June 1 of the current fiscal year, the
19 department shall provide the house and senate appropriations
20 subcommittees on community health, the house and senate fiscal
21 agencies, and the state budget office with the most recent cost
22 data information submitted by the CMHSPs on how the funds
23 appropriated in part 1 for the community mental health services
24 non-Medicaid services line item were expended by each CMHSP. At a
25 minimum, the information must include CMHSPs general fund/general
26 purpose costs for each of the following categories: administration,
27 prevention, jail diversion and treatment services, MICHild program,

1 children's waiver home care program, children with serious
2 emotional disturbance waiver program, services provided to
3 individuals with mental illness and developmental disabilities who
4 are not eligible for Medicaid, and the Medicaid spend down
5 population.

6 Sec. 507. The funds appropriated in part 1 for community
7 mental health non-Medicaid services shall be allocated as follows:

8 (a) \$97,050,400.00 shall be allocated to the individual CMHSPs
9 in the same manner as the original allocation for the fiscal year
10 ending September 30, 2015.

11 (b) \$10,000,000.00 shall be allocated to the individual CMHSPs
12 in proportion to the original allocation for the fiscal year ending
13 September 30, 2015.

14 (c) \$10,000,000.00 shall be allocated proportional to the
15 \$40,000,000.00 reduction incurred by each CMHSP during the fiscal
16 year that ended September 30, 2010, except that no CMHSP shall
17 receive more than \$3,300,000.00 in funding from this allocation.

18 Sec. 508. The PIHP shall do all of the following:

19 (a) Work to reduce administration costs by ensuring that PIHP
20 responsible functions are efficient to allow optimal transition of
21 dollars to direct services. This process must include limiting
22 duplicate layers of administration and minimizing PIHP-delegated
23 services that may result in higher costs or inconsistent service
24 delivery, or both.

25 (b) Take an active role in managing mental health care by
26 ensuring consistent and high-quality service delivery throughout
27 its network and promote a conflict-free care management

1 environment.

2 (c) Ensure that direct service rate variances are related to
3 the level of need or other quantifiable measures to ensure that the
4 most money possible reaches direct services.

5 (d) Whenever possible, promote fair and adequate direct care
6 reimbursement, including fair wages for direct service workers.

7 Sec. 509. (1) The department shall establish a workgroup to
8 analyze the workforce challenges of recruitment and retention of
9 staff who provide Medicaid-funded community living supports,
10 personal care services, respite services, skill building services,
11 and other similar supports and services. The workgroup shall
12 develop a plan to enhance the efforts of providers to attract and
13 retain staff to provide Medicaid-funded supports and services and
14 include an account for mandated increases in the state minimum wage
15 rate.

16 (2) The workgroup established under subsection (1) must
17 include representatives of the department, PIHPs, CMHSPs,
18 individuals with disabilities, providers, and staff.

19 (3) The department shall provide a status report on the
20 workgroup's efforts to the senate and house appropriations
21 subcommittees on community health, the senate and house fiscal
22 agencies, and the state budget director by March 1, 2016.

23 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

24 Sec. 601. The department shall continue a revenue recapture
25 project to generate additional revenues from third parties related
26 to cases that have been closed or are inactive. A portion of

1 revenues collected through project efforts may be used for
2 departmental costs and contractual fees associated with these
3 retroactive collections and to improve ongoing departmental
4 reimbursement management functions.

5 Sec. 602. The purpose of gifts and bequests for patient living
6 and treatment environments is to use additional private funds to
7 provide specific enhancements for individuals residing at state-
8 operated facilities. Use of the gifts and bequests shall be
9 consistent with the stipulation of the donor. The expected
10 completion date for the use of gifts and bequests donations is
11 within 3 years unless otherwise stipulated by the donor.

12 Sec. 605. (1) The department shall not implement any closures
13 or consolidations of state hospitals, centers, or agencies until
14 CMHSPs or PIHPs have programs and services in place for those
15 individuals currently in those facilities and a plan for service
16 provision for those individuals who would have been admitted to
17 those facilities.

18 (2) All closures or consolidations are dependent upon adequate
19 department-approved CMHSP and PIHP plans that include a discharge
20 and aftercare plan for each individual currently in the facility. A
21 discharge and aftercare plan shall address the individual's housing
22 needs. A homeless shelter or similar temporary shelter arrangements
23 are inadequate to meet the individual's housing needs.

24 (3) Four months after the certification of closure required in
25 section 19(6) of the state employees' retirement act, 1943 PA 240,
26 MCL 38.19, the department shall provide a closure plan to the house
27 and senate appropriations subcommittees on community health and the

1 state budget director.

2 (4) Upon the closure of state-run operations and after
3 transitional costs have been paid, the remaining balances of funds
4 appropriated for that operation shall be transferred to CMHSPs or
5 PIHPs responsible for providing services for individuals previously
6 served by the operations.

7 Sec. 606. The department may collect revenue for patient
8 reimbursement from first- and third-party payers, including
9 Medicaid and local county CMHSP payers, to cover the cost of
10 placement in state hospitals and centers. The department is
11 authorized to adjust financing sources for patient reimbursement
12 based on actual revenues earned. If the revenue collected exceeds
13 current year expenditures, the revenue may be carried forward with
14 approval of the state budget director. The revenue carried forward
15 shall be used as a first source of funds in the subsequent year.

16 Sec. 608. Effective October 1 of the current fiscal year, the
17 department, in consultation with the department of technology,
18 management, and budget, may maintain a bid process to identify 1 or
19 more private contractors to provide food service and custodial
20 services for the administrative areas at any state hospital
21 identified by the department as capable of generating savings
22 through the outsourcing of such services.

23 PUBLIC HEALTH ADMINISTRATION

24 Sec. 651. The department shall work with the Michigan health
25 endowment fund corporation established under section 653 of the
26 nonprofit health care corporation reform act, 1980 PA 350, MCL

1 550.1653, to fund health and wellness programs and recommendations
2 of the mental health and wellness commission that were funded under
3 article IV of 2014 PA 252 and that potentially qualify under the
4 purpose of the health endowment fund.

5 HEALTH POLICY

6 Sec. 712. From the funds appropriated in part 1 for primary
7 care services, \$250,000.00 shall be allocated to free health
8 clinics operating in the state. The department shall distribute the
9 funds equally to each free health clinic. For the purpose of this
10 appropriation, "free health clinics" means nonprofit organizations
11 that use volunteer health professionals to provide care to
12 uninsured individuals.

13 Sec. 713. The department shall continue support of
14 multicultural agencies that provide primary care services from the
15 funds appropriated in part 1.

16 Sec. 715. The department shall evaluate options for
17 incentivizing students attending medical schools in this state to
18 meet their primary care residency requirements in this state and
19 ultimately, for some period of time, to remain in this state and
20 serve as primary care physicians.

21 Sec. 717. The department may award health innovation grants to
22 address emerging issues and encourage cutting edge advances in
23 health care including strategic partners in both the public and
24 private sectors.

25 Sec. 718. (1) From the funds appropriated in part 1 for health
26 policy administration, the department shall allocate the federal-

1 state innovation model grant funding that supports implementation
2 of the health delivery system innovations detailed in this state's
3 "Blueprint for Health Innovation" document. Over the next 5 years,
4 this initiative will strengthen primary care infrastructure in this
5 state, improve coordination of care, reduce administrative
6 complexity, and make access to health coverage more affordable for
7 residents of this state.

8 (2) Outcomes and performance measures for the initiative under
9 subsection (1) include, but are not limited to, the following:

10 (a) Increasing the number of physician practices fulfilling
11 patient-centered medical home functions.

12 (b) Reducing inappropriate health utilization, specifically
13 reducing preventable emergency department visits, the proportion of
14 hospitalizations for ambulatory sensitive conditions, and this
15 state's 30-day hospital readmission rate.

16 Sec. 719. Indian Health Service, Tribal or Urban Indian Health
17 Program (I/T/U) facilities that provide services under a contract
18 with a Medicaid managed care entity (MCE) must receive prospective,
19 quarterly supplemental payments that are an estimate of the
20 difference between the payments the I/T/U receives from the MCE and
21 the supplemented Medicaid fee for service payments. MCE payments
22 received by the I/T/U must be reviewed against the amount that the
23 actual number of visits provided under the I/T/U's contract with 1
24 or more MCEs would have yielded under Medicaid fee for service.

25 **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

26 Sec. 851. (1) From the funds appropriated in part 1 for the

1 healthy homes program, no less than \$1,750,000.00 shall be
2 allocated for lead abatement of homes.

3 (2) The department shall coordinate its lead abatement efforts
4 with the Michigan community action agency association, specifically
5 on the issue of window replacement.

6 Sec. 852. The department shall develop a plan designed to
7 improve Michigan's childhood and adolescent immunization rates. The
8 department shall engage organizations working to provide
9 immunizations and education about the value of vaccines, including,
10 but not limited to, statewide organizations representing health
11 care providers, local public health departments, child health
12 interest groups, and private foundations with a mission to increase
13 immunization rates.

14 Sec. 853. From the funds appropriated in part 1 for
15 immunization programs, for every \$4.00 in private matching funds
16 received, this state shall allocate \$1.00, up to \$500,000.00 in
17 state contributions, to provide and promote education about the
18 value of vaccines.

19 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

20 Sec. 901. The amount appropriated in part 1 for implementation
21 of the 1993 additions of or amendments to sections 9161, 16221,
22 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
23 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
24 333.17515, shall be used to reimburse local health departments for
25 costs incurred related to implementation of section 17015(18) of
26 the public health code, 1978 PA 368, MCL 333.17015.

1 Sec. 902. If a county that has participated in a district
2 health department or an associated arrangement with other local
3 health departments takes action to cease to participate in such an
4 arrangement after October 1 of the current fiscal year, the
5 department shall have the authority to assess a penalty from the
6 local health department's operational accounts in an amount equal
7 to no more than 6.25% of the local health department's essential
8 local public health services funding. This penalty shall only be
9 assessed to the local county that requests the dissolution of the
10 health department.

11 Sec. 904. (1) Funds appropriated in part 1 for essential local
12 public health services shall be prospectively allocated to local
13 health departments to support immunizations, infectious disease
14 control, sexually transmitted disease control and prevention,
15 hearing screening, vision services, food protection, public water
16 supply, private groundwater supply, and on-site sewage management.
17 Food protection shall be provided in consultation with the
18 department of agriculture and rural development. Public water
19 supply, private groundwater supply, and on-site sewage management
20 shall be provided in consultation with the department of
21 environmental quality.

22 (2) Local public health departments shall be held to
23 contractual standards for the services in subsection (1).

24 (3) Distributions in subsection (1) shall be made only to
25 counties that maintain local spending in the current fiscal year of
26 at least the amount expended in fiscal year 1992-1993 for the
27 services described in subsection (1).

1 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

2 Sec. 1001. From the funds appropriated in part 1 for chronic
3 disease control and health promotion administration, \$150,000.00 is
4 appropriated for Alzheimer's disease services and shall be remitted
5 to the Alzheimer's association-Michigan chapters for the purpose of
6 carrying out a pilot project in Macomb, Monroe, and St. Joseph
7 Counties. The fiduciary for the funds is the Alzheimer's
8 association-greater Michigan chapter. The Alzheimer's association
9 shall provide enhanced services, including 24/7 helpline, continued
10 care consultation, and support groups, to individuals with
11 Alzheimer's disease or dementia and their families in the 3
12 counties, and partner with a Michigan public university to study
13 whether provision of such in-home support services significantly
14 delays the need for residential long-term care services for
15 individuals with Alzheimer's disease or dementia. The study must
16 also consider potential cost savings related to the delay of long-
17 term care services, if a delay is shown.

18 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

19 Sec. 1104. (1) Before April 1 of the current fiscal year, the
20 department shall submit a report to the house and senate fiscal
21 agencies and the state budget director on planned allocations from
22 the amounts appropriated in part 1 for local MCH services, prenatal
23 care outreach and service delivery support, family planning local
24 agreements, and pregnancy prevention programs. Using applicable
25 federal definitions, the report shall include information on all of
26 the following:

1 (a) Funding allocations.

2 (b) Actual number of women, children, and adolescents served
3 and amounts expended for each group for the immediately preceding
4 fiscal year.

5 (c) A breakdown of the expenditure of these funds between
6 urban and rural communities.

7 (2) The department shall ensure that the distribution of funds
8 through the programs described in subsection (1) takes into account
9 the needs of rural communities.

10 (3) For the purposes of this section, "rural" means a county,
11 city, village, or township with a population of 30,000 or less,
12 including those entities if located within a metropolitan
13 statistical area.

14 Sec. 1106. Each family planning program receiving federal
15 title X family planning funds under 42 USC 300 to 300a-8 shall be
16 in compliance with all performance and quality assurance indicators
17 that the office of population affairs within the United States
18 Department of Health and Human Services specifies in the program
19 guidelines for project grants for family planning services. An
20 agency not in compliance with the indicators shall not receive
21 supplemental or reallocated funds.

22 Sec. 1108. The department shall not use state restricted funds
23 or state general funds appropriated in part 1 in the pregnancy
24 prevention program or family planning local agreements
25 appropriation line items for abortion counseling, referrals, or
26 services.

27 Sec. 1109. (1) From the amounts appropriated in part 1 for

1 dental programs, funds shall be allocated to the Michigan Dental
2 Association for the administration of a volunteer dental program
3 that provides dental services to the uninsured.

4 (2) Not later than December 1 of the current fiscal year, the
5 department shall report to the senate and house appropriations
6 subcommittees on community health and the senate and house standing
7 committees on health policy the number of individual patients
8 treated, number of procedures performed, and approximate total
9 market value of those procedures from the immediately preceding
10 fiscal year.

11 Sec. 1110. Money collected by the department under part 126 of
12 the public health code, 1978 PA 368, MCL 333.21601 to 333.21617,
13 for mobile dentistry shall be used by the department to offset the
14 cost of the program.

15 Sec. 1136. From the funds appropriated in part 1 for prenatal
16 care outreach and service delivery support, \$50,000.00 shall be
17 allocated for a pregnancy and parenting support services program,
18 which program must promote childbirth, alternatives to abortion,
19 and grief counseling. The department shall establish a program with
20 a qualified contractor that will contract with qualified service
21 providers to provide free counseling, support, and referral
22 services to eligible women during pregnancy through 12 months after
23 birth. As appropriate, the goals for client outcomes shall include
24 an increase in client support, an increase in childbirth choice, an
25 increase in adoption knowledge, an improvement in parenting skills,
26 and improved reproductive health through abstinence education. The
27 contractor of the program shall provide for program training,

1 client educational material, program marketing, and annual service
2 provider site monitoring. The department shall submit a report to
3 the house and senate appropriations subcommittees on community
4 health and the house and senate fiscal agencies by April 1 of the
5 current fiscal year on the number of clients served.

6 Sec. 1137. From the funds appropriated in part 1 for prenatal
7 care outreach and service delivery support, not less than
8 \$500,000.00 of funding shall be allocated for evidence-based
9 programs to reduce infant mortality including nurse family
10 partnership programs. The funds shall be used for enhanced support
11 and education to nursing teams or other teams of qualified health
12 professionals, client recruitment in areas designated as
13 underserved for obstetrical and gynecological services and other
14 high-need communities, strategic planning to expand and sustain
15 programs, and marketing and communications of programs to raise
16 awareness, engage stakeholders, and recruit nurses.

17 Sec. 1138. The department shall allocate funds appropriated in
18 section 113 of part 1 for family, maternal, and children's health
19 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

20 Sec. 1140. From the funds appropriated in part 1 for prenatal
21 care outreach and service delivery support, equal consideration
22 shall be given to all eligible evidence-based providers in all
23 regions in contracting for rural health visitation services.

24 Sec. 1141. The department shall spend any available work
25 project money to enhance services provided under the rural home
26 visitation program.

1 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

2 Sec. 1151. By January 1 of the current fiscal year, the
3 department shall provide to the senate and house appropriations
4 subcommittees on community health, the senate and house fiscal
5 agencies, and the state budget office a report on the number of
6 complaints received regarding access to generic peanut butter by
7 county, and a report on savings gained from implementing the
8 generic peanut butter purchasing requirement within the women,
9 infants, and children food and nutrition program.

10 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

11 Sec. 1202. The department may do 1 or more of the following:

12 (a) Provide special formula for eligible clients with
13 specified metabolic and allergic disorders.

14 (b) Provide medical care and treatment to eligible patients
15 with cystic fibrosis who are 21 years of age or older.

16 (c) Provide medical care and treatment to eligible patients
17 with hereditary coagulation defects, commonly known as hemophilia,
18 who are 21 years of age or older.

19 (d) Provide human growth hormone to eligible patients.

20 Sec. 1205. From the funds appropriated in part 1 for medical
21 care and treatment, the department is authorized to spend up to
22 \$500,000.00 for the continued development and expansion of
23 telemedicine capacity to allow families with children in the
24 children's special health care services program to access specialty
25 providers more readily and in a more timely manner.

1 **CRIME VICTIM SERVICES COMMISSION**

2 Sec. 1302. From the funds appropriated in part 1 for justice
3 assistance grants, up to \$200,000.00 shall be allocated for
4 expansion of forensic nurse examiner programs to facilitate
5 training for improved evidence collection for the prosecution of
6 sexual assault. The funds shall be used for program coordination
7 and training.

8 **OFFICE OF SERVICES TO THE AGING**

9 Sec. 1403. (1) By February 1 of the current fiscal year, the
10 office of services to the aging shall require each region to report
11 to the office of services to the aging and to the legislature home-
12 delivered meals waiting lists based upon standard criteria.
13 Determining criteria shall include all of the following:

14 (a) The recipient's degree of frailty.

15 (b) The recipient's inability to prepare his or her own meals
16 safely.

17 (c) Whether the recipient has another care provider available.

18 (d) Any other qualifications normally necessary for the
19 recipient to receive home-delivered meals.

20 (2) Data required in subsection (1) shall be recorded only for
21 individuals who have applied for participation in the home-
22 delivered meals program and who are initially determined as likely
23 to be eligible for home-delivered meals.

24 Sec. 1417. The department shall provide to the senate and
25 house appropriations subcommittees on community health, senate and
26 house fiscal agencies, and state budget director a report by March

30 of the current fiscal year that contains all of the following:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally-funded resources.

Sec. 1421. From the funds appropriated in part 1 for community services, \$1,100,000.00 shall be allocated to area agencies on aging for locally determined needs.

MEDICAL SERVICES ADMINISTRATION

Sec. 1501. The unexpended funds appropriated in part 1 for the electronic health records incentive program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried forward is to implement the Medicaid electronic health record program that provides financial incentive payments to Medicaid health care providers to encourage the adoption and meaningful use of electronic health records to improve quality, increase efficiency, and promote safety.

(b) The projects will be accomplished according to the approved federal advanced planning document.

(c) The estimated cost of this project phase is identified in the appropriation line item.

1 (d) The tentative completion date for the work project is
2 September 30, 2020.

3 Sec. 1502. The department shall spend \$300,000.00 in general
4 fund revenue, available work project revenue, and any associated
5 federal match to create and develop a transparency database
6 website. This funding is contingent upon enactment of enabling
7 legislation.

8 Sec. 1503. From the funds appropriated in part 1 for Healthy
9 Michigan plan administration, the department shall establish an
10 accounting structure within the Michigan administrative information
11 network that will allow expenditures associated with the
12 administration of the Healthy Michigan plan to be identified.

13 **MEDICAL SERVICES**

14 Sec. 1601. The cost of remedial services incurred by residents
15 of licensed adult foster care homes and licensed homes for the aged
16 shall be used in determining financial eligibility for the
17 medically needy. Remedial services include basic self-care and
18 rehabilitation training for a resident.

19 Sec. 1603. (1) The department may establish a program for
20 individuals to purchase medical coverage at a rate determined by
21 the department.

22 (2) The department may receive and expend premiums for the
23 buy-in of medical coverage in addition to the amounts appropriated
24 in part 1.

25 (3) The premiums described in this section shall be classified
26 as private funds.

1 Sec. 1605. The protected income level for Medicaid coverage
2 determined pursuant to section 106(1)(b)(iii) of the social welfare
3 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
4 assistance standard.

5 Sec. 1606. For the purpose of guardian and conservator
6 charges, the department may deduct up to \$60.00 per month as an
7 allowable expense against a recipient's income when determining
8 medical services eligibility and patient pay amounts.

9 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
10 condition is pregnancy, shall immediately be presumed to be
11 eligible for Medicaid coverage unless the preponderance of evidence
12 in her application indicates otherwise. The applicant who is
13 qualified as described in this subsection shall be allowed to
14 select or remain with the Medicaid participating obstetrician of
15 her choice.

16 (2) An applicant qualified as described in subsection (1)
17 shall be given a letter of authorization to receive Medicaid
18 covered services related to her pregnancy. All qualifying
19 applicants shall be entitled to receive all medically necessary
20 obstetrical and prenatal care without preauthorization from a
21 health plan. All claims submitted for payment for obstetrical and
22 prenatal care shall be paid at the Medicaid fee-for-service rate in
23 the event a contract does not exist between the Medicaid
24 participating obstetrical or prenatal care provider and the managed
25 care plan. The applicant shall receive a listing of Medicaid
26 physicians and managed care plans in the immediate vicinity of the
27 applicant's residence.

1 (3) In the event that an applicant, presumed to be eligible
2 pursuant to subsection (1), is subsequently found to be ineligible,
3 a Medicaid physician or managed care plan that has been providing
4 pregnancy services to an applicant under this section is entitled
5 to reimbursement for those services until such time as they are
6 notified by the department that the applicant was found to be
7 ineligible for Medicaid.

8 (4) If the preponderance of evidence in an application
9 indicates that the applicant is not eligible for Medicaid, the
10 department shall refer that applicant to the nearest public health
11 clinic or similar entity as a potential source for receiving
12 pregnancy-related services.

13 (5) The department shall develop an enrollment process for
14 pregnant women covered under this section that facilitates the
15 selection of a managed care plan at the time of application.

16 (6) The department shall mandate enrollment of women, whose
17 qualifying condition is pregnancy, into Medicaid managed care
18 plans.

19 (7) The department shall encourage physicians to provide
20 women, whose qualifying condition for Medicaid is pregnancy, with a
21 referral to a Medicaid participating dentist at the first
22 pregnancy-related appointment.

23 Sec. 1611. (1) For care provided to medical services
24 recipients with other third-party sources of payment, medical
25 services reimbursement shall not exceed, in combination with such
26 other resources, including Medicare, those amounts established for
27 medical services-only patients. The medical services payment rate

1 shall be accepted as payment in full. Other than an approved
2 medical services co-payment, no portion of a provider's charge
3 shall be billed to the recipient or any person acting on behalf of
4 the recipient. Nothing in this section shall be considered to
5 affect the level of payment from a third-party source other than
6 the medical services program. The department shall require a
7 nonenrolled provider to accept medical services payments as payment
8 in full.

9 (2) Notwithstanding subsection (1), medical services
10 reimbursement for hospital services provided to dual
11 Medicare/medical services recipients with Medicare part B coverage
12 only shall equal, when combined with payments for Medicare and
13 other third-party resources, if any, those amounts established for
14 medical services-only patients, including capital payments.

15 Sec. 1620. (1) For fee-for-service recipients who do not
16 reside in nursing homes, the pharmaceutical dispensing fee shall be
17 \$2.75 or the pharmacy's usual or customary cash charge, whichever
18 is less. For nursing home residents, the pharmaceutical dispensing
19 fee shall be \$3.00 or the pharmacy's usual or customary cash
20 charge, whichever is less.

21 (2) The department shall require a prescription co-payment for
22 Medicaid recipients not enrolled in the Healthy Michigan plan or
23 with an income less than 100% of the federal poverty level of \$1.00
24 for a generic drug and \$3.00 for a brand-name drug, except as
25 prohibited by federal or state law or regulation.

26 (3) The department shall require a prescription co-payment for
27 Medicaid recipients enrolled in the Healthy Michigan plan with an

1 income of at least 100% of the federal poverty level of \$4.00 for a
2 generic drug and \$8.00 for a brand-name drug, except as prohibited
3 by federal or state law or regulation.

4 Sec. 1629. The department shall utilize maximum allowable cost
5 pricing for generic drugs that is based on wholesaler pricing to
6 providers that is available from at least 2 wholesalers who deliver
7 in this state.

8 Sec. 1631. (1) The department shall require co-payments on
9 dental, podiatric, and vision services provided to Medicaid
10 recipients, except as prohibited by federal or state law or
11 regulation.

12 (2) Except as otherwise prohibited by federal or state law or
13 regulation, the department shall require Medicaid recipients not
14 enrolled in the Healthy Michigan plan or with an income less than
15 100% of the federal poverty level to pay the following co-payments:

16 (a) Two dollars for a physician office visit.

17 (b) Three dollars for a hospital emergency room visit.

18 (c) Fifty dollars for the first day of an inpatient hospital
19 stay.

20 (d) One dollar for an outpatient hospital visit.

21 (3) Except as otherwise prohibited by federal or state law or
22 regulation, the department shall require Medicaid recipients
23 enrolled in the Healthy Michigan plan with an income of at least
24 100% of the federal poverty level to pay the following co-payments:

25 (a) Four dollars for a physician office visit.

26 (b) Eight dollars for a hospital emergency room visit.

27 (c) One hundred dollars for the first day of an inpatient

1 hospital stay.

2 (d) Four dollars for an outpatient hospital visit or any other
3 medical provider visit to the extent allowed by federal or state
4 law or regulation.

5 Sec. 1641. An institutional provider that is required to
6 submit a cost report under the medical services program shall
7 submit cost reports completed in full within 5 months after the end
8 of its fiscal year.

9 Sec. 1657. (1) Reimbursement for medical services to screen
10 and stabilize a Medicaid recipient, including stabilization of a
11 psychiatric crisis, in a hospital emergency room shall not be made
12 contingent on obtaining prior authorization from the recipient's
13 HMO. If the recipient is discharged from the emergency room, the
14 hospital shall notify the recipient's HMO within 24 hours of the
15 diagnosis and treatment received.

16 (2) If the treating hospital determines that the recipient
17 will require further medical service or hospitalization beyond the
18 point of stabilization, that hospital shall receive authorization
19 from the recipient's HMO prior to admitting the recipient.

20 (3) Subsections (1) and (2) do not require an alteration to an
21 existing agreement between an HMO and its contracting hospitals and
22 do not require an HMO to reimburse for services that are not
23 considered to be medically necessary.

24 Sec. 1659. The following sections of this part are the only
25 ones that apply to the following Medicaid managed care programs,
26 including the comprehensive plan, MIChoice long-term care plan, and
27 the mental health, substance use disorder, and developmentally

1 disabled services program: 404, 411, 418, 428, 494, 508, 1607,
2 1657, 1662, 1699, 1764, 1806, 1807, 1808, 1809, 1810, 1811, 1820,
3 1850, and 1888.

4 Sec. 1662. (1) The department shall assure that an external
5 quality review of each contracting HMO is performed that results in
6 an analysis and evaluation of aggregated information on quality,
7 timeliness, and access to health care services that the HMO or its
8 contractors furnish to Medicaid beneficiaries.

9 (2) The department shall require Medicaid HMOs to provide
10 EPSDT utilization data through the encounter data system, and HEDIS
11 well child health measures in accordance with the national
12 committee for quality assurance prescribed methodology.

13 (3) The department shall provide a copy of the analysis of the
14 Medicaid HMO annual audited HEDIS reports and the annual external
15 quality review report to the senate and house of representatives
16 appropriations subcommittees on community health, the senate and
17 house fiscal agencies, and the state budget director, within 30
18 days of the department's receipt of the final reports from the
19 contractors.

20 Sec. 1670. (1) The appropriation in part 1 for the MICHild
21 program is to be used to provide comprehensive health care to all
22 children under age 19 who reside in families with income at or
23 below 212% of the federal poverty level, who are uninsured and have
24 not had coverage by other comprehensive health insurance within 6
25 months of making application for MICHild benefits, and who are
26 residents of this state. The department shall develop detailed
27 eligibility criteria through the medical services administration

1 public concurrence process, consistent with the provisions of this
2 part and part 1. Health coverage for children in families between
3 160% and 212% of the federal poverty level shall be provided
4 through a state-based private health care program.

5 (2) The department may provide up to 1 year of continuous
6 eligibility to children eligible for the MICHild program unless the
7 family fails to pay the monthly premium, a child reaches age 19, or
8 the status of the children's family changes and its members no
9 longer meet the eligibility criteria as specified in the federally
10 approved MICHild state plan.

11 (3) Children whose category of eligibility changes between the
12 Medicaid and MICHild programs shall be assured of keeping their
13 current health care providers through the current prescribed course
14 of treatment for up to 1 year, subject to periodic reviews by the
15 department if the beneficiary has a serious medical condition and
16 is undergoing active treatment for that condition.

17 (4) To be eligible for the MICHild program, a child must be
18 residing in a family with an adjusted gross income of less than or
19 equal to 212% of the federal poverty level. The department's
20 verification policy shall be used to determine eligibility.

21 (5) The department shall contract with Medicaid health plans
22 to provide physical health services to MICHild enrollees. The
23 department may continue to obtain physical health services for
24 MICHild enrollees from health maintenance organizations and
25 preferred provider organizations currently under contract for
26 whatever duration is needed as determined by the department. The
27 department shall contractually require that health plans pay out-

1 of-network providers at the department fee schedule. The department
2 shall contract with qualified dental plans to provide dental
3 coverage for MICHild enrollees.

4 (6) The department may enter into contracts to obtain certain
5 MICHild services from community mental health service programs.

6 (7) The department may make payments on behalf of children
7 enrolled in the MICHild program from the line-item appropriation
8 associated with the program as described in the MICHild state plan
9 approved by the United States Department of Health and Human
10 Services, or from other medical services.

11 (8) The department shall assure that an external quality
12 review of each MICHild contractor, as described in subsection (5),
13 is performed, which analyzes and evaluates the aggregated
14 information on quality, timeliness, and access to health care
15 services that the contractor furnished to MICHild beneficiaries.

16 (9) The department shall develop an automatic enrollment
17 algorithm that is based on quality and performance factors.

18 (10) MICHild services shall include treatment for autism
19 spectrum disorders as defined in the federally approved Medicaid
20 state plan.

21 Sec. 1673. The department may establish premiums for MICHild
22 eligible individuals in families with income above 150% of the
23 federal poverty level. The monthly premiums shall not be less than
24 \$10.00 or exceed \$15.00 for a family.

25 Sec. 1677. The MICHild program shall provide all benefits
26 available under the Michigan benchmark plan that are delivered
27 through contracted providers and consistent with federal law,

1 including, but not limited to, the following medically necessary
2 services:

3 (a) Inpatient mental health services, other than substance use
4 disorder treatment services, including services furnished in a
5 state-operated mental hospital and residential or other 24-hour
6 therapeutically planned structured services.

7 (b) Outpatient mental health services, other than substance
8 use disorder services, including services furnished in a state-
9 operated mental hospital and community-based services.

10 (c) Durable medical equipment and prosthetic and orthotic
11 devices.

12 (d) Dental services as outlined in the approved MICHild state
13 plan.

14 (e) Substance use disorder treatment services that may include
15 inpatient, outpatient, and residential substance use disorder
16 treatment services.

17 (f) Care management services for mental health diagnoses.

18 (g) Physical therapy, occupational therapy, and services for
19 individuals with speech, hearing, and language disorders.

20 (h) Emergency ambulance services.

21 Sec. 1682. (1) The department shall implement enforcement
22 actions as specified in the nursing facility enforcement provisions
23 of section 1919 of title XIX, 42 USC 1396r.

24 (2) In addition to the appropriations in part 1, the
25 department is authorized to receive and spend penalty money
26 received as the result of noncompliance with medical services
27 certification regulations. Penalty money, characterized as private

1 funds, received by the department shall increase authorizations and
2 allotments in the long-term care accounts.

3 (3) Any unexpended penalty money, at the end of the year,
4 shall carry forward to the following year.

5 Sec. 1692. (1) The department is authorized to pursue
6 reimbursement for eligible services provided in Michigan schools
7 from the federal Medicaid program. The department and the state
8 budget director are authorized to negotiate and enter into
9 agreements, together with the department of education, with local
10 and intermediate school districts regarding the sharing of federal
11 Medicaid services funds received for these services. The department
12 is authorized to receive and disburse funds to participating school
13 districts pursuant to such agreements and state and federal law.

14 (2) From the funds appropriated in part 1 for medical services
15 school-based services payments, the department is authorized to do
16 all of the following:

17 (a) Finance activities within the medical services
18 administration related to this project.

19 (b) Reimburse participating school districts pursuant to the
20 fund-sharing ratios negotiated in the state-local agreements
21 authorized in subsection (1).

22 (c) Offset general fund costs associated with the medical
23 services program.

24 Sec. 1693. The special Medicaid reimbursement appropriation in
25 part 1 may be increased if the department submits a medical
26 services state plan amendment pertaining to this line item at a
27 level higher than the appropriation. The department is authorized

1 to appropriately adjust financing sources in accordance with the
2 increased appropriation.

3 Sec. 1694. From the funds appropriated in part 1 for special
4 Medicaid reimbursement, \$378,000.00 of general fund/general purpose
5 revenue and any associated federal match shall be distributed for
6 poison control services to an academic health care system that
7 includes a children's hospital that has a high indigent care
8 volume.

9 Sec. 1699. (1) The department may make separate payments in
10 the amount of \$45,000,000.00 directly to qualifying hospitals
11 serving a disproportionate share of indigent patients and to
12 hospitals providing GME training programs. If direct payment for
13 GME and DSH is made to qualifying hospitals for services to
14 Medicaid clients, hospitals shall not include GME costs or DSH
15 payments in their contracts with HMOs.

16 (2) The department shall allocate \$45,000,000.00 in DSH
17 funding using the distribution methodology used in fiscal year
18 2003-2004.

19 (3) From the funds appropriated in part 1 for hospital
20 disproportionate share payments, \$2,907,000.00 shall be allocated
21 for a Medicaid value pool that rewards and incentivizes hospitals
22 that provide low-cost and high-quality Medicaid services.

23 (4) By September 30 of the current fiscal year, the department
24 shall report to the senate and house appropriations subcommittees
25 on community health, the senate and house fiscal agencies, and the
26 state budget office on the new distribution of funding to each
27 eligible hospital from the GME and DSH pools.

1 Sec. 1724. The department shall allow licensed pharmacies to
2 purchase injectable drugs for the treatment of respiratory
3 syncytial virus for shipment to physicians' offices to be
4 administered to specific patients. If the affected patients are
5 Medicaid eligible, the department shall reimburse pharmacies for
6 the dispensing of the injectable drugs and reimburse physicians for
7 the administration of the injectable drugs.

8 Sec. 1757. The department shall direct the department of human
9 services to obtain proof from all Medicaid recipients that they are
10 legal United States citizens or otherwise legally residing in this
11 country and that they are residents of this state before approving
12 Medicaid eligibility.

13 Sec. 1764. (1) The department shall annually certify rates
14 paid to Medicaid health plans and specialty prepaid inpatient
15 health plans as being actuarially sound in accordance with federal
16 requirements and shall provide a copy of the rate certification and
17 approval immediately to the house and senate appropriations
18 subcommittees on community health and the house and senate fiscal
19 agencies. The department shall require all Medicaid policy
20 bulletins affecting Medicaid health plans issued after the federal
21 approval of rates to include an economic analysis demonstrating
22 that the approved rates will not be compromised because of the new
23 policy.

24 (2) To fully implement actuarial soundness, the department
25 shall include language in the contract between this state and
26 Medicaid health plans that provides that this state will annually
27 reimburse the contractor the full cost of all taxes imposed by this

1 state and the federal government, including the health insurer fee
2 that the contractor incurs and becomes obligated to pay under
3 section 9010 of the patient protection and affordable care act,
4 Public Law 111-148, as amended by section 1406(a) of the health
5 care and education reconciliation act of 2010, Public Law 111-152,
6 26 USC 4001 note prec., because of its receipt of Medicaid premiums
7 under the contract. For purposes of this subsection, the full cost
8 of the health insurer fee includes both the health insurer fee and
9 the allowance to reflect the federal income tax.

10 Sec. 1775. (1) The department shall provide reports to the
11 senate and house appropriations subcommittees on community health,
12 the senate and house fiscal agencies, and the state budget office
13 on progress in implementing the MI Health Link demonstration,
14 including a description of how the department intends to ensure
15 that service delivery is integrated and key components of the
16 proposal are implemented effectively.

17 (2) The department shall assure the existence of an ombudsman
18 program that is not associated with any project service manager or
19 provider to assist MI Health Link beneficiaries with navigating
20 complaint and dispute resolution mechanisms, to identify problems
21 in the demonstration's complaint and dispute resolution mechanisms,
22 and to report to the executive and legislative branches on any such
23 problems and potential solutions for them.

24 Sec. 1800. From the \$85,000,000.00 increase in funding in part
25 1 for outpatient disproportionate share hospital payments, the
26 department shall explore establishing a Medicaid value pool that
27 rewards and incentivizes hospitals providing low-cost and high-

1 quality Medicaid services. The department shall convene a workgroup
2 of hospitals to assist in the development of the metrics utilized
3 to determine value, and shall report to the senate and house
4 appropriations subcommittees on community health, the senate and
5 house fiscal agencies, and the state budget director on the results
6 of the workgroup by April 1 of the current fiscal year.

7 Sec. 1801. Beginning January 1, 2015, from the funds
8 appropriated in part 1 for physician services and health plan
9 services, the department shall use \$25,000,000.00 in general
10 fund/general purpose plus associated federal match to increase
11 Medicaid rates for primary care services provided only by primary
12 care providers. For the purpose of this section, a primary care
13 provider is a physician, or a practitioner working under the
14 personal supervision of a physician, who is board-eligible or
15 certified with a specialty designation of family medicine, general
16 internal medicine, or pediatric medicine, or a provider who
17 provides the department with documentation of equivalency. The
18 department shall examine including subspecialty of neonatal
19 medicine in its definition of primary care provider. Providers
20 performing a service and whose primary practice is as a non-
21 primary-care subspecialty is not eligible for the increase. The
22 department shall establish policies that most effectively limit the
23 increase to primary care providers for primary care services only.

24 Sec. 1802. From the funds appropriated in part 1, a lump-sum
25 payment shall be made to hospitals that qualified for rural
26 hospital access payments in fiscal year 2013-2014 and that provide
27 obstetrical care in the current fiscal year. The payment shall be

1 calculated as \$830.00 for each obstetrical care case payment and
2 each newborn care case payment for all such cases billed by the
3 qualified hospitals for fiscal year 2012-2013 and shall be paid
4 through the Medicaid health plan hospital rate adjustment process
5 by January 1 of the current fiscal year.

6 Sec. 1804. The department, in cooperation with the department
7 of human services and the department of military and veterans
8 affairs, shall work with the federal public assistance reporting
9 information system to identify Medicaid recipients who are veterans
10 and who may be eligible for federal veterans health care benefits
11 or other benefits.

12 Sec. 1805. Hospitals receiving medical services payments for
13 graduate medical education shall submit quality data to a national
14 nonprofit organization with extensive experience in collecting and
15 reporting hospital quality data on a public website. The reporting
16 must utilize consensus-based nationally endorsed standards that
17 meet National Quality Forum-endorsed safe practices. The
18 organization shall use a severity-adjusted risk model and measures
19 that will help patients and payers identify hospital campuses
20 likely to have superior outcomes.

21 Sec. 1806. (1) The contracts for Medicaid health plans that
22 will be effective January 1, 2016 must include a provision that
23 requires the cooperation and participation in the development and
24 implementation of a consensus formulary that will be used by all
25 contracting Medicaid health plans. The department may consult with
26 the Michigan association of health plans and other organizations as
27 this requirement is implemented.

1 (2) The department may establish performance standards to
2 measure progress in the implementation of the consensus formulary.

3 (3) The ongoing implementation of the consensus formulary must
4 include consultation with the department regarding products on the
5 state's preferred drug list.

6 (4) To achieve the objective of low net cost, the contracted
7 health plans may use evidence-based utilization management
8 techniques in the development and implementation of the consensus
9 formulary.

10 (5) The contracted health plans and the department shall
11 continue to facilitate and emphasize the value of increased
12 participation in the use of e-prescribing and electronic medical
13 records.

14 Sec. 1807. The process and results from the request for
15 proposals for the comprehensive health plan contract for this
16 state's Medicaid health plans must assure a fair, transparent and
17 deliberative process that solely uses objective criteria to select
18 winning bidders. The department shall work with the department of
19 technology, management, and budget to enhance this state's
20 competitive Medicaid managed care marketplace and continue to
21 emphasize the value of choice and access for beneficiaries and
22 results in competition to foster innovation and value.

23 Sec. 1808. For purposes of Medicaid third-party collections by
24 Medicaid health plans, each contracting Medicaid health plan is
25 considered an "agent of the department" in order to access other
26 carrier data that are otherwise provided to the department.

27 Sec. 1809. The department shall establish the contract

1 performance standards for Medicaid health plans by July 1, 2016.
2 The determination of performance must be based on recognized
3 concepts such as 1-year continuous enrollment and the HEDIS audited
4 data.

5 Sec. 1810. The department shall enhance encounter data
6 reporting processes and develop rules that would make each health
7 plan's encounter data as complete as possible, provide a fair
8 measure of acuity for each health plan's enrolled population for
9 risk adjustment purposes, capitation rate setting, diagnosis-
10 related group rate setting, and research and analysis of program
11 efficiencies while minimizing health plan administrative expense.

12 Sec. 1811. (1) The department shall integrate the maternal
13 infant health program (MIHP) into the Medicaid health plan benefit
14 package beginning with the January 1, 2016 contract. The contracted
15 Medicaid health plan must refer all pregnant women to service
16 providers that use evidence-based models.

17 (2) As used in this section, "evidence-based" means a model or
18 practice that meets all the following requirements:

19 (a) The model or practice is governed by a program manual or
20 protocol that specifies the purpose, rigorous evaluation
21 requirements, and duration and frequency of services that
22 constitutes the model.

23 (b) The model or practice is based on scientific research
24 using methods that meet scientific standards, evaluated using
25 either randomized controlled research designs or quasi-experimental
26 research designs with equivalent comparison groups.

27 The effects of the programs must have demonstrated with 2 or more

1 separate client samples that the program improves client outcomes
2 central to the purpose of the program and the model or practice
3 monitors program implementation for fidelity to the specified
4 model.

5 Sec. 1812. (1) By June 1 of the current fiscal year, the
6 department shall require each hospital that receives funds
7 appropriated in part 1 for graduate medical education to submit a
8 report disclosing all direct and indirect costs associated with the
9 residency training program to the department, the house and senate
10 appropriations subcommittees on community health, and the house and
11 senate fiscal agencies.

12 (2) By August 1 of the current fiscal year, the department
13 shall require each hospital that receives funds appropriated in
14 part 1 for graduate medical education to submit a report
15 identifying and explaining both of the following:

16 (a) The marginal cost to add 1 additional residency training
17 program slot.

18 (b) The number of additional slots that would result in
19 significant increased administrative costs.

20 (3) By June 1 the department shall submit a report on the
21 postresidency retention rate by graduate medical residency training
22 program for this state over the past 10 years to the house and
23 senate appropriations subcommittees on community health and the
24 house and senate fiscal agencies.

25 (4) The department shall convene a workgroup to use the
26 reports submitted under subsections (1) to (3) to assist in the
27 development of metrics for distribution of graduate medical

1 education funds and shall report to the senate and house
2 appropriations subcommittees on community health and the senate and
3 house fiscal agencies on the results of the workgroup by November 1
4 of the current fiscal year. It is the intent of the legislature
5 that, beginning with the budget for the fiscal year ending
6 September 30, 2017, the metrics developed by this workgroup be used
7 to determine the distribution of funds for graduate medical
8 education.

9 (5) If needed, the department shall seek a federal waiver to
10 fulfill the requirements of this section.

11 Sec. 1820. (1) In order to avoid duplication of efforts, the
12 department shall utilize applicable national accreditation review
13 criteria to determine compliance with corresponding state
14 requirements for Medicaid health plans that have been reviewed and
15 accredited by a national accrediting entity for health care
16 services.

17 (2) Upon submission by Medicaid health plans of a listing of
18 program requirements that are part of the state program review
19 criteria but are not reviewed by an applicable national accrediting
20 entity, the department shall review the listing and provide a
21 recommendation to the house and senate appropriations subcommittees
22 on community health, the house and senate fiscal agencies, and the
23 state budget office as to whether or not state program review
24 should continue. The Medicaid health plans may request the
25 department to convene a workgroup to fulfill this section.

26 (3) The department shall continue to comply with state and
27 federal law and shall not initiate an action that negatively

1 impacts beneficiary safety.

2 (4) As used in this section, "national accrediting entity"
3 means the National Committee for Quality Assurance, the URAC,
4 formerly known as the Utilization Review Accreditation Commission,
5 or other appropriate entity, as approved by the department.

6 (5) By July 1 of the current fiscal year, the department shall
7 provide a progress report to the house and senate appropriations
8 subcommittees on community health, the house and senate fiscal
9 agencies, and the state budget office on implementation of this
10 section.

11 Sec. 1837. The department shall explore utilization of
12 telemedicine and telepsychiatry as strategies to increase access to
13 services for Medicaid recipients in medically underserved areas.

14 Sec. 1850. The department may allow Medicaid health plans to
15 assist with the redetermination process through outreach activities
16 to ensure continuation of Medicaid eligibility and enrollment in
17 managed care. This may include mailings, telephone contact, or
18 face-to-face contact with beneficiaries enrolled in the individual
19 Medicaid health plan. Health plans may offer assistance in
20 completing paperwork for beneficiaries enrolled in their plan.

21 Sec. 1854. The department may work with a provider of kidney
22 dialysis services and renal care as authorized under section 2703
23 of the patient protection and affordable care act, Public Law 111-
24 148, to develop a chronic condition health home program for
25 Medicaid enrollees identified with chronic kidney disease and who
26 are beginning dialysis. If initiated, the department shall develop
27 metrics that evaluate program effectiveness and submit a report by

1 June 1 of the current fiscal year to the senate and house
2 appropriations subcommittees on community health. Metrics shall
3 include cost savings and clinical outcomes.

4 Sec. 1858. Medicaid services shall include treatment for
5 autism spectrum disorders as defined in the federally approved
6 Medicaid state plan. Such alternatives may be coordinated with the
7 Medicaid health plans and the Michigan Association of Health Plans.

8 Sec. 1861. (1) The department shall conduct a review of the
9 efficiency and effectiveness of the current nonemergency
10 transportation system funded in part 1. For nonemergency
11 transportation services provided outside the current broker
12 coverage, the review is contingent on available detailed travel
13 data, including methods of travel, number of people served, travel
14 distances, number of trips, and costs of trips. The department
15 shall report the results of the review required under this
16 subsection to the house and senate appropriations subcommittees on
17 community health and the house and senate fiscal agencies no later
18 than September 30 of the current fiscal year.

19 (2) The department shall create a pilot nonemergency
20 transportation system in at least 2 counties with priority given to
21 Berrien and Muskegon Counties to provide nonemergency
22 transportation services encouraging use of nonprofit entities. The
23 transportation providers selected by the department are responsible
24 for ensuring that federal and state safety and training standards
25 are met.

26 Sec. 1862. From the funds appropriated in part 1, the
27 department shall maintain payment rates for Medicaid obstetrical

1 services at 95% of Medicare levels.

2 Sec. 1865. Upon federal approval of the department's proposal
3 for integrated care for individuals who are dual Medicare/Medicaid
4 eligibles, the department shall provide the senate and house
5 appropriations subcommittees on community health and the senate and
6 house fiscal agencies its plan and organizational chart for
7 administering and providing oversight of this proposal. The plan
8 shall include information on how the department intends to organize
9 staff in an integrated manner to ensure that key components of the
10 proposal are implemented effectively.

11 Sec. 1866. (1) From the funds appropriated in part 1 for
12 hospital services and therapy, \$12,000,000.00 in general
13 fund/general purpose revenue and any associated federal match shall
14 be awarded to hospitals that meet criteria established by the
15 department for services to low-income rural residents. One of the
16 reimbursement components of the distribution formula shall be
17 assistance with labor and delivery services.

18 (2) No hospital or hospital system shall receive more than
19 10.0% of the total funding referenced in subsection (1).

20 (3) To allow hospitals to understand their rural payment
21 amounts under this section, the department shall provide hospitals
22 with the methodology for distribution under this section and
23 provide each hospital with its applicable data that are used to
24 determine the payment amounts by August 1 of the current fiscal
25 year. The department shall publish the distribution of payments for
26 the current fiscal year and the immediately preceding fiscal year.

27 (4) The department shall report to the senate and house

1 appropriations subcommittees on community health and the senate and
2 house fiscal agencies on the distribution of funds referenced in
3 subsection (1) by April 1 of the current fiscal year.

4 Sec. 1870. The department shall work in collaboration with
5 Michigan-based medical schools that choose to participate in the
6 creation of a graduate medical education consortium known as
7 MIDocs. The purpose of MIDocs is to develop freestanding residency
8 training programs in primary care and other ambulatory care-based
9 specialties. MIDocs shall design residency training programs to
10 address physician shortage needs in this state, including placing
11 physicians post-residency in underserved communities across this
12 state. MIDocs shall give special consideration to small and rural
13 hospitals with a GME program director. MIDocs' voting members will
14 include any Michigan-based university with a medical school or an
15 affiliated faculty practice physician group that is making a
16 substantial contribution to MIDocs programs. The department shall
17 be a permanent nonvoting member of MIDocs. The department, in
18 collaboration with MIDocs voting members, may also appoint
19 nonvoting members to MIDocs to represent various stakeholders. As
20 the sponsoring institution and fiduciary, MIDocs shall assure
21 initial and continued accreditation from the accreditation council
22 for graduate medical education or ACGME, financial accountability,
23 clinical quality, and compliance. The department shall require an
24 annual report from MIDocs detailing per resident costs for medical
25 training and clinical quality measures. The department shall create
26 MIDocs no later than January 10, 2015. MIDocs shall provide the
27 department with a report proposing the creation of new residency

1 programs and an actionable plan for retaining consortium related
2 students post-residency, especially in underserved communities.
3 From the funds appropriated in part 1, \$100.00 is allocated to
4 prepare the report, legally create the consortium, prepare to
5 obtain ACGME accreditation, and develop new residency programs.

6 Sec. 1874. The department may explore ways to work with
7 private providers to develop fraud management solutions to reduce
8 fraud, waste, and abuse in this state's Medicaid program.

9 Sec. 1879. In any program of integrated service for persons
10 dually enrolled in Medicaid and Medicare that the department
11 negotiates with the federal government, the department shall seek
12 to use the Medicare Part D benefit for prescription drug coverage.

13 Sec. 1883. For the purposes of more effectively managing
14 inpatient care for Medicaid health plans and Medicaid fee-for-
15 service, the department shall consider developing an appropriate
16 policy and rate for observation stays.

17 Sec. 1888. The department shall establish contract performance
18 standards associated with the capitation withhold provisions for
19 Medicaid health plans at least 3 months in advance of the
20 implementation of those standards. The determination of whether
21 performance standards have been met shall be based primarily on
22 recognized concepts such as 1-year continuous enrollment and the
23 HEDIS audited data.

24 Sec. 1890. From the funds appropriated in part 1 for
25 pharmaceutical services, the department shall ensure Medicaid
26 recipients access to breast pumps to support and encourage
27 breastfeeding. The department shall adjust Medicaid policy to, at a

1 minimum, provide an individual double electric style pump to a
2 breastfeeding mother when a physician prescribes such a device
3 based on diagnosis of mother or infant. If the distribution method
4 for pumps or other equipment is a department contract with durable
5 medical equipment providers, the department shall guarantee
6 providers stock and rent to Medicaid recipients without delay or
7 undue restriction.

8 Sec. 1894. (1) From the funds appropriated in part 1 for
9 dental services, the department shall expand the healthy kids
10 dental program to all Medicaid-eligible children in Kent, Oakland,
11 and Wayne Counties by July 1, 2016. This program expansion will
12 improve access to necessary dental services for Medicaid-enrolled
13 children.

14 (2) Outcomes and performance measures for the initiative under
15 this section include, but are not limited to, the following:

16 (a) The number of Medicaid-enrolled children in Kent, Oakland,
17 and Wayne Counties who visited the dentist over the prior year.

18 (b) The number of dentists in Kent, Oakland, and Wayne
19 Counties who will accept Medicaid payment for services to children.

20 Sec. 1895. (1) From the funds appropriated in part 1 for
21 dental services, the department shall contract with a managed care
22 organization for the administration of the Medicaid adult dental
23 benefit. This program expansion will improve access to necessary
24 dental services for Medicaid-enrolled adults.

25 (2) The beginning date for the managed care contract under
26 subsection (1) must be at least 8 months after the beginning date
27 of new contracts with Medicaid health plans for physical health

1 Medicaid services.

2 (3) Outcomes and performance measures for the program change
3 under this section include, but are not limited to, the following:

4 (a) The number of adults enrolled in Medicaid who visited a
5 dentist over the prior year.

6 (b) The number of dentists statewide who participate in the
7 dental managed care organization's provider network.

8 Sec. 1899. From the funds appropriated in part 1 for personal
9 care services, the department shall maintain the personal care
10 services rate at the level in effect October 1, 2014.

11 **ONE-TIME BASIS ONLY APPROPRIATIONS**

12 Sec. 1902. (1) From the funds appropriated in part 1 for
13 university autism programs, the department shall support autism
14 university programs. The purpose of these programs is to increase
15 the number of applied behavioral analysis therapists in this state.

16 (2) The funding appropriated for university autism programs
17 may be used to provide scholarships to students training to become
18 applied behavioral analysis therapists.

19 (3) Outcomes and performance measures for the initiative under
20 this section include, but are not limited to, the number of applied
21 behavioral analysis therapists trained by recipient universities.

22 Sec. 1905. From the funds appropriated in part 1 for bone
23 marrow transplant registry, \$250,000.00 shall be allocated to
24 Michigan Blood, the partner of the match registry of the national
25 marrow donor program. The funds shall be used to offset ongoing
26 tissue typing expenses associated with donor recruitment and

1 collection services and to expand those services to better serve
2 the citizens of this state.

3 PART 2A

4 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

5 FOR FISCAL YEAR 2016-2017

6 **GENERAL SECTIONS**

7 Sec. 2001. It is the intent of the legislature to provide
8 appropriations for the fiscal year ending on September 30, 2017 for
9 the line items listed in part 1. The fiscal year 2016-2017
10 appropriations are anticipated to be the same as those for fiscal
11 year 2015-2016, except that the line items will be adjusted for
12 changes in caseload and related costs, federal fund match rates,
13 economic factors, and available revenue. These adjustments will be
14 determined after the January 2016 consensus revenue estimating
15 conference.