

**SUBSTITUTE FOR  
SENATE BILL NO. 789**

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1** PART 1

**2** LINE-ITEM APPROPRIATIONS

**3**       Sec. 101. There is appropriated for the department of health  
**4** and human services for the fiscal year ending September 30, 2017,  
**5** from the following funds:

**6** **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**7** APPROPRIATION SUMMARY

<b>8</b>	Full-time equated unclassified positions.....	6.0
<b>9</b>	Full-time equated classified positions.....	15,499.5
<b>10</b>	Average population .....	893.0

1	GROSS APPROPRIATION.....	\$ 24,783,861,400
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers .....	13,513,700
5	ADJUSTED GROSS APPROPRIATION.....	\$ 24,770,347,700
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families .....	550,606,300
9	Capped federal revenues.....	594,089,100
10	Total other federal revenues.....	16,651,967,700
11	Special revenue funds:	
12	Total local revenues.....	123,892,300
13	Total private revenues.....	156,279,300
14	Total local and private revenues.....	280,171,600
15	Merit award trust fund.....	74,772,800
16	Total other state restricted revenues.....	2,267,972,800
17	State general fund/general purpose.....	\$ 4,350,767,400
18	<b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>	
19	Full-time equated unclassified positions..... 6.0	
20	Full-time equated classified positions..... 674.2	
21	Director and other unclassified--6.0 FTE positions ...	\$ 1,119,300
22	Departmental administration and management--480.2	
23	FTE positions .....	75,482,600
24	Demonstration projects--7.0 FTE positions.....	6,905,100
25	Developmental disabilities council and	
26	projects--10.0 FTE positions .....	3,067,000
27	Information technology projects and services.....	152,233,500

1	Michigan Medicaid information system.....	50,201,200
2	Office of inspector general--177.0 FTE positions .....	21,633,000
3	Rent and state office facilities.....	62,783,800
4	State office of administrative hearings and rules .....	11,140,300
5	Terminal pay and other employee costs.....	5,686,100
6	Worker's compensation program.....	<u>7,956,500</u>
7	GROSS APPROPRIATION.....	\$ 398,208,400
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from department of education.....	2,979,000
11	Federal revenues:	
12	Social security act, temporary assistance for needy	
13	families .....	33,546,800
14	Capped federal revenues.....	42,314,000
15	Total other federal revenues.....	145,588,400
16	Special revenue funds:	
17	Total local revenues.....	16,400
18	Total private revenues.....	23,842,000
19	Total other state restricted revenues.....	2,836,300
20	State general fund/general purpose.....	\$ 147,085,500
21	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
22	Full-time equated classified positions.....	185.7
23	Child support enforcement operations--179.7 FTE	
24	positions .....	22,151,300
25	Legal support contracts.....	113,359,100
26	Child support incentive payments.....	24,409,600
27	State disbursement unit--6.0 FTE positions.....	8,101,700

1	Child support automation.....	<u>41,877,600</u>
2	GROSS APPROPRIATION.....	\$ 209,899,300
3	Appropriated from:	
4	Federal revenues:	
5	Capped federal revenues.....	11,395,000
6	Total other federal revenues.....	163,998,000
7	Special revenue funds:	
8	State general fund/general purpose.....	\$ 34,506,300
9	<b>Sec. 104. COMMUNITY SERVICES AND OUTREACH</b>	
10	Full-time equated classified positions.....	70.6
11	Bureau of community services and outreach--16.0 FTE	
12	positions .....	2,103,700
13	Community services block grant.....	25,840,000
14	Weatherization assistance.....	16,340,000
15	School success partnership program.....	450,000
16	Homeless programs.....	15,721,900
17	Domestic violence prevention and treatment--14.6 FTE	
18	positions .....	15,766,200
19	Rape prevention and services--0.5 FTE position.....	5,097,300
20	Child advocacy centers--0.5 FTE position.....	2,000,000
21	Michigan community service commission--15.0 FTE	
22	positions .....	11,621,300
23	Housing and support services.....	13,031,000
24	Grants administration services--13.0 FTE positions...	2,165,100
25	Justice assistance grants.....	59,279,300
26	Crime victim rights services grants.....	16,870,000
27	Community services and outreach administration--11.0	

1	FTE positions .....	<u>2,159,300</u>
2	GROSS APPROPRIATION.....	\$ 188,445,100
3	Appropriated from:	
4	Federal revenues:	
5	Social security act, temporary assistance for needy	
6	families .....	11,673,100
7	Capped federal revenues.....	66,215,400
8	Total other federal revenues.....	75,923,600
9	Special revenue funds:	
10	Private - collections.....	44,100
11	Compulsive gambling prevention fund.....	1,043,100
12	Sexual assault victims' prevention and treatment fund	3,000,000
13	Child advocacy centers fund.....	2,000,000
14	Crime victims rights fund.....	15,327,200
15	State general fund/general purpose.....	\$ 13,218,600
16	<b>Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD</b>	
17	<b>WELFARE</b>	
18	Full-time equated classified positions.....	3,848.2
19	Children's services administration--169.0 FTE	
20	positions .....	19,513,200
21	Title IV-E compliance and accountability office--4.0	
22	FTE positions .....	421,300
23	Child welfare field staff - caseload	
24	compliance--2,511.0 FTE positions.....	230,862,600
25	Child welfare field staff - noncaseload	
26	compliance--320.0 FTE positions.....	33,671,400
27	Education planners--15.0 FTE positions.....	1,521,100

1	Peer coaches--45.5 FTE positions .....	5,702,100
2	Child welfare first line supervisors--578.0 FTE	
3	positions .....	\$ 72,313,800
4	Second line supervisors and technical staff--54.0	
5	FTE positions .....	8,833,600
6	Permanency resource managers--28.0 FTE positions .....	3,170,200
7	Contractual services, supplies, and materials .....	9,280,000
8	Settlement monitor .....	1,885,800
9	Foster care payments .....	190,265,000
10	Guardianship assistance program .....	11,966,500
11	Child care fund .....	186,750,200
12	Child care fund administration--4.2 FTE positions ....	592,900
13	Adoption subsidies .....	223,365,400
14	Adoption support services--10.0 FTE positions .....	27,276,700
15	Youth in transition--4.5 FTE positions .....	15,301,900
16	Child welfare medical/psychiatric evaluations .....	10,435,500
17	Psychotropic oversight .....	618,200
18	Performance based funding implementation--3.0 FTE	
19	positions .....	1,778,900
20	Family support subsidy .....	16,951,400
21	Interstate compact .....	179,600
22	Strong families/safe children .....	12,350,100
23	Family preservation programs--23.0 FTE positions .....	38,872,800
24	Family preservation and prevention services	
25	administration--9.0 FTE positions .....	1,291,300
26	Child abuse and neglect - children's justice	
27	act--1.0 FTE position .....	621,800

1	Children's trust fund--12.0 FTE positions .....	3,323,400
2	Attorney general contract .....	4,321,800
3	Prosecuting attorney contracts .....	3,061,700
4	Child protection .....	800,300
5	Child welfare licensing--57.0 FTE positions .....	6,549,800
6	Child welfare administration travel .....	<u>375,000</u>
7	GROSS APPROPRIATION .....	\$ 1,144,225,300
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from department of education .....	90,200
11	Federal revenues:	
12	Social security act, temporary assistance for needy	
13	families .....	319,543,200
14	Capped federal revenues .....	106,541,100
15	Total other federal revenues .....	259,242,500
16	Special revenue funds:	
17	Private - collections .....	2,424,000
18	Local funds - county chargeback .....	14,194,000
19	Children's trust fund .....	2,090,500
20	State general fund/general purpose .....	\$ 440,099,800
21	<b>Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE</b>	
22	<b>JUSTICE</b>	
23	Full-time equated classified positions .....	111.5
24	W.J. Maxey training school .....	\$ 750,000
25	Bay pines center--42.0 FTE positions .....	4,933,300
26	Shawono center--42.0 FTE positions .....	5,021,400
27	County juvenile officers .....	3,904,300

1	Community support services--3.0 FTE positions .....	2,110,500
2	Juvenile justice, administration and	
3	maintenance--22.0 FTE positions.....	3,543,700
4	Committee on juvenile justice administration--2.5	
5	FTE positions .....	350,700
6	Committee on juvenile justice grants.....	3,000,000
7	In-home community care.....	400,000
8	Juvenile justice vision 20/20.....	<u>1,000,000</u>
9	GROSS APPROPRIATION.....	\$ 25,013,900
10	Appropriated from:	
11	Federal revenues:	
12	Capped federal revenues.....	8,018,200
13	Total other federal revenues.....	10,200
14	Special revenue funds:	
15	Local funds - state share education funds.....	1,324,200
16	Local funds - county chargeback.....	4,512,000
17	State general fund/general purpose.....	\$ 11,149,300
18	<b>Sec. 107. PUBLIC ASSISTANCE</b>	
19	Full-time equated classified positions..... 8.0	
20	Family independence program.....	\$ 112,494,600
21	State disability assistance payments.....	12,353,900
22	Food assistance program benefits.....	2,348,117,400
23	State supplementation.....	63,357,400
24	State supplementation administration.....	2,381,100
25	Low-income home energy assistance program.....	174,951,600
26	Food bank funding.....	1,795,000
27	Multicultural integration funding.....	13,303,800



1	Indigent burial.....	4,300,000
2	Emergency services local office allocations.....	10,357,500
3	Michigan energy assistance program--1.0 FTE position.	50,000,000
4	Refugee assistance program--7.0 FTE positions.....	<u>27,986,100</u>
5	GROSS APPROPRIATION.....	\$ 2,821,398,400
6	Appropriated from:	
7	Federal revenues:	
8	Social security act, temporary assistance for needy	
9	families .....	67,697,500
10	Capped federal revenues.....	203,100,300
11	Total other federal revenues.....	2,342,649,300
12	Special revenue funds:	
13	Child support collections.....	10,863,700
14	Supplemental security income recoveries.....	5,470,900
15	Public assistance recoupment revenue.....	6,290,000
16	Low-income energy assistance fund.....	50,000,000
17	Michigan merit award trust fund.....	30,100,000
18	State general fund/general purpose.....	\$ 105,226,700
19	<b>Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES</b>	
20	Full-time equated classified positions.....	6,546.5
21	Public assistance field staff--4,703.5 FTE positions.	\$ 476,994,400
22	Contractual services, supplies, and materials.....	16,282,000
23	Medical/psychiatric evaluations.....	1,420,100
24	Donated funds positions--538.0 FTE positions.....	60,878,700
25	Training and program support--65.0 FTE positions.....	10,252,400
26	Volunteer services and reimbursement.....	942,400
27	Field policy and administration--66.0 FTE positions..	10,262,400

1	Adult services field staff--425.0 FTE positions .....	43,807,400
2	Nutrition education--2.0 FTE positions .....	23,042,700
3	Employment and training support services .....	4,219,100
4	Michigan rehabilitation services--526.0 FTE positions	131,221,800
5	Independent living .....	12,031,600
6	Electronic benefit transfer (EBT) .....	8,509,000
7	Administrative support workers--221.0 FTE positions ..	12,453,700
8	Elder Law of Michigan MiCAFE contract .....	350,000
9	Field staff travel .....	<u>8,103,900</u>
10	GROSS APPROPRIATION .....	\$ 820,771,600
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from department of corrections .....	101,200
14	IDG from department of education .....	7,678,800
15	Federal revenues:	
16	Social security act, temporary assistance for needy	
17	families .....	103,039,700
18	Capped federal revenues .....	155,145,200
19	Federal supplemental security income .....	8,588,600
20	Total other federal revenues .....	255,177,400
21	Special revenue funds:	
22	Local funds - donated funds .....	11,137,600
23	Local vocational rehabilitation match .....	6,534,600
24	Private funds - donated funds .....	18,440,200
25	Private funds - gifts, bequests, and donations .....	1,854,600
26	Rehabilitation service fees .....	400,000
27	Second injury fund .....	40,000

1	State general fund/general purpose.....	\$	252,633,700
2	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>		
3	Full-time equated classified positions.....		587.4
4	Disability determination operations--583.3 FTE		
5	positions .....	\$	111,392,700
6	Retirement disability determination--4.1 FTE positions		602,900
7	Legal services association of Michigan contract .....		<u>500,000</u>
8	GROSS APPROPRIATION.....	\$	112,495,600
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	IDG from DTMB - office of retirement services .....		778,300
12	Federal revenues:		
13	Total other federal revenues .....		107,784,000
14	State general fund/general purpose .....	\$	3,933,300
15	<b>Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>		
16	<b>AND SPECIAL PROJECTS</b>		
17	Full-time equated classified positions.....		100.0
18	Behavioral health program administration--99.0 FTE		
19	positions .....	\$	54,571,700
20	Gambling addiction--1.0 FTE position .....		3,005,900
21	Protection and advocacy services support .....		194,400
22	Federal and other special projects .....		2,535,600
23	Office of recipient rights .....		<u>2,700,000</u>
24	GROSS APPROPRIATION.....	\$	63,007,600
25	Appropriated from:		
26	Federal revenues:		
27	Social security act, temporary assistance for needy		

1	families .....	180,500
2	Total other federal revenues .....	32,845,100
3	Special revenue funds:	
4	Total private revenues .....	1,004,700
5	Total other state restricted revenues .....	3,005,900
6	State general fund/general purpose .....	\$ 25,971,400
7	<b>Sec. 111. BEHAVIORAL HEALTH SERVICES</b>	
8	Full-time equated classified positions..... 9.5	
9	Medicaid mental health services .....	\$ 2,287,190,200
10	Community mental health non-Medicaid services .....	117,050,400
11	Medicaid substance use disorder services .....	49,964,500
12	Civil service charges .....	1,499,300
13	Federal mental health block grant--2.5 FTE positions .	15,454,600
14	State disability assistance program substance use	
15	disorder services .....	2,018,800
16	Community substance use disorder prevention,	
17	education, and treatment .....	73,811,800
18	Children's waiver home care program .....	20,660,000
19	Nursing home PAS/ARR-OBRA--7.0 FTE positions .....	12,272,000
20	Children with serious emotional disturbance waiver...	12,647,900
21	Health homes .....	3,369,000
22	Healthy Michigan plan - behavioral health .....	226,210,300
23	Autism services .....	63,036,800
24	University autism programs .....	<u>2,500,000</u>
25	GROSS APPROPRIATION .....	\$ 2,887,685,600
26	Appropriated from:	
27	Federal revenues:	

1	Total other federal revenues.....	1,894,982,900
2	Special revenue funds:	
3	Total local revenues.....	25,475,800
4	Total other state restricted revenues.....	22,512,700
5	State general fund/general purpose.....	\$ 944,714,200
6	<b>Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>	
7	<b>MENTAL HEALTH SERVICES</b>	
8	Total average population .....	893.0
9	Full-time equated classified positions.....	2,181.9
10	Caro Regional Mental Health Center - psychiatric	
11	hospital - adult--461.3 FTE positions.....	\$ 57,270,900
12	Average population .....	185.0
13	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
14	positions .....	65,674,600
15	Average population .....	189.0
16	Walter P. Reuther Psychiatric Hospital -	
17	adult--420.8 FTE positions .....	56,872,000
18	Average population .....	234.0
19	Hawthorn Center - psychiatric hospital - children	
20	and adolescents--226.4 FTE positions.....	29,142,500
21	Average population .....	75.0
22	Center for forensic psychiatry--607.3 FTE positions..	77,898,500
23	Average population .....	210.0
24	Revenue recapture.....	750,000
25	IDEA, federal special education.....	120,000
26	Special maintenance.....	924,600
27	Purchase of medical services for residents of	

1	hospitals and centers .....	445,600
2	Gifts and bequests for patient living and treatment	
3	environment .....	<u>1,000,000</u>
4	GROSS APPROPRIATION.....	\$ 290,098,700
5	Appropriated from:	
6	Federal revenues:	
7	Total other federal revenues.....	35,545,300
8	Special revenue funds:	
9	Other local revenues.....	19,886,700
10	Total private revenues.....	1,000,000
11	Total other state restricted revenues.....	19,238,100
12	State general fund/general purpose.....	\$ 214,428,600
13	<b>Sec. 113. HEALTH POLICY</b>	
14	Full-time equated classified positions..... 32.8	
15	Bone marrow transplant registry.....	\$ 250,000
16	Certificate of need program administration--12.3 FTE	
17	positions .....	2,803,800
18	Health innovation grants.....	1,500,000
19	Health policy administration--15.1 FTE positions .....	1,564,100
20	Human trafficking intervention services.....	200,000
21	Michigan essential health provider.....	3,591,300
22	Minority health grants and contracts.....	612,700
23	Nurse education and research program--3.0 FTE	
24	positions .....	780,900
25	Primary care services--1.4 FTE positions.....	4,068,500
26	Rural health services--1.0 FTE position.....	<u>1,555,500</u>
27	GROSS APPROPRIATION.....	\$ 16,926,800

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grant from the department of	
4	licensing and regulatory affairs.....	780,900
5	Interdepartmental grant from the department of	
6	treasury, Michigan state hospital finance authority.	117,700
7	Federal revenues:	
8	Total other federal revenues.....	6,631,300
9	Special revenue funds:	
10	Total private revenues.....	865,000
11	Total other state restricted revenues.....	2,686,100
12	State general fund/general purpose.....	\$ 5,845,800
13	<b>Sec. 114. LABORATORY SERVICES</b>	
14	Full-time equated classified positions.....	100.0
15	Laboratory services--100.0 FTE positions.....	\$ <u>20,520,500</u>
16	GROSS APPROPRIATION.....	\$ 20,520,500
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	Interdepartmental grant from the department of	
20	environmental quality .....	987,600
21	Federal revenues:	
22	Total other federal revenues.....	2,326,300
23	Special revenue funds:	
24	Total other state restricted revenues.....	10,403,900
25	State general fund/general purpose.....	\$ 6,802,700
26	<b>Sec. 115. DISEASE CONTROL, PREVENTION, AND</b>	
27	<b>EPIDEMIOLOGY</b>	

1	Full-time equated classified positions.....	74.9	
2	Epidemiology administration--43.6 FTE positions .....		\$ 16,044,500
3	Healthy homes program--8.0 FTE positions .....		4,255,000
4	Immunization program--12.8 FTE positions .....		19,372,100
5	Newborn screening follow-up and treatment		
6	services--10.5 FTE positions .....		<u>7,253,500</u>
7	GROSS APPROPRIATION.....		\$ 46,925,100
8	Appropriated from:		
9	Federal revenues:		
10	Total other federal revenues .....		28,704,900
11	Special revenue funds:		
12	Total private revenues .....		2,339,400
13	Total other state restricted revenues .....		9,501,300
14	State general fund/general purpose .....		\$ 6,379,500
15	<b>Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES</b>		
16	Full-time equated classified positions.....	236.2	
17	AIDS prevention, testing, and care programs--47.7		
18	FTE positions .....		\$ 70,605,900
19	Cancer prevention and control program--13.0 FTE		
20	positions .....		15,051,600
21	Chronic disease control and health promotion		
22	administration--27.4 FTE positions .....		6,044,800
23	Dental programs--3.8 FTE positions .....		1,949,800
24	Diabetes and kidney program--8.0 FTE positions .....		3,049,100
25	Essential local public health services .....		40,921,800
26	Health and wellness initiatives--11.7 FTE positions ..		8,994,100
27	Implementation of 1993 PA 133, MCL 333.17015 .....		20,000



1	Local health services--1.3 FTE positions .....	447,700
2	Medicaid outreach cost reimbursement to local health	
3	departments .....	9,000,000
4	Public health administration--7.0 FTE positions .....	1,535,900
5	Sexually transmitted disease control program--20.0	
6	FTE positions .....	6,279,600
7	Smoking prevention program--12.0 FTE positions .....	2,142,100
8	Violence prevention--2.9 FTE positions .....	2,122,500
9	Vital records and health statistics--81.4 FTE	
10	positions .....	<u>11,932,300</u>
11	GROSS APPROPRIATION.....	\$ 180,097,200
12	Appropriated from:	
13	Federal revenues:	
14	Capped federal revenues.....	81,100
15	Total other federal revenues.....	71,396,700
16	Special revenue funds:	
17	Total local revenues.....	5,150,000
18	Total private revenues.....	39,028,400
19	Total other state restricted revenues.....	20,164,900
20	State general fund/general purpose.....	\$ 44,276,100
21	<b>Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH</b>	
22	Full-time equated classified positions..... 110.8	
23	Childhood lead program--2.5 FTE positions.....	\$ 1,571,400
24	Family, maternal, and children's health services	
25	administration--49.3 FTE positions.....	8,460,900
26	Family planning local agreements.....	8,912,800
27	Local MCH services.....	7,018,100

1	Prenatal care outreach and service delivery	
2	support--14.0 FTE positions .....	19,322,600
3	Special projects.....	6,289,100
4	Sudden infant death syndrome program.....	321,300
5	Women, infants, and children program administration	
6	and special projects--45.0 FTE positions.....	18,014,400
7	Women, infants, and children program local	
8	agreements and food costs .....	<u>256,285,000</u>
9	GROSS APPROPRIATION.....	\$ 326,195,600
10	Appropriated from:	
11	Federal revenues:	
12	Social security act, temporary assistance for needy	
13	families .....	400,000
14	Total other federal revenues.....	254,324,000
15	Special revenue funds:	
16	Total local revenues.....	75,000
17	Total private revenues.....	61,702,400
18	State general fund/general purpose.....	\$ 9,694,200
19	<b>Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND</b>	
20	<b>PREPAREDNESS</b>	
21	Full-time equated classified positions..... 75.0	
22	Emergency medical services program--23.0 FTE positions	\$ 6,563,600
23	Bioterrorism preparedness--52.0 FTE positions .....	<u>30,207,700</u>
24	GROSS APPROPRIATION.....	\$ 36,771,300
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues.....	31,332,300

1	Special revenue funds:	
2	Total other state restricted revenues .....	4,004,900
3	State general fund/general purpose .....	\$ 1,434,100
4	<b>Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
5	Full-time equated classified positions.....	46.8
6	Children's special health care services	
7	administration--44.0 FTE positions.....	\$ 5,990,100
8	Bequests for care and services--2.8 FTE positions ....	1,534,800
9	Outreach and advocacy.....	5,510,000
10	Nonemergency medical transportation.....	905,900
11	Medical care and treatment.....	<u>238,595,000</u>
12	GROSS APPROPRIATION.....	\$ 252,535,800
13	Appropriated from:	
14	Federal revenues:	
15	Total other federal revenues .....	116,399,200
16	Special revenue funds:	
17	Total private revenues .....	1,013,200
18	Total other state restricted revenues .....	3,383,000
19	State general fund/general purpose .....	\$ 131,740,400
20	<b>Sec. 120. AGING AND ADULT SERVICES AGENCY</b>	
21	Full-time equated classified positions.....	48.0
22	Aging and adult services administration--48.0 FTE	
23	positions .....	\$ 9,344,100
24	Community services.....	39,163,900
25	Nutrition services.....	44,044,000
26	Employment assistance.....	3,500,000
27	Respite care program.....	5,868,700

1	Senior volunteer services.....	<u>4,465,300</u>
2	GROSS APPROPRIATION.....	\$ 106,386,000
3	Appropriated from:	
4	Federal revenues:	
5	Capped federal revenues.....	368,100
6	Total other federal revenues.....	58,193,700
7	Special revenue funds:	
8	Total private revenues.....	520,000
9	Merit award trust fund.....	4,068,700
10	Total other state restricted revenues.....	1,400,000
11	State general fund/general purpose.....	\$ 41,835,500
12	<b>Sec. 121. MEDICAL SERVICES ADMINISTRATION</b>	
13	Full-time equated classified positions..... 450.5	
14	Medical services administration--395.5 FTE positions .	\$ 83,565,600
15	Healthy Michigan plan administration--31.0 FTE	
16	positions .....	68,412,400
17	Electronic health record incentive program--24.0 FTE	
18	positions .....	144,297,800
19	Technology supporting integrated service delivery ....	<u>100</u>
20	GROSS APPROPRIATION.....	\$ 296,275,900
21	Appropriated from:	
22	Federal revenues:	
23	Social security act, temporary assistance for needy	
24	families .....	4,180,000
25	Capped federal revenues.....	910,700
26	Total other federal revenues.....	241,146,800
27	Special revenue funds:	

1	Total local revenues.....	107,300
2	Total private revenues.....	101,300
3	Total other state restricted revenues.....	336,300
4	State general fund/general purpose.....	\$ 49,493,500
5	<b>Sec. 122. MEDICAL SERVICES</b>	
6	Hospital services and therapy.....	\$ 1,150,265,400
7	Hospital disproportionate share payments.....	45,000,000
8	Physician services.....	323,385,400
9	Medicare premium payments.....	458,763,500
10	Pharmaceutical services.....	617,729,900
11	Home health services.....	6,287,800
12	Hospice services.....	99,232,000
13	Transportation.....	20,094,000
14	Auxiliary medical services.....	5,489,200
15	Dental services.....	273,827,900
16	Ambulance services.....	17,604,500
17	Long-term care services.....	1,665,789,800
18	Integrated care organizations.....	220,300,000
19	Medicaid home- and community-based services waiver...	342,650,500
20	Adult home help services.....	327,864,500
21	Personal care services.....	9,639,800
22	Program of all-inclusive care for the elderly.....	92,524,400
23	Health plan services.....	4,668,052,700
24	Federal Medicare pharmaceutical program.....	261,845,200
25	Maternal and child health.....	20,279,500
26	Healthy Michigan plan.....	3,314,009,200
27	Subtotal basic medical services program.....	13,940,635,200

1	School-based services.....	112,102,700
2	Dental clinic program.....	100
3	Special Medicaid reimbursement.....	368,887,600
4	Subtotal special medical services payments.....	<u>480,990,400</u>
5	GROSS APPROPRIATION.....	\$ 14,421,625,600
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues.....	10,440,738,800
9	Special revenue funds:	
10	Total local revenues.....	35,478,700
11	Total private revenues.....	2,100,000
12	Merit award trust fund.....	40,604,100
13	Total other state restricted revenues.....	2,071,500,100
14	State general fund/general purpose.....	\$ 1,831,203,900
15	<b>Sec. 123. ONE-TIME BASIS ONLY APPROPRIATIONS</b>	
16	Full-time equated classified positions..... 1.0	
17	Family preservation programs--1.0 FTE position.....	\$ 3,133,300
18	Integrated service delivery.....	36,922,500
19	Flint declaration of emergency.....	15,138,100
20	MiSACWIS implementation.....	5,769,300
21	Pharmacy reserve.....	57,388,800
22	Autism navigator.....	<u>100</u>
23	GROSS APPROPRIATION.....	\$ 118,352,100
24	Appropriated from:	
25	Federal revenues:	
26	Total other federal revenues.....	78,438,400
27	Social security act, temporary assistance for needy	

1	families .....	10,345,500
2	Special revenue funds:	
3	Total other state restricted revenues .....	473,900
4	State general fund/general purpose .....	\$ 29,094,300

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2016-2017

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is \$6,693,513,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$1,231,793,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

## CHILDREN'S SERVICES AGENCY-CHILD WELFARE

Child care fund.....	\$	94,898,500
----------------------	----	------------

## CHILDREN'S SERVICES AGENCY-JUVENILE JUSTICE

County juvenile officers.....	\$	3,100,000
-------------------------------	----	-----------

## PUBLIC ASSISTANCE

Family independence program.....	\$	11,700
----------------------------------	----	--------

State disability assistance payments.....		966,000
---	--	---------

Multicultural integration funding.....		3,795,900
--	--	-----------

## BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

1	Community residential and support services .....	\$	292,100
2	Housing and support services .....		667,400
3	BEHAVIORAL HEALTH SERVICES		
4	Medicaid mental health services .....	\$	791,137,400
5	Community mental health non-Medicaid services .....		117,050,400
6	Medicaid substance use disorder services .....		16,338,900
7	State disability assistance program substance use		
8	disorder services .....		2,018,800
9	Community substance use disorder prevention,		
10	education, and treatment .....		14,553,400
11	Children's waiver home care program .....		6,880,000
12	Nursing home PAS/ARR-OBRA .....		2,724,900
13	LABORATORY SERVICES		
14	Laboratory services .....	\$	5,000
15	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
16	Sexually transmitted disease control program .....	\$	377,000
17	LOCAL HEALTH ADMINISTRATION AND GRANTS		
18	Essential local public health services .....	\$	34,199,500
19	Implementation of 1993 PA 133, MCL 333.17015 .....		300
20	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
21	AIDS prevention, testing, and care programs .....	\$	606,100
22	Cancer prevention and control program .....		116,700
23	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
24	Prenatal care outreach and service delivery support ..	\$	2,044,900
25	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
26	Outreach and advocacy .....	\$	2,204,000
27	Medical care and treatment .....		949,800



1 CRIME VICTIM SERVICES COMMISSION

2 Crime victim rights services grants..... \$ 6,389,800

3 AGING AND ADULT SERVICES AGENCY

4 Community services..... \$ 13,333,500

5 Nutrition services..... 14,287,000

6 Respite care program..... 5,868,700

7 Senior volunteer service programs..... 1,127,900

8 MEDICAL SERVICES

9 Hospital services and therapy..... \$ 2,449,500

10 Physician services..... 10,665,900

11 Dental services..... 1,202,000

12 Long-term care services..... 81,530,900

13 TOTAL OF PAYMENTS TO LOCAL UNITS

14 OF GOVERNMENT..... \$ 1,231,793,900

15 Sec. 202. The appropriations authorized under this part and

16 part 1 are subject to the management and budget act, 1984 PA 431,

17 MCL 18.1101 to 18.1594.

18 Sec. 203. As used in this part and part 1:

19 (a) "AIDS" means acquired immunodeficiency syndrome.

20 (b) "CMHSP" means a community mental health services program

21 as that term is defined in section 100a of the mental health code,

22 1974 PA 258, MCL 330.1100a.

23 (c) "Department" means the department of health and human

24 services.

25 (d) "Director" means the director of the department.

26 (e) "DSH" means disproportionate share hospital.

27 (f) "EPSDT" means early and periodic screening, diagnosis, and

1 treatment.

2 (g) "Federal poverty level" means the poverty guidelines  
3 published annually in the Federal Register by the United States  
4 Department of Health and Human Services under its authority to  
5 revise the poverty line under 42 USC 9902.

6 (h) "FTE" means full-time equated.

7 (i) "GME" means graduate medical education.

8 (j) "Health plan" means, at a minimum, an organization that  
9 meets the criteria for delivering the comprehensive package of  
10 services under the department's comprehensive health plan.

11 (k) "HEDIS" means healthcare effectiveness data and  
12 information set.

13 (l) "HMO" means health maintenance organization.

14 (m) "IDEA" means the individuals with disabilities education  
15 act, 20 USC 1400 to 1482.

16 (n) "IDG" means interdepartmental grant.

17 (o) "MCH" means maternal and child health.

18 (p) "Medicaid" mean subchapter XIX of the social security act,  
19 42 USC 1396 to 1396w-5.

20 (q) "Medicare" means subchapter XVIII of the social security  
21 act, 42 USC 1395 to 1395///.

22 (r) "MiCAFE" means Michigan's coordinated access to food for  
23 the elderly.

24 (s) "MiChild" means the program described in section 1670.

25 (t) "MiSACWIS" means Michigan statewide automated child  
26 welfare information system.

27 (u) "MMIS" means Medicaid Management Information System.

1 (v) "PAS/ARR-OBRA" means the preadmission screening and annual  
2 resident review required under the omnibus budget reconciliation  
3 act of 1987, section 1919(e)(7) of the social security act, 42 USC  
4 1396r.

5 (w) "PIHP" means an entity designated by the department as a  
6 regional entity or a specialty prepaid inpatient health plan for  
7 Medicaid mental health services, services to individuals with  
8 developmental disabilities, and substance use disorder services.  
9 Regional entities are described in section 204b of the mental  
10 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid  
11 inpatient health plans are described in section 232b of the mental  
12 health code, 1974 PA 258, MCL 330.1232b.

13 (x) "Settlement" means the settlement agreement entered in the  
14 case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United  
15 States District Court for the Eastern District of Michigan.

16 (y) "SSI" means supplemental security income.

17 (z) "Temporary assistance for needy families" or "TANF" or  
18 "title IV-A" means part A of subchapter IV of the social security  
19 act, 42 USC 601 to 619.

20 (aa) "Title IV-B" means part B of title IV of the social  
21 security act, 42 USC 620 to 629m.

22 (bb) "Title IV-D" means part D of title IV of the social  
23 security act, 42 USC 651 to 669b.

24 (cc) "Title IV-E" means part E of title IV of the social  
25 security act, 42 USC 670 to 679c.

26 (dd) "Title X" means subchapter VIII of the public health  
27 service act, 42 USC 300 to 300a-8, which establishes grants to

1 states for family planning services.

2       Sec. 204. Concurrent with submission of the executive budget  
3 recommendation, the state budget office shall provide the senate  
4 and house appropriations committees, the senate and house  
5 appropriations subcommittees on the department budget, and the  
6 senate and house fiscal agencies and policy offices with a report  
7 that lists each new program or program enhancement for which the  
8 funds in excess of \$500,000.00 are appropriated in part 1. The  
9 listing of new or enhanced programs shall be ranked in the order of  
10 estimated return on taxpayer investment determined by the state  
11 budget office. The program performance shall use program-specific  
12 metrics, in addition to the metrics required under section 447 of  
13 the management and budget act, 1984 PA 431, MCL 18.1447, to measure  
14 the return on taxpayer investment. The state budget office shall  
15 use the estimated performance of the new program or program  
16 enhancement as the basis for any increase in funds appropriated in  
17 part 1 from the prior fiscal year. The department shall provide a  
18 report on its status in meeting the program specific metrics and  
19 the progress in meeting the program's estimated return on taxpayer  
20 investment by September 30 of the current fiscal year to the senate  
21 and house appropriations subcommittees on the department budget and  
22 the senate and house fiscal agencies and policy offices.

23       Sec. 205. Pursuant to section 1b of the social welfare act,  
24 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this  
25 part as a time-limited addendum to the social welfare act, 1939 PA  
26 280, MCL 400.1 to 400.119b.

27       Sec. 206. (1) In addition to the funds appropriated in part 1,

1 there is appropriated an amount not to exceed \$400,000,000.00 for  
2 federal contingency funds. These funds are not available for  
3 expenditure until they have been transferred to another line item  
4 in part 1 under section 393(2) of the management and budget act,  
5 1984 PA 431, MCL 18.1393. These funds shall not be made available  
6 to increase TANF authorization.

7 (2) In addition to the funds appropriated in part 1, there is  
8 appropriated an amount not to exceed \$45,000,000.00 for state  
9 restricted contingency funds. These funds are not available for  
10 expenditure until they have been transferred to another line item  
11 in part 1 under section 393(2) of the management and budget act,  
12 1984 PA 431, MCL 18.1393.

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

19 (4) In addition to the funds appropriated in part 1, there is  
20 appropriated an amount not to exceed \$60,000,000.00 for private  
21 contingency funds. These funds are not available for expenditure  
22 until they have been transferred to another line item in part 1  
23 under section 393(2) of the management and budget act, 1984 PA 431,  
24 MCL 18.1393.

25 Sec. 207. The department shall maintain, on a publicly  
26 accessible website, a department scorecard that identifies, tracks,  
27 and regularly updates key metrics that are used to monitor and

1 improve the department's performance.

2       Sec. 208. Unless otherwise specified, the departments and  
3 agencies receiving appropriations in part 1 shall use the Internet  
4 to fulfill the reporting requirements of this part and part 1. This  
5 requirement shall include transmission of reports via electronic  
6 mail to the recipients identified for each reporting requirement,  
7 and it shall include placement of reports on the Internet.

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

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

24       Sec. 211. If the revenue collected by the department from fees  
25 and collections exceeds the amount appropriated in part 1, the  
26 revenue may be carried forward with the approval of the state  
27 budget director into the subsequent fiscal year. The revenue

1 carried forward under this section shall be used as the first  
2 source of funds in the subsequent fiscal year.

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

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

16 Sec. 213. The state departments, agencies, and commissions  
17 receiving tobacco tax funds and Healthy Michigan fund revenue from  
18 part 1 shall report by April 1 of the current fiscal year to the  
19 senate and house appropriations committees, the senate and house  
20 fiscal agencies, and the state budget director on the following:

21 (a) Detailed spending plan by appropriation line item  
22 including description of programs and a summary of organizations  
23 receiving these funds.

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

26 (c) Eligibility criteria for program participation and maximum  
27 benefit levels where applicable.

1 (d) Outcome measures used to evaluate programs, including  
2 measures of the effectiveness of these programs in improving the  
3 health of Michigan residents.

4 (e) Any other information considered necessary by the house of  
5 representatives or senate appropriations committees or the state  
6 budget director.

7 Sec. 214. On a quarterly basis, the department shall report on  
8 the number of FTEs in pay status by type of staff.

9 Sec. 215. If a legislative objective of this part or of a bill  
10 or amendment to a bill to amend the social welfare act, 1939 PA  
11 280, MCL 400.1 to 400.119b, cannot be implemented because  
12 implementation would conflict with or violate federal regulations,  
13 the department shall notify the state budget director, the chairs  
14 of the house and senate subcommittees on the department budget, and  
15 the house and senate fiscal agencies and policy offices of that  
16 fact.

17 Sec. 216. (1) In addition to funds appropriated in part 1 for  
18 all programs and services, there is appropriated for write-offs of  
19 accounts receivable, deferrals, and for prior year obligations in  
20 excess of applicable prior year appropriations, an amount equal to  
21 total write-offs and prior year obligations, but not to exceed  
22 amounts available in prior year revenues.

23 (2) The department's ability to satisfy appropriation fund  
24 sources in part 1 shall not be limited to collections and accruals  
25 pertaining to services provided in the current fiscal year, but  
26 shall also include reimbursements, refunds, adjustments, and  
27 settlements from prior years.



1       Sec. 217. The departments and agencies receiving  
2       appropriations in part 1 shall prepare a report on out-of-state  
3       travel expenses not later than January 1 of each year. The travel  
4       report shall be a listing of all travel by classified and  
5       unclassified employees outside this state in the immediately  
6       preceding fiscal year that was funded in whole or in part with  
7       funds appropriated in the department's budget. The report shall be  
8       submitted to the senate and house appropriations committees, the  
9       house and senate fiscal agencies, and the state budget director.  
10      The report shall include the following information:

11           (a) The dates of each travel occurrence.

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

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

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

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

4 (c) The expected project duration.

5 (d) A detailed spending plan for each project, including a  
6 list of all subgrantees and the amount allocated to each  
7 subgrantee.

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

14 Sec. 220. The department shall ensure that faith-based  
15 organizations are able to apply and compete for services, programs,  
16 or contracts that they are qualified and suitable to fulfill. The  
17 department shall not disqualify faith-based organizations solely on  
18 the basis of the religious nature of their organization or their  
19 guiding principles or statements of faith.

20 Sec. 222. (1) The department shall provide written  
21 notification to the chairpersons of the senate and house  
22 appropriations subcommittees on the budget for the department of  
23 any policy changes at least 30 days before the implementation date.

24 (2) The department shall make the entire policy and procedures  
25 manual available and accessible to the public via the department  
26 website.

27 (3) The department shall report no later than April 1 of the

1 current fiscal year on each specific policy change made to  
2 implement a public act affecting the department that took effect  
3 during the prior calendar year to the house and senate  
4 appropriations subcommittees on the budget for the department, the  
5 joint committee on administrative rules, and the senate and house  
6 fiscal agencies. The department shall attach each policy bulletin  
7 issued during the prior calendar year to this report.

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

15       Sec. 224. The department may retain all of the state's share  
16 of food assistance overissuance collections as an offset to general  
17 fund/general purpose costs. Retained collections shall be applied  
18 against federal funds deductions in all appropriation units where  
19 department costs related to the investigation and recoupment of  
20 food assistance overissuances are incurred. Retained collections in  
21 excess of such costs shall be applied against the federal funds  
22 deducted in the departmentwide administration appropriation unit.

23       Sec. 225. (1) Sanctions, suspensions, conditions for  
24 provisional license status, and other penalties shall not be more  
25 stringent for private service providers than for public entities  
26 performing equivalent or similar services.

27       (2) Neither the department nor private service providers or

1 licensees shall be granted preferential treatment or considered  
2 automatically to be in compliance with administrative rules based  
3 on whether they have collective bargaining agreements with direct  
4 care workers. Private service providers or licensees without  
5 collective bargaining agreements shall not be subjected to  
6 additional requirements or conditions of licensure based on their  
7 lack of collective bargaining agreements.

8       Sec. 228. From the funds appropriated in part 1 for Healthy  
9 Michigan plan, \$1,000,000.00 shall be distributed to the Medicaid  
10 health plans to inform residents about Healthy Michigan plan  
11 incentives that have been shown to improve health outcomes. The  
12 incentives shall be limited to those health outcomes measured  
13 within the Healthy Michigan plan evaluation. The department shall  
14 not use funds appropriated in part 1 to advertise enrollment in the  
15 Healthy Michigan plan.

16       Sec. 229. (1) The department shall extend the interagency  
17 agreement with the talent investment agency for the duration of the  
18 current fiscal year, which concerns TANF funding to provide job  
19 readiness and welfare-to-work programming. The interagency  
20 agreement shall include specific outcome and performance reporting  
21 requirements as described in this section. TANF funding provided to  
22 the talent investment agency in the current fiscal year is  
23 contingent on compliance with the data and reporting requirements  
24 described in this section. The interagency agreement must require  
25 the talent investment agency to provide all of the following items  
26 by January 1 of the current fiscal year for the previous year to  
27 the senate and house appropriations committees on the department

1 budget:

2 (a) An itemized spending report on TANF funding, including all  
3 of the following:

4 (i) Direct services to recipients.

5 (ii) Administrative expenditures.

6 (b) The number of family independence program (FIP) recipients  
7 served through the TANF funding, including all of the following:

8 (i) The number and percentage who obtained employment through  
9 Michigan Works!

10 (ii) The number and percentage who fulfilled their TANF work  
11 requirement through other job readiness programming.

12 (iii) Average TANF spending per recipient.

13 (iv) The number and percentage of recipients who were referred  
14 to Michigan Works! but did not receive a job or job readiness  
15 placement and the reasons why.

16 (2) Not later than March 1 of the current fiscal year, the  
17 department shall provide to the senate and house appropriations  
18 subcommittees on the department budget, the senate and house fiscal  
19 agencies, and the senate and house policy offices an annual report  
20 on the following matters itemized by Michigan Works! agency: the  
21 number of referrals to Michigan Works! job readiness programs, the  
22 number of referrals to Michigan Works! job readiness programs who  
23 became a participant in the Michigan Works! job readiness programs,  
24 the number of participants who obtained employment, and the cost  
25 per participant case.

26 Sec. 230. The department shall not spend the funds  
27 appropriated in part 1 for the expansion of IT projects until an

1 implementation plan has been issued by the department and the  
2 implementation plan is submitted to the senate and house  
3 appropriations subcommittees on the department budget, the senate  
4 and house fiscal agencies, and the state budget office. The  
5 implementation plan must include, but is not limited to, the  
6 following information:

7 (a) A specific list of steps necessary to define the project,  
8 to contract or hire staff to complete the project, and to perform  
9 the work necessary to successfully complete the project.

10 (b) A specific timeline for each of the steps listed in  
11 subdivision (a).

12 (c) A specific projection of total costs, broken down into  
13 categories, for each of the steps listed in subdivision (a).

14 (d) A list of outside resources to be hired or engaged to  
15 provide consultation services on the project, including estimated  
16 costs.

17 (e) A list of all expected improvements, outcomes, efficiency  
18 captures, customer service improvements, time savings, reduction in  
19 staff, and return on investment to taxpayers due to the project.

20 (f) A specific list of metrics for the legislature to monitor  
21 to help the legislature and public determine the level of progress  
22 from the project.

23 (g) Specific milestones and related outcomes that would  
24 trigger subsequent expenditures on the project.

25 (h) Specific requirements for a request for proposal for  
26 consulting services to execute the project, with a clear  
27 articulation of costs, timelines, outcomes, and return on

1 investment.

2       Sec. 233. By the end of each fiscal quarter of the current  
3 fiscal year, the department shall report to the senate and house  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies, the senate and house policy offices, and  
6 state budget office on the status of the merger, executed according  
7 to Executive Order No. 2015-4, of the department of community  
8 health and the department of human services to create the  
9 department of health and human services. The report must indicate  
10 changes from the prior report and shall include, but not be limited  
11 to, all of the following information:

12       (a) The impact on client service delivery or access to  
13 services, including the restructuring or consolidation of services.

14       (b) Any cost increases or reductions that resulted from rent  
15 or building occupancy changes.

16       (c) Facilities in use, including any office closures or  
17 consolidations, or new office locations, including hoteling  
18 stations.

19       (d) Current status of FTE positions, including the number of  
20 FTE positions that were eliminated or added due to duplication of  
21 efforts.

22       (e) Any other efficiencies, costs, or savings associated with  
23 the merger.

24       Sec. 240. The department shall notify the house and senate  
25 appropriations subcommittees on the department budget, the house  
26 and senate fiscal agencies, and the house and senate policy offices  
27 of any changes to a child welfare master contract template,

1 including the adoption master contract template, the independent  
2 living plus master contract template, the placing agency foster  
3 care master contract template, and the residential foster care  
4 juvenile justice master contract template, not less than 30 days  
5 before the change takes effect.

6       Sec. 252. The appropriations in part 1 for Healthy Michigan  
7 plan - behavioral health, Healthy Michigan plan administration, and  
8 Healthy Michigan plan are contingent on the provisions of the  
9 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were  
10 contained in 2013 PA 107 not being amended, repealed, or otherwise  
11 altered to eliminate the Healthy Michigan plan. If that occurs,  
12 then, upon the effective date of the amendatory act that amends,  
13 repeals, or otherwise alters those provisions, the remaining funds  
14 in the Healthy Michigan plan - behavioral health, Healthy Michigan  
15 plan administration, and Healthy Michigan plan line items shall  
16 only be used to pay previously incurred costs and any remaining  
17 appropriations shall not be allotted to support those line items.

18       Sec. 263. (1) Upon submission of a Medicaid waiver, a Medicaid  
19 state plan amendment, or a similar proposal to the Centers for  
20 Medicare and Medicaid Services, the department shall notify the  
21 house and senate appropriations subcommittees on the department  
22 budget, the house and senate fiscal agencies, and the state budget  
23 office of the submission.

24       (2) The department shall provide written or verbal biannual  
25 reports to the senate and house appropriations subcommittees on the  
26 department budget, the senate and house fiscal agencies, and the  
27 state budget office summarizing the status of any new or ongoing



1 discussions with the Centers for Medicare and Medicaid Services or  
2 the United States Department of Health and Human Services regarding  
3 potential or future Medicaid waiver applications.

4       Sec. 264. The department shall not take disciplinary action  
5 against an employee for communicating with a member of the  
6 legislature or his or her staff.

7       Sec. 265. Within 14 days after the release of the executive  
8 budget recommendation, the department shall cooperate with the  
9 state budget office to provide the senate and house appropriations  
10 chairs, the senate and house appropriations subcommittees chairs,  
11 and the senate and house fiscal agencies with an annual report on  
12 estimated state restricted fund balances, state restricted fund  
13 projected revenues, and state restricted fund expenditures for the  
14 fiscal years ending September 30, 2016 and September 30, 2017.

15       Sec. 266. Requesting or receiving federal approval for a  
16 program waiver related to expanding a program to new cohort  
17 populations, or otherwise changing program eligibility  
18 requirements, does not convey authority to a state department or  
19 agency to execute the provisions contained in the waiver. The  
20 agency or department shall not expend funds appropriated in part 1  
21 on the execution or implementation of a waiver, as described in  
22 this section, until presented to and approved by the senate and  
23 house appropriations subcommittees on the department budget.

24       Sec. 270. The department shall advise the legislature of the  
25 receipt of a notification from the attorney general's office of a  
26 legal action in which expenses had been recovered pursuant to  
27 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,

1 or any other statute under which the department has the right to  
2 recover expenses. By November 1 and May 1 of the current fiscal  
3 year, the department shall submit a written report to the house and  
4 senate appropriations subcommittees on the department budget, the  
5 house and senate fiscal agencies, and the state budget office that  
6 includes, at a minimum, all of the following:

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

8 (b) The program or service for which the money was originally  
9 expended.

10 (c) Details on the disposition of the funds recovered such as  
11 the appropriation or revenue account in which the money was  
12 deposited.

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

14 Sec. 274. (1) The department, in collaboration with the state  
15 budget office, shall submit to the house and senate appropriations  
16 subcommittees on the department budget, the house and senate fiscal  
17 agencies, and the house and senate policy offices 1 week after the  
18 day the governor submits to the legislature the budget for the  
19 ensuing fiscal year a report on spending and revenue projections  
20 for each of the capped federal funds listed below. The report shall  
21 contain actual spending and revenue in the previous fiscal year,  
22 spending and revenue projections for the current fiscal year as  
23 enacted, and spending and revenue projections within the executive  
24 budget proposal for the fiscal year beginning October 1, 2017 for  
25 each individual line item for the department budget. The report  
26 shall also include federal funds transferred to other departments.  
27 The capped federal funds shall include, but not be limited to, all

1 of the following:

2 (a) TANF.

3 (b) Title XX social services block grant.

4 (c) Title IV-B part I child welfare services block grant.

5 (d) Title IV-B part II promoting safe and stable families  
6 funds.

7 (e) Low-income home energy assistance program.

8 (2) By February 15 of the current fiscal year, the department  
9 shall prepare an annual report of its efforts to identify  
10 additional TANF maintenance of effort sources and rationale for any  
11 increases or decreases from all of the following, but not limited  
12 to:

13 (a) Other departments.

14 (b) Local units of government.

15 (c) Private sources.

16 Sec. 276. Funds appropriated in part 1 shall not be used by a  
17 principal executive department, state agency, or authority to hire  
18 a person to provide legal services that are the responsibility of  
19 the attorney general. This prohibition does not apply to legal  
20 services for bonding activities and for those outside services that  
21 the attorney general authorizes.

22 Sec. 279. (1) All master contracts relating to human services  
23 as funded by the appropriations in sections 103, 104, 105, 106,  
24 107, 108, and 109 of part 1 shall be performance-based contracts  
25 that employ a client-centered results-oriented process that is  
26 based on measurable performance indicators and desired outcomes and  
27 includes the annual assessment of the quality of services provided.

1           (2) By February 1 of the current fiscal year, the department  
2 shall provide the senate and house appropriations subcommittees on  
3 the department budget, the senate and house fiscal agencies and  
4 policy offices, and the state budget office a report detailing  
5 measurable performance indicators, desired outcomes, and an  
6 assessment of the quality of services provided by the department  
7 during the previous fiscal year.

8           Sec. 280. By the fifth business day of each month, the  
9 department shall provide a report to the house and senate  
10 appropriations committees, the house and senate fiscal agencies,  
11 the house and senate policy offices, and the state budget director  
12 that provides all of the following for each line item in part 1  
13 containing personnel-related costs, including the specific  
14 individual amounts for salaries and wages, payroll taxes, and  
15 fringe benefits:

16           (a) FTE authorization.

17           (b) Spending authorization for personnel-related costs, by  
18 fund source, under the spending plan.

19           (c) Actual year-to-date expenditures for personnel-related  
20 costs, by fund source, through the end of the prior month.

21           (d) The projected year-end balance or shortfall for personnel-  
22 related costs, by fund source, based on actual monthly spending  
23 levels through the end of the prior month.

24           (e) A specific plan for addressing any projected shortfall for  
25 personnel-related costs at either the gross or fund source level.

26           Sec. 287. Not later than November 30, the state budget office  
27 shall prepare and transmit a report that provides for estimates of

1 the total general fund/general purpose appropriation lapses at the  
2 close of the prior fiscal year. This report shall summarize the  
3 projected year-end general fund/general purpose appropriation  
4 lapses by major departmental program or program areas. The report  
5 shall be transmitted to the chairpersons of the senate and house  
6 appropriations committees, and the senate and house fiscal  
7 agencies.

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

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

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

24       Sec. 290. Any public advertisement for state assistance shall  
25 also inform the public of the welfare fraud hotline operated by the  
26 department.

27       Sec. 291. (1) The department shall verify, using the e-verify

1 system, that all new department employees, and new hire employees  
2 of contractors and subcontractors paid from funds appropriated in  
3 part 1, are legally present in the United States. The department  
4 may verify this information directly or may require contractors and  
5 subcontractors to verify the information and submit a certification  
6 to the department.

7 (2) By February 15 of the current fiscal year, the department  
8 shall submit to the house and senate appropriations subcommittees  
9 on the department budget, the house and senate fiscal agencies, and  
10 the house and senate policy offices a report on the number of new  
11 department employees and new hire employees of contractors and  
12 subcontractors that were found to not be legally present in the  
13 United States.

14 Sec. 292. The department shall cooperate with the department  
15 of technology, management, and budget to maintain a searchable  
16 website accessible by the public at no cost that includes, but is  
17 not limited to, all of the following for each department or agency:

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

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

20 (c) Fiscal year-to-date payments to a selected vendor,  
21 including the vendor name, payment date, payment amount, and  
22 payment description.

23 (d) The number of active department employees by job  
24 classification.

25 (e) Job specifications and wage rates.

26 Sec. 293. By March 1 of the current fiscal year, the  
27 department shall provide to the senate and house appropriations

1 subcommittees on the department budget, the senate and house fiscal  
2 agencies, and the senate and house policy offices an annual report  
3 on the supervisor-to-staff ratio by department divisions and  
4 subdivisions.

5       Sec. 294. From the funds appropriated in part 1 for the MMIS  
6 line item, \$20,000,000.00 in private revenue may be received from  
7 and allocated for other states interested in participating as part  
8 of the broader MMIS.

9       Sec. 295. (1) From the funds appropriated in part 1 to  
10 agencies providing physical and behavioral health services to  
11 multicultural populations, the department shall competitively award  
12 grants in accordance with the requirements of subsection (2). The  
13 state is not liable for any spending above the contract amount.

14       (2) The department shall require each contractor described in  
15 subsection (1) that receives greater than \$1,000,000.00 in state  
16 grant funding to comply with performance-related metrics to  
17 maintain their eligibility for funding. The organizational metrics  
18 shall include, but not be limited to, all of the following:

19       (a) Each contractor or subcontractor shall have accreditations  
20 that attest to their competency and effectiveness as behavioral  
21 health and social service agencies.

22       (b) Each contractor or subcontractor shall have a mission that  
23 is consistent with the purpose of the multicultural agency.

24       (c) Each contractor shall validate that any subcontractors  
25 utilized within these appropriations share the same mission as the  
26 lead agency receiving funding.

27       (d) Each contractor or subcontractor shall demonstrate cost-

1 effectiveness.

2 (e) Each contractor or subcontractor shall ensure their  
3 ability to leverage private dollars to strengthen and maximize  
4 service provision.

5 (f) Each contractor or subcontractor shall provide timely and  
6 accurate reports regarding the number of clients served, units of  
7 service provision, and ability to meet their stated goals.

8 (3) The department shall require an annual report from the  
9 contractors described in subsection (2). The annual report, due 60  
10 days following the end of the contract period, shall include  
11 specific information on services and programs provided, the client  
12 base to which the services and programs were provided, information  
13 on any wraparound services provided, and the expenditures for those  
14 services. The department shall provide the annual reports to the  
15 senate and house appropriations subcommittees on health and human  
16 services, the senate and house fiscal agencies, and the state  
17 budget office.

18 Sec. 296. By February 1 of the current fiscal year, the  
19 department shall submit a report to the senate and house  
20 appropriations committees on the department budget, the senate and  
21 house fiscal agencies, the senate and house policy offices, and the  
22 state budget office detailing a proposal to enhance services  
23 provided by PIHPs through the Medicaid mental health services,  
24 Medicaid substance use disorder services, Healthy Michigan plan -  
25 behavioral health and autism services lines and reform payment  
26 processes with the result of more money going to high-value patient  
27 care. The report must include, but is not limited to, proposals on



1 how to do all of the following:

2 (a) Increase access to high-value community-based services and  
3 resident choice of provider.

4 (b) Increase access to integrated behavioral and physical  
5 health services within community-based settings.

6 (c) Identify and increase the utilization of high-value  
7 services and identify and decrease the utilization of low-value  
8 services.

9 (d) Integrate behavioral and physical health patient  
10 population risk stratification with opportunities for shared risk  
11 among contracted providers.

12 (e) Align behavioral and physical health care providers'  
13 clinical and claims data sharing.

14 Sec. 297. Total authorized appropriations from all sources  
15 under part 1 for legacy costs for the fiscal year ending September  
16 30, 2017 are \$364,972,800.00. From this amount, total agency  
17 appropriations for pension-related legacy costs are estimated at  
18 \$202,368,400.00. Total agency appropriations for retiree health  
19 care legacy costs are estimated at \$162,604,400.00.

20 Sec. 299. (1) No state department or agency shall issue a  
21 request for proposal (RFP) for a contract in excess of  
22 \$5,000,000.00, unless the department or agency has first considered  
23 issuing a request for information (RFI) or a request for  
24 qualification (RFQ) relative to that contract to better enable the  
25 department or agency to learn more about the market for the  
26 products or services that are the subject of the RFP. The  
27 department or agency shall notify the department of technology,

1 management, and budget of the evaluation process used to determine  
2 if an RFI or RFQ was not necessary prior to issuing the RFP.

3 (2) From funds appropriated in part 1, for all RFPs issued  
4 during the current fiscal year where an existing service received  
5 proposals by multiple vendors, the department shall notify all  
6 vendors within 30 days of the RFP decision. The notification to  
7 vendors shall include details on the RFP process, including the  
8 respective RFP scores and the respective cost for each vendor. If  
9 the highest scored RFP or lowest cost RFP does not receive the  
10 contract for an existing service offered by the department, the  
11 notification shall issue an explanation for the reasons that the  
12 highest scored RFP or lowest cost RFP did not receive the contract  
13 and detail the incremental cost target amount or service level  
14 required that was required to migrate the service to a new vendor.  
15 Additionally, the department shall include in the notification  
16 details as to why a cost or service difference is justifiable if  
17 the highest scored or lowest cost vendor does not receive the  
18 contract.

19 (3) The department shall submit to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, the senate and house policy offices, and  
22 the state budget office by September 30 of the current fiscal year  
23 a report that summarizes all RFPs during the current fiscal year  
24 where an existing service received proposals by multiple vendors.  
25 The report shall list all finalized RFPs where there was a  
26 divergence from awarding the contract to the lowest cost or highest  
27 scoring vendor. The report shall also include the cost or service

1 threshold required by department policy that must be satisfied in  
2 order for an existing contract to be received by new vendor.

3 **DEPARTMENTWIDE ADMINISTRATION**

4 Sec. 307. (1) From the funds appropriated in part 1 for  
5 demonstration projects, \$500,000.00 shall be distributed as  
6 provided in subsection (2). The amount distributed under this  
7 subsection shall not exceed 50% of the total operating expenses of  
8 the program described in subsection (2), with the remaining 50%  
9 paid by local United Way organizations and other nonprofit  
10 organizations and foundations.

11 (2) Funds distributed under subsection (1) shall be  
12 distributed to Michigan 2-1-1, a nonprofit corporation organized  
13 under the laws of this state that is exempt from federal income tax  
14 under section 501(c)(3) of the internal revenue code of 1986, 26  
15 USC 501(c)(3), and whose mission is to coordinate and support a  
16 statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to  
17 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1  
18 in January 2005.

19 (3) Michigan 2-1-1 shall refer to the department any calls  
20 received reporting fraud, waste, or abuse of state-administered  
21 public assistance.

22 (4) Michigan 2-1-1 shall report annually to the department and  
23 the house and senate standing committees with primary jurisdiction  
24 over matters relating to human services and telecommunications on  
25 2-1-1 system performance, including, but not limited to, call  
26 volume by health and human service needs and unmet needs identified

1 through caller data and customer satisfaction metrics.

2       Sec. 310. It is the intent of the legislature that the  
3 department shall work with youth-oriented nonprofit organizations  
4 to provide mentoring programming for children of incarcerated  
5 parents and other at-risk children.

6       Sec. 316. From the funds appropriated in part 1 for terminal  
7 leave payouts and other employee costs, the department shall not  
8 spend in excess of its annual gross appropriation unless it  
9 identifies and requests a legislative transfer from another  
10 budgetary line item supporting administrative costs, as provided by  
11 section 393(2) of the management and budget act, 1984 PA 431, MCL  
12 18.1393.

### 13 **CHILD SUPPORT ENFORCEMENT**

14       Sec. 401. (1) The appropriations in part 1 assume a total  
15 federal child support incentive payment of \$26,500,000.00.

16       (2) From the federal money received for child support  
17 incentive payments, \$12,000,000.00 shall be retained by the state  
18 and expended for child support program expenses.

19       (3) From the federal money received for child support  
20 incentive payments, \$14,500,000.00 shall be paid to the counties  
21 based on each county's performance level for each of the federal  
22 performance measures as established in 45 CFR 305.2.

23       (4) If the child support incentive payment to the state from  
24 the federal government is greater than \$26,500,000.00, then 100% of  
25 the excess shall be retained by the state and is appropriated until  
26 the total retained by the state reaches \$15,397,400.00.

1           (5) If the child support incentive payment to the state from  
2 the federal government is greater than the amount needed to satisfy  
3 the provisions identified in subsections (1), (2), (3), and (4),  
4 the additional funds shall be subject to appropriation by the  
5 legislature.

6           (6) If the child support incentive payment to the state from  
7 the federal government is less than \$26,500,000.00, then the state  
8 and county share shall each be reduced by 50% of the shortfall.

9           Sec. 409. (1) If statewide retained child support collections  
10 exceed \$38,300,000.00, 75% of the amount in excess of  
11 \$38,300,000.00 is appropriated to legal support contracts. This  
12 excess appropriation may be distributed to eligible counties to  
13 supplement and not supplant county title IV-D funding.

14           (2) Each county whose retained child support collections in  
15 the current fiscal year exceed its fiscal year 2004-2005 retained  
16 child support collections, excluding tax offset and financial  
17 institution data match collections in both the current year and  
18 fiscal year 2004-2005, shall receive its proportional share of the  
19 75% excess.

20           Sec. 410. (1) If title IV-D-related child support collections  
21 are escheated, the state budget director is authorized to adjust  
22 the sources of financing for the funds appropriated in part 1 for  
23 legal support contracts to reduce federal authorization by 66% of  
24 the escheated amount and increase general fund/general purpose  
25 authorization by the same amount. This budget adjustment is  
26 required to offset the loss of federal revenue due to the escheated  
27 amount being counted as title IV-D program income in accordance

1 with federal regulations at 45 CFR 304.50.

2 (2) The department shall notify the chairs of the house and  
3 senate appropriations subcommittees on the department budget and  
4 the house and senate fiscal agencies within 15 days of the  
5 authorization adjustment in subsection (1).

6 **COMMUNITY SERVICES AND OUTREACH**

7 Sec. 450. (1) From the funds appropriated in part 1 for school  
8 success partnership program, the department shall allocate  
9 \$450,000.00 by December 1 of the current fiscal year to support the  
10 Northeast Michigan Community Service Agency programming, which will  
11 take place in each county in the Governor's Prosperity Region 3.  
12 The department shall require the following performance objectives  
13 be measured and reported for the duration of the state funding for  
14 the school success partnership program:

15 (a) Increasing school attendance and decreasing chronic  
16 absenteeism.

17 (b) Increasing academic performance based on grades with  
18 emphasis on math and reading.

19 (c) Identifying barriers to attendance and success and  
20 connecting families with resources to reduce these barriers.

21 (d) Increasing parent involvement with the parent's child's  
22 school and community.

23 (2) The Northeast Michigan Community Service Agency shall  
24 provide reports to the department on January 31 and June 30 of the  
25 current fiscal year on the number of children and families served  
26 and the services that were provided to families to meet the

1 performance objectives identified in this section. The department  
2 shall distribute the reports within 1 week after receipt to the  
3 senate and house appropriations subcommittees on the department  
4 budget, the senate and house fiscal agencies, the senate and house  
5 policy offices, and the state budget office.

6 Sec. 452. From the funds appropriated in part 1 for justice  
7 assistance grants, the department shall continue to support  
8 forensic nurse examiner programs to facilitate training for  
9 improved evidence collection for the prosecution of sexual assault.  
10 The funds shall be used for program coordination and training.

#### 11 CHILD WELFARE SERVICES

12 Sec. 501. (1) A goal is established that not more than 27% of  
13 all children in foster care at any given time during the current  
14 fiscal year will have been in foster care for 24 months or more.

15 (2) By March 1 of the current fiscal year, the department  
16 shall provide to the senate and house appropriations subcommittees  
17 on the department budget, the senate and house fiscal agencies, the  
18 senate and house policy offices, and the state budget office a  
19 report describing the steps that will be taken to achieve the  
20 specific goal established in this section and on the percentage of  
21 children who currently are in foster care and who have been in  
22 foster care a total of 24 or more months.

23 Sec. 502. From the funds appropriated in part 1 for foster  
24 care, the department shall provide 50% reimbursement to Indian  
25 tribal governments for foster care expenditures for children who  
26 are under the jurisdiction of Indian tribal courts and who are not

1 otherwise eligible for federal foster care cost sharing.

2       Sec. 503. (1) In accordance with the final report of the  
3 Michigan child welfare performance-based funding task force issued  
4 in response to section 503 of article X of 2013 PA 59, the  
5 department shall continue to develop actuarially sound case rates  
6 for necessary out-of-home child welfare services that achieve  
7 permanency by the department and private child placing agencies in  
8 a prospective payment system under a performance-based funding  
9 model.

10       (2) The department shall continue to develop a prospective  
11 rate payment system for private agencies that includes funding for  
12 adoption incentive payments. The full cost prospective rate payment  
13 system will identify and cover contractual costs paid through the  
14 case rate developed by an independent actuary.

15       (3) By October 1, 2016, the department shall provide to the  
16 senate and house appropriations committees on the department  
17 budget, the senate and house fiscal agencies and policy offices,  
18 and the state budget office a report on the full cost analysis of  
19 the performance-based funding model. The report shall include  
20 background information on the project and give details about the  
21 contractual costs covered through the case rate.

22       (4) In accordance with the final report of the Michigan child  
23 welfare performance-based funding task force issued in response to  
24 section 503 of article X of 2013 PA 59, the department shall  
25 implement a 5-year independent, third-party evaluation of the  
26 performance-based funding model. The evaluator shall be selected  
27 through a competitive process by a rating committee that includes,



1 but is not limited to, representatives from the department and  
2 private child placing agencies.

3 (5) The department shall only implement the performance-based  
4 funding model into additional counties where the department,  
5 private child welfare agencies, the county, and the court operating  
6 within that county have signed a memorandum of understanding that  
7 incorporates the intentions of the concerned parties in order to  
8 implement the performance-based funding model.

9 (6) The department, in conjunction with members from both the  
10 house of representatives and senate, private child placing  
11 agencies, the courts, and counties shall implement the  
12 recommendations that are described in the workgroup report that was  
13 provided in section 503 of article X of 2013 PA 59 to establish a  
14 performance-based funding for public and private child welfare  
15 services providers. The department shall provide a quarterly report  
16 on the status of the performance-based contracting model to the  
17 senate and house appropriations subcommittees on the department  
18 budget, the senate and house standing committees on families and  
19 human services, and the senate and house fiscal agencies and policy  
20 offices.

21 (7) From the funds appropriated in part 1 for the performance-  
22 based funding model pilot in Kent County, the department may  
23 develop a master agreement with a consortium, recognized by the  
24 Internal Revenue Service as tax-exempt as defined under section  
25 501(c)(3) of the internal revenue code of 1986, 26 USC 501,  
26 consisting of a network of affiliated child welfare service  
27 providers, to accept and comprehensively assess referred youth,

1 assign cases to members of its continuum or leverage services from  
2 other entities, and make appropriate case management decisions  
3 during the duration of a case. The consortium shall operate an  
4 integrated continuum of care structure, with services provided by  
5 both private and public agencies, based on individual case needs.  
6 The consortium shall demonstrate significant organizational  
7 capacity and competencies, including experience with managing risk-  
8 based contracts, financial strength, experienced staff and  
9 leadership, and appropriate governance structure.

10       Sec. 504. (1) From the funds appropriated in part 1 for  
11 performance-based funding implementation, the department shall  
12 provide \$500,000.00 in 1-time funding to support a portion of the  
13 first-year start-up costs to operate a consortium in Kent County  
14 for a performance-based child welfare contracting pilot program.  
15 Allowable start-up costs include \$300,000.00 for administration,  
16 facilities, initial salaries, and wages and \$200,000.00 for  
17 information technology infrastructure.

18       (2) The department may establish a master agreement with a  
19 consortium in Kent County for a performance-based child welfare  
20 contracting pilot program. The consortium must be recognized by  
21 this state as a nonprofit organization and must have submitted an  
22 application to the Internal Revenue Service for 501(c)(3) status.  
23 The consortium shall consist of a network of affiliated child  
24 welfare service providers that will accept and comprehensively  
25 assess referred youth, assign cases to members of its continuum or  
26 leverage services from other entities, and make appropriate case  
27 management decisions during the duration of a case.

1           (3) The consortium shall operate an integrated continuum of  
2 care structure, with services provided by private or public  
3 agencies, based on individual case needs. The consortium shall  
4 demonstrate significant organizational capacity and competencies,  
5 including financial strength, experienced staff and leadership, and  
6 appropriate governance structure.

7           (4) By March 1 of the current fiscal year, the consortium  
8 shall provide to the department and the house and senate  
9 appropriations subcommittees on the department budget a report on  
10 the Kent County consortium, including, but not limited to, actual  
11 expenditures, number of children placed by agencies in the  
12 consortium, fund balance of the consortium, and the status of the  
13 consortium evaluation.

14           Sec. 505. By March 1 of the current fiscal year, the  
15 department and Wayne County shall provide to the senate and house  
16 appropriations committees on the department budget, the senate and  
17 house fiscal agencies and policy offices, and the state budget  
18 office a report for youth served in the previous fiscal year and in  
19 the first quarter of the current fiscal year outlining the number  
20 of youth served within each juvenile justice system, the type of  
21 setting for each youth, performance outcomes, and financial costs  
22 or savings.

23           Sec. 507. The department's ability to satisfy appropriation  
24 deducts in part 1 for foster care private collections shall not be  
25 limited to collections and accruals pertaining to services provided  
26 only in the current fiscal year but may include revenues collected  
27 during the current fiscal year for services provided in prior

1 fiscal years.

2       Sec. 508. (1) In addition to the amount appropriated in part 1  
3 for children's trust fund grants, money granted or money received  
4 as gifts or donations to the children's trust fund created by 1982  
5 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

6       (2) The department and the child abuse and neglect prevention  
7 board shall collaborate to ensure that administrative delays are  
8 avoided and the local grant recipients and direct service providers  
9 receive money in an expeditious manner. The department and board  
10 shall make available the children's trust fund contract funds to  
11 grantees within 31 days of the start date of the funded project.

12       Sec. 511. The department shall provide quarterly reports to  
13 the senate and house appropriations subcommittees on the department  
14 budget, the senate and house standing committees on families and  
15 human services, and the senate and house fiscal agencies and policy  
16 offices on the number and percentage of children who received  
17 timely health examinations after entry into foster care and the  
18 number and percentage of children entering foster care who received  
19 a required mental health examination after entry into foster care.

20       Sec. 513. (1) The department shall not expend funds  
21 appropriated in part 1 to pay for the direct placement by the  
22 department of a child in an out-of-state facility unless all of the  
23 following conditions are met:

24       (a) There is no appropriate placement available in this state  
25 as determined by the department interstate compact office.

26       (b) An out-of-state placement exists that is nearer to the  
27 child's home than the closest appropriate in-state placement as

1 determined by the department interstate compact office.

2 (c) The out-of-state facility meets all of the licensing  
3 standards of this state for a comparable facility.

4 (d) The out-of-state facility meets all of the applicable  
5 licensing standards of the state in which it is located.

6 (e) The department has done an on-site visit to the out-of-  
7 state facility, reviewed the facility records, reviewed licensing  
8 records and reports on the facility, and believes that the facility  
9 is an appropriate placement for the child.

10 (2) The department shall not expend money for a child placed  
11 in an out-of-state facility without approval of the deputy director  
12 for children's services. The department shall notify the  
13 appropriate state agency in that state including the name of the  
14 out-of-state provider who accepted the placement.

15 (3) The department shall submit an annual report to the state  
16 court administrative office, the house and senate appropriations  
17 subcommittees on the department budget, the house and senate fiscal  
18 agencies, and the house and senate policy offices on the number of  
19 Michigan children residing in out-of-state facilities at the time  
20 of the report, the total cost and average per diem cost of these  
21 out-of-state placements to this state, and a list of each such  
22 placement arranged by the Michigan county of residence for each  
23 child.

24 (4) The department shall submit an annual report by February  
25 15 of the current fiscal year on per diem costs of each residential  
26 care provider that has an established state rate and is located or  
27 doing business in this state.

1           (5) It is the intent of the legislature that the department  
2 shall work in conjunction with the courts and the state court  
3 administrative office to identify data needed to calculate  
4 statewide recidivism rates for adjudicated youth placed in either  
5 residential secure or nonsecure facilities, defined at 6 months  
6 after a youth is released from placement.

7           (6) By March 1 of the current fiscal year, the department  
8 shall notify the legislature on the status of efforts to accomplish  
9 the intent of subsection (5).

10          Sec. 514. The department shall make a comprehensive report  
11 concerning children's protective services (CPS) to the legislature,  
12 including the senate and house policy offices and the state budget  
13 director, by January 1 of the current fiscal year, that shall  
14 include all of the following:

15          (a) Statistical information including, at a minimum, all of  
16 the following:

17           (i) The total number of reports of child abuse or child  
18 neglect investigated under the child protection law, 1975 PA 238,  
19 MCL 722.621 to 722.638, and the number of cases classified under  
20 category I or category II and the number of cases classified under  
21 category III, category IV, or category V.

22           (ii) Characteristics of perpetrators of child abuse or child  
23 neglect and the child victims, such as age, relationship, race, and  
24 ethnicity and whether the perpetrator exposed the child victim to  
25 drug activity, including the manufacture of illicit drugs, that  
26 exposed the child victim to substance abuse, a drug house, or  
27 methamphetamine.

1           (iii) The mandatory reporter category in which the individual  
2 who made the report fits, or other categorization if the individual  
3 is not within a group required to report under the child protection  
4 law, 1975 PA 238, MCL 722.621 to 722.638.

5           (iv) The number of cases that resulted in the separation of  
6 the child from the parent or guardian and the period of time of  
7 that separation, up to and including termination of parental  
8 rights.

9           (v) For the reported complaints of child abuse or child  
10 neglect by teachers, school administrators, and school counselors,  
11 the number of cases classified under category I or category II and  
12 the number of cases classified under category III, category IV, or  
13 category V.

14           (vi) For the reported complaints of child abuse or child  
15 neglect by teachers, school administrators, and school counselors,  
16 the number of cases that resulted in separation of the child from  
17 the parent or guardian and the period of time of that separation,  
18 up to and including termination of parental rights.

19           (b) New policies related to children's protective services  
20 including, but not limited to, major policy changes and court  
21 decisions affecting the children's protective services system  
22 during the immediately preceding 12-month period.

23           (c) The department policy, or changes to the department  
24 policy, regarding children who have been exposed to the production  
25 or manufacture of methamphetamines.

26           Sec. 515. By October 1, 2016, the department shall submit a  
27 report to the senate and house appropriations subcommittees on the

1 department budget, the senate and house fiscal agencies, the senate  
2 and house policy offices, and the state budget office that provides  
3 an update on the privatization of child welfare services in Kent  
4 County as described in section 515 of article X of 2013 PA 59 and  
5 includes all of the following:

6 (a) Costs or savings that resulted from the program.

7 (b) Gaps in funding.

8 (c) Program successes.

9 (d) Challenges and barriers to a successful implementation.

10 Sec. 519. The department shall permit any private agency that  
11 has an existing contract with this state to provide foster care  
12 services to be also eligible to provide treatment foster care  
13 services.

14 Sec. 522. (1) From the funds appropriated in part 1 for youth  
15 in transition, the department shall allocate \$750,000.00 for  
16 college scholarships through the fostering futures scholarship  
17 program in the Michigan education trust to youths who were in  
18 foster care because of child abuse or child neglect and are  
19 attending a college located in this state. Of the funds  
20 appropriated, 100% shall be used to fund scholarships for the  
21 youths described in this section.

22 (2) Not later than March 1 of the current fiscal year, the  
23 department shall provide a report to the senate and house  
24 appropriations subcommittees on the department budget, the senate  
25 and house fiscal agencies, the senate and house policy offices, and  
26 the state budget office that includes the number of youths who  
27 received scholarships and the amount of each scholarship, and the



1 total amount of funds spent or encumbered in the current fiscal  
2 year.

3 Sec. 523. (1) By February 15 of the current fiscal year, the  
4 department shall report on the families first, family  
5 reunification, and families together building solutions family  
6 preservation programs to the senate and house appropriations  
7 subcommittees on the department budget, the senate and house fiscal  
8 agencies, the senate and house policy offices, and the state budget  
9 office. The report shall contain all of the following for each  
10 program:

11 (a) The average cost per recipient served.

12 (b) Measurable performance indicators.

13 (c) Desired outcomes or results and goals that can be measured  
14 on an annual basis, or desired results for a defined number of  
15 years.

16 (d) Monitored results.

17 (e) Innovations that may include savings or reductions in  
18 administrative costs.

19 (2) From the funds appropriated in part 1 for youth in  
20 transition and domestic violence prevention and treatment, the  
21 department is authorized to make allocations of TANF funds only to  
22 agencies that report necessary data to the department for the  
23 purpose of meeting TANF eligibility reporting requirements.

24 Sec. 524. As a condition of receiving funds appropriated in  
25 part 1 for strong families/safe children, counties must submit the  
26 service spending plan to the department by October 1 of the current  
27 fiscal year for approval. The department shall approve the service

1 spending plan within 30 calendar days after receipt of a properly  
2 completed service spending plan.

3 Sec. 525. The department shall implement the same on-site  
4 evaluation processes for privately operated child welfare and  
5 juvenile justice residential facilities as is used to evaluate  
6 state-operated facilities. Penalties for noncompliance shall be the  
7 same for privately operated child welfare and juvenile justice  
8 residential facilities and state-operated facilities.

9 Sec. 526. From the funds appropriated in part 1 for foster  
10 care payments and related administrative costs, the department may  
11 implement the federally approved title IV-E child welfare waiver  
12 demonstration project. As required under the waiver, any savings  
13 resulting from the demonstration project must be quantified and  
14 reinvested into child welfare programming.

15 Sec. 532. (1) The department, in collaboration with  
16 representatives of private child and family agencies, shall revise  
17 and improve the annual licensing review process and the annual  
18 contract compliance review process for child placing agencies and  
19 child caring institutions. The improvement goals shall be safety  
20 and care for children. Improvements to the review process shall be  
21 directed toward alleviating administrative burdens so that agency  
22 resources may be focused on children. The revision shall include  
23 identification of duplicative staff activities and information  
24 sought from child placing agencies and child caring institutions in  
25 the annual review process. The department shall report to the  
26 senate and house appropriations subcommittees on the department  
27 budget, the senate and house fiscal agencies and policy offices,

1 and the state budget director on or before January 15 of the  
2 current fiscal year on the findings of the annual licensing review.

3 (2) The department shall conduct licensing reviews no more  
4 than once every 3 years for child placing agencies and child caring  
5 institutions that are nationally accredited and have no outstanding  
6 violations.

7 Sec. 533. (1) The department shall make payments to child  
8 placing facilities for in-home and out-of-home care services and  
9 adoption services within 30 days of receiving all necessary  
10 documentation from those agencies. It is the intent of the  
11 legislature that the burden of ensuring that these payments are  
12 made in a timely manner and no payments are in arrears is upon the  
13 department.

14 (2) No later than March 1, The department shall submit a  
15 report to the senate and house appropriations subcommittees on the  
16 department budget, the senate and house fiscal agencies, the senate  
17 and house policy offices, and the state budget office that details  
18 each private child placing agency and the percentage of payments  
19 that were in excess of 30 days during the entire prior fiscal year  
20 and the first quarter of the current fiscal year.

21 Sec. 534. (1) The department shall report to the senate and  
22 house appropriations subcommittees on the department budget, the  
23 senate and house fiscal agencies, the senate and house policy  
24 offices, and the state budget office by November 1 of the current  
25 fiscal year an implementation plan regarding the appropriation in  
26 part 1 to implement the MiSACWIS. The plan shall include, but not  
27 be limited to, efforts to bring the system in compliance with the

1 settlement and other federal guidelines set forth by the United  
2 States Department of Health and Human Services Administration for  
3 Children and Families.

4 (2) The department shall report to the senate and house  
5 appropriations subcommittees on the department budget, the senate  
6 and house fiscal agencies, the senate and house policy offices, and  
7 the state budget office by November 1 of the current fiscal year a  
8 status report on the planning, implementation, and operation,  
9 regardless of the current operational status, regarding the  
10 appropriation in part 1 to implement the MiSACWIS. The report shall  
11 provide details on the planning, implementation, and operation of  
12 the system, including, but not limited to, all of the following:

13 (a) Areas where implementation went as planned.

14 (b) The number of known issues.

15 (c) The average number of help tickets submitted per day.

16 (d) Any additional overtime or other staffing costs to address  
17 known issues and volume of help tickets.

18 (e) Any contract revisions to address known issues and volume  
19 of help tickets.

20 (f) Other strategies undertaken to improve implementation.

21 (g) Progress developing cross-system trusted data exchange  
22 with MiSACWIS

23 (h) Progress in moving away from a statewide/tribal automated  
24 child welfare information system (SACWIS/TACWIS) to a comprehensive  
25 child welfare information system (CCWIS).

26 (i) Progress developing and implementing a program to monitor  
27 data quality.

1 (j) Progress developing and implementing custom integrated  
2 systems for private agencies and tribal governments.

3 Sec. 537. (1) The department, in collaboration with child  
4 placing agencies, shall develop a strategy to implement section  
5 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The  
6 strategy shall include a requirement that a department caseworker  
7 responsible for preparing a recommendation to a court concerning a  
8 juvenile placement shall provide, as part of the recommendation,  
9 information regarding the requirements of section 115o of the  
10 social welfare act, 1939 PA 280, MCL 400.115o.

11 (2) Between February 1 and February 29, 2016, the department  
12 shall provide to the senate and house appropriations subcommittees  
13 on the department budget, the senate and house fiscal agencies, the  
14 senate and house policy offices, and the state budget office a  
15 report on the strategy described in subsection (1).

16 Sec. 540. If a physician or psychiatrist who is providing  
17 services to state or court wards placed in a residential facility  
18 submits a formal request to the department to change the  
19 psychotropic medication of a ward, the department shall, if the  
20 ward is a state ward, make a determination on the proposed change  
21 within 7 business days after the request or, if the ward is a  
22 temporary court ward, seek parental consent within 7 business days  
23 after the request. If parental consent is not provided within 7  
24 business days, the department shall petition the court on the  
25 eighth business day.

26 Sec. 546. (1) From the funds appropriated in part 1 for foster  
27 care payments and from child care fund, the department shall pay

1 providers of foster care services not less than a \$37.00  
2 administrative rate.

3 (2) From the funds appropriated in part 1 for foster care  
4 payments and from child care fund, the department shall pay  
5 providers of general independent living services not less than a  
6 \$28.00 administrative rate.

7 (3) From the funds appropriated in part 1, the department  
8 shall pay providers of independent living plus services statewide  
9 per diem rates for staff-supported housing and host-home housing  
10 based on proposals submitted in response to a solicitation for  
11 pricing. The independent living plus program provides staff-  
12 supported housing and services for foster youth ages 16 through 19  
13 who, because of their individual needs and assessments, are not  
14 initially appropriate for general independent living foster care.

15 (4) From the funds appropriated in part 1, the department  
16 shall pay providers of foster care services an additional \$8.00  
17 administrative rate, if section 117a of the social welfare act,  
18 1939 PA 280, MCL 400.117a, is amended to eliminate the county match  
19 rate for the additional administrative rate provided in this  
20 subsection. Payments under this subsection shall be made, not less  
21 than, on a monthly basis.

22 (5) If required by the federal government to meet title IV-E  
23 requirements, providers of foster care services shall submit  
24 quarterly expenditure reports to the department to identify actual  
25 costs of providing foster care services.

26 (6) From the funds appropriated in part 1, the department  
27 shall provide an increase to each private provider of residential

1 services, if section 117a of the social welfare act, 1939 PA 280,  
2 MCL 400.117a, is amended to eliminate the county match rate for the  
3 additional rate provided in this section.

4 Sec. 547. From the funds appropriated in part 1 for the  
5 guardianship assistance program, the department shall pay a minimum  
6 rate that is not less than the approved age-appropriate payment  
7 rates for youth placed in family foster care.

8 Sec. 556. No later than December 1 for the current fiscal  
9 year, the department shall provide an annual report to the  
10 subcommittees of the senate and house appropriations committees on  
11 the department budget, the house and senate fiscal agencies, and  
12 the state budget director that includes the following:

13 (a) The number of complaints filed by adoptive parents who  
14 were not notified that their adopted child had special needs.

15 (b) The number of cases that received redetermined adoption  
16 assistance as defined in section 115f of the social welfare act,  
17 1939 PA 280, MCL 400.115f, the total expenditures on the program,  
18 and the number of cases in each determination of care level of  
19 payment.

20 Sec. 558. (1) The department shall permit private nationally  
21 accredited foster care and adoption agencies to conduct their own  
22 staff training, based on current department policies and  
23 procedures, if the agency trainer and training materials are  
24 certified by the department through a train the trainer model and  
25 agency documents to the department that the training was provided.  
26 The department shall provide access to all training materials the  
27 private agencies will need to facilitate this training.

1           (2) The department shall post on the department's website a  
2 list of all relevant departmental training materials available to  
3 private child placing agencies that are allowed to conduct their  
4 own training in accordance with this section. The department shall  
5 also provide to private child placing agencies that are allowed to  
6 conduct their own training any updated training materials as they  
7 become available.

8           (3) The department shall submit to the senate and house  
9 appropriations subcommittees on the department budget, the senate  
10 and house fiscal agencies, the senate and house policy offices, and  
11 the state budget office by March 1 of the current fiscal year a  
12 report on the training programs or courses provided through the  
13 child welfare training institute described in subsection (1), and  
14 the annual cost for each program or course. The report shall  
15 include the following data:

16           (a) The number of training programs or courses that were  
17 provided for private agencies.

18           (b) The number of employees from private agencies who attended  
19 any training.

20           (c) The number of training programs or courses that were  
21 provided through an online forum.

22           (d) The number of training programs or courses that were  
23 provided in local service areas.

24           (e) For courses that are in-person or not accessible online,  
25 attendance figures for each course.

26           (4) The department shall not hire any employee of a private  
27 child placing agency if he or she was instructed by the child



1 welfare training institute for no less than 6 months after the  
2 final course has been completed by the employee.

3       Sec. 559. (1) From the funds appropriated in part 1 for  
4 adoption support services, the department shall allocate  
5 \$350,000.00 to the Adoptive Family Support Network by December 1 of  
6 the current fiscal year to operate and expand its adoptive parent  
7 mentor program to provide a listening ear, knowledgeable guidance,  
8 and community connections to adoptive parents and children who were  
9 adopted in this state or another state.

10       (2) The Adoptive Family Support Network shall submit to the  
11 senate and house appropriations subcommittees on the department  
12 budget, the senate and house fiscal agencies, the senate and house  
13 policy offices, and the state budget office by March 1 of the  
14 current fiscal year a report on the program described in subsection  
15 (1), including, but not limited to, the number of cases served and  
16 the number of cases in which the program prevented an out-of-home  
17 placement.

18       Sec. 562. The department shall provide time and travel  
19 reimbursements for foster parents who transport a foster child to  
20 parent-child visitations. As part of the foster care parent  
21 contract, the department shall provide written confirmation to  
22 foster parents that states that the foster parents have the right  
23 to request these reimbursements for all parent-child visitations.  
24 The department shall provide these reimbursements within 60 days of  
25 receiving a request for eligible reimbursements from a foster  
26 parent.

27       Sec. 567. (1) The caseworker or supervisor who is assigned to

1 a foster care case is responsible for completing a medical passport  
2 for the cases assigned to him or her. If a child in foster care is  
3 transferred to a new placement or returned to his or her parent's  
4 or guardian's home, the medical passport and any school records in  
5 the caseworkers' or supervisors' possession must be transferred  
6 within 2 weeks from the date of placement or return to the home.

7 (2) The department shall submit to the senate and house  
8 appropriations subcommittees on the department budget, the senate  
9 and house fiscal agencies, the senate and house policy offices, and  
10 the state budget office by March 1 of the current fiscal year a  
11 report on the items described in subsection (1), including the  
12 following:

13 (a) The percentage of medical passports that were properly  
14 filled out.

15 (b) From the total medical passports transferred, the  
16 percentage that transferred within 2 weeks from the date of  
17 placement or return to the home.

18 (c) From the total school records, the percentage that  
19 transferred within 2 weeks from the date of placement or return to  
20 the home.

21 (d) The implementation steps that have been taken to improve  
22 the outcomes for the measures in subdivisions (a) and (b).

23 Sec. 568. (1) From the funds appropriated in part 1 for  
24 adoption subsidies, the department shall pay a minimum adoption  
25 subsidy rate that is not less than 95% of the rate that was or  
26 would have been provided for the adoptee in family foster care at  
27 the time of the adoption. This rate includes the determination of

1 care rate that was paid or would have been paid to the adoptive  
2 parent for the adoptee in a family foster care placement, and this  
3 amount shall be increased to reflect any increase in the standard  
4 age appropriate foster care rate.

5 (2) "Determination of care rate" as described in this section  
6 means a supplemental payment to the standard age appropriate foster  
7 care rate that may be justified when extraordinary care or expense  
8 is required. The supplemental payment is based on 1 or more of the  
9 following case situations where additional care is required of the  
10 foster care provider or adoptive parent or an additional expense  
11 exists:

12 (a) Physically disabled children for whom the adoptive parent  
13 must provide measurably greater supervision and care.

14 (b) Children with special psychological or psychiatric needs  
15 that require extra time and measurably greater amounts of care and  
16 attention by the adoptive parent.

17 (c) Children requiring special diets that are more expensive  
18 than a normal diet and that require extra time and effort by the  
19 adoptive parent to obtain or prepare.

20 (d) Children whose severe acting-out or antisocial behavior  
21 requires a measurably greater amount of care and attention of the  
22 adoptive parent.

23 (3) The department shall, on a separate form, allow an  
24 adoptive parent to sign a certification that he or she rejects a  
25 support subsidy.

26 (4) If this section conflicts with state statute enacted  
27 subsequent to this act, the state statute controls.

1       Sec. 569. The department shall reimburse private child placing  
2 agencies that complete adoptions at the rate according to the date  
3 on which the petition for adoption and required support  
4 documentation was accepted by the court and not according to the  
5 date the court's order placing for adoption was entered.

6       Sec. 574. (1) From the funds appropriated in part 1 for foster  
7 care payments, \$2,500,000.00 is allocated to support performance-  
8 based contracts with child placing agencies to facilitate the  
9 licensure of relative caregivers as foster parents. Agencies shall  
10 receive \$2,300.00 for each facilitated licensure if completed  
11 within 180 days after a child's placement or, if a waiver was  
12 previously approved, 180 days from the application date. If the  
13 facilitated licensure, or approved waiver, is completed after 180  
14 days, the agency shall receive up to \$2,300.00. The agency  
15 facilitating the licensure would retain the placement and continue  
16 to provide case management services for at least 50% of the newly  
17 licensed cases for which the placement was appropriate to the  
18 agency. Up to 50% of the newly licensed cases would have direct  
19 foster care services provided by the department.

20       (2) From the funds appropriated for foster care payments,  
21 \$375,000.00 is allocated to support family incentive grants to  
22 private and community-based foster care service providers to assist  
23 with home improvements or payment for physical exams for applicants  
24 needed by foster families to accommodate foster children.

25       Sec. 583. By February 1 of the current fiscal year, the  
26 department shall provide to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house

1 standing committees on families and human services, the senate and  
2 house fiscal agencies and policy offices, and the state budget  
3 office a report that includes:

4 (a) The number and percentage of foster parents that dropped  
5 out of the program in the previous fiscal year and the reasons the  
6 foster parents left the program and how those figures compare to  
7 prior fiscal years.

8 (b) The number and percentage of foster parents successfully  
9 retained in the previous fiscal year and how those figures compare  
10 to prior fiscal years.

11 Sec. 585. The department shall make available at least 1 pre-  
12 service training class each month in which new caseworkers for  
13 private foster care and adoption agencies can enroll.

14 Sec. 586. (1) From the funds appropriated in part 1 to  
15 juvenile justice vision 20/20, \$1,000,000.00 is allocated to the  
16 College of Community and Public Service at Grand Valley State  
17 University in partnership with Juvenile Justice Vision 20/20 for  
18 implementation of a juvenile justice data sharing system. Grand  
19 Valley State University will provide project management oversight  
20 of the multijurisdictional juvenile justice data sharing  
21 implementation project and integrate additional juvenile courts  
22 using the model.

23 (2) Contracts or data sharing agreements with juvenile courts  
24 shall be developed by the College of Community and Public Service  
25 at Grand Valley State University in collaboration with Juvenile  
26 Justice Vision 20/20 and include, at a minimum, all of the  
27 following:

1 (a) The types of data and the manner in which the data are  
2 shared with the family division of circuit courts in this state and  
3 other state agencies.

4 (b) A notification of when data will be available to the  
5 participating parties.

6 (c) A detailed description of the purposes for which the data  
7 shall be made available.

8 (d) The length of the proposed or executed contract.

9 (e) The methods by which the data will be shared, including  
10 the format of the data.

11 (f) Ability for state agencies to access, but not own, the  
12 data produced in the partnership, including access for the  
13 department and the state court administrative office for purposes  
14 of case management integration and information sharing.

15 (3) Administrative expenses for this contract management shall  
16 be not more than 10% of the total expenses from the funds  
17 appropriated under part 1 for this purpose.

18 (4) By March 1, 2017, the College of Community and Public  
19 Service at Grand Valley State University and Juvenile Justice  
20 Vision 20/20 shall provide to the senate and house appropriations  
21 subcommittees on the department budget, the senate and house fiscal  
22 agencies, and the senate and house policy offices a report on the  
23 status of the implementation of data sharing agreements between  
24 juvenile courts and state agencies. The report shall also include  
25 technical obstacles the project has encountered, the number of  
26 courts that have signed the agreement and the duration of their  
27 agreement, the number of juvenile records now available to be

1 shared, a detailed report of expenses incurred, and recommendations  
2 for the legislature to further implement and expand the data  
3 sharing agreement.

4 Sec. 587. (1) From the funds appropriated in part 1 to in-home  
5 community care programs, \$400,000.00 shall be used to expand or  
6 create new in-home care and community-based juvenile justice  
7 services for rural counties through their county spending plans  
8 that comply with the requirements of the social welfare act, 1939  
9 PA 280, MCL 400.1 to 400.119b.

10 (2) Counties shall describe the proposed funds to be used, the  
11 programming enhancements to be achieved, and the youth to be served  
12 by the additional funding in their spending plan. Counties that  
13 received funds for the purpose described in section 587 of article  
14 X of 2015 PA 84 are not eligible to receive the funds in this  
15 section. The department shall expend the full amount of funds on a  
16 first-come, first-served basis no later than December 31 of the  
17 current fiscal year to counties that apply in their approved  
18 spending plan. Counties with greater than 75,000 in population as  
19 of October 1, 2016 are not eligible for the funding described in  
20 subsection (1). Funding to a given program in a county shall not  
21 exceed \$25,000.00.

22 (3) By March 1 of the current fiscal year, the department  
23 shall submit a report that describes the program expansion and  
24 expenditures in detail to the senate and house appropriations  
25 subcommittees on the department budget, the senate and house fiscal  
26 agencies, and the senate and house policy offices.

27 Sec. 588. (1) Concurrently with public release, the department

1 shall transmit all reports from the court-appointed settlement  
2 monitor, including, but not limited to, the needs assessment and  
3 period outcome reporting, to the state budget office, the senate  
4 and house appropriations subcommittees on the department budget,  
5 and the senate and house fiscal agencies, without revision.

6 (2) The department shall report quarterly to the state budget  
7 office, the senate and house appropriations subcommittees on the  
8 department budget, and the senate and house fiscal agencies, on the  
9 number of children enrolled in the guardianship assistance and  
10 foster care - children with serious emotional disturbance waiver  
11 programs.

12 Sec. 589. (1) From the funds appropriated in part 1 for child  
13 care fund, the department shall pay 100% of the administrative rate  
14 for all new cases referred to providers of foster care services  
15 beginning on October 1, 2013.

16 (2) On a monthly basis, the department shall report on the  
17 number of all foster care cases administered by the department and  
18 all foster care cases administered by private providers.

19 Sec. 593. The department may allow residential service  
20 providers for child abuse and child neglect cases to implement a  
21 staff ratio during working hours of 1 staff to 5 children.

## 22 **PUBLIC ASSISTANCE**

23 Sec. 601. Whenever a client agrees to the release of his or  
24 her name and address to the local housing authority, the department  
25 shall request from the local housing authority information  
26 regarding whether the housing unit for which vendoring has been



1 requested meets applicable local housing codes. Vending shall be  
2 terminated for those units that the local authority indicates in  
3 writing do not meet local housing codes until such time as the  
4 local authority indicates in writing that local housing codes have  
5 been met.

6 Sec. 602. The department shall establish a policy to conduct a  
7 full evaluation of an individual's assistance needs if the  
8 individual has applied for disability more than 1 time within a 1-  
9 year period.

10 Sec. 603. Between February 1 and February 28, 2017, the  
11 department shall provide to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies, the senate and house policy offices, and the state budget  
14 office a report on the findings of the maximizing Medicaid claim  
15 workgroup established in section 603 of article X of 2014 PA 252,  
16 including the steps taken to implement the action plan developed by  
17 the workgroup, and the department's ongoing efforts to maximize  
18 Medicaid claims for foster children and adjudicated youths.

19 Sec. 604. (1) The department shall operate a state disability  
20 assistance program. Except as provided in subsection (3), persons  
21 eligible for this program shall include needy citizens of the  
22 United States or aliens exempted from the supplemental security  
23 income citizenship requirement who are at least 18 years of age or  
24 emancipated minors meeting 1 or more of the following requirements:

25 (a) A recipient of supplemental security income, social  
26 security, or medical assistance due to disability or 65 years of  
27 age or older.

1 (b) A person with a physical or mental impairment that meets  
2 federal supplemental security income disability standards, except  
3 that the minimum duration of the disability shall be 90 days.  
4 Substance use disorder alone is not defined as a basis for  
5 eligibility.

6 (c) A resident of an adult foster care facility, a home for  
7 the aged, a county infirmary, or a substance use disorder treatment  
8 center.

9 (d) A person receiving 30-day postresidential substance use  
10 disorder treatment.

11 (e) A person diagnosed as having acquired immunodeficiency  
12 syndrome.

13 (f) A person receiving special education services through the  
14 local intermediate school district.

15 (g) A caretaker of a disabled person who meets the  
16 requirements specified in subdivision (a), (b), (e), or (f).

17 (2) Applicants for and recipients of the state disability  
18 assistance program shall be considered needy if they:

19 (a) Meet the same asset test as is applied for the family  
20 independence program.

21 (b) Have a monthly budgetable income that is less than the  
22 payment standards.

23 (3) Except for a person described in subsection (1)(c) or (d),  
24 a person is not disabled for purposes of this section if his or her  
25 drug addiction or alcoholism is a contributing factor material to  
26 the determination of disability. "Material to the determination of  
27 disability" means that, if the person stopped using drugs or

1 alcohol, his or her remaining physical or mental limitations would  
2 not be disabling. If his or her remaining physical or mental  
3 limitations would be disabling, then the drug addiction or  
4 alcoholism is not material to the determination of disability and  
5 the person may receive state disability assistance. Such a person  
6 must actively participate in a substance abuse treatment program,  
7 and the assistance must be paid to a third party or through vendor  
8 payments. For purposes of this section, substance abuse treatment  
9 includes receipt of inpatient or outpatient services or  
10 participation in alcoholics anonymous or a similar program.

11       Sec. 605. The level of reimbursement provided to state  
12 disability assistance recipients in licensed adult foster care  
13 facilities shall be the same as the prevailing supplemental  
14 security income rate under the personal care category.

15       Sec. 606. County department offices shall require each  
16 recipient of family independence program and state disability  
17 assistance who has applied with the social security administration  
18 for supplemental security income to sign a contract to repay any  
19 assistance rendered through the family independence program or  
20 state disability assistance program upon receipt of retroactive  
21 supplemental security income benefits.

22       Sec. 607. (1) The department's ability to satisfy  
23 appropriation deductions in part 1 for state disability  
24 assistance/supplemental security income recoveries and public  
25 assistance recoupment revenues shall not be limited to recoveries  
26 and accruals pertaining to state disability assistance, or family  
27 independence assistance grant payments provided only in the current

1 fiscal year, but may include revenues collected during the current  
2 year that are prior year related and not a part of the department's  
3 accrued entries.

4 (2) The department may use supplemental security income  
5 recoveries to satisfy the deduct in any line in which the revenues  
6 are appropriated, regardless of the source from which the revenue  
7 is recovered.

8 Sec. 608. Adult foster care facilities providing domiciliary  
9 care or personal care to residents receiving supplemental security  
10 income or homes for the aged serving residents receiving  
11 supplemental security income shall not require those residents to  
12 reimburse the home or facility for care at rates in excess of those  
13 legislatively authorized. To the extent permitted by federal law,  
14 adult foster care facilities and homes for the aged serving  
15 residents receiving supplemental security income shall not be  
16 prohibited from accepting third-party payments in addition to  
17 supplemental security income if the payments are not for food,  
18 clothing, shelter, or result in a reduction in the recipient's  
19 supplemental security income payment.

20 Sec. 609. The state supplementation level under the  
21 supplemental security income program for the personal care/adult  
22 foster care and home for the aged categories shall not be reduced  
23 during the current fiscal year. The legislature shall be notified  
24 not less than 30 days before any proposed reduction in the state  
25 supplementation level.

26 Sec. 610. (1) In developing good cause criteria for the state  
27 emergency relief program, the department shall grant exemptions if

1 the emergency resulted from unexpected expenses related to  
2 maintaining or securing employment.

3 (2) For purposes of determining housing affordability  
4 eligibility for state emergency relief, a group is considered to  
5 have sufficient income to meet ongoing housing expenses if their  
6 total housing obligation does not exceed 75% of their total net  
7 income.

8 (3) State emergency relief payments shall not be made to  
9 individuals who have been found guilty of fraud in regard to  
10 obtaining public assistance.

11 (4) State emergency relief payments shall not be made  
12 available to persons who are out-of-state residents or illegal  
13 immigrants.

14 (5) State emergency relief payments for rent assistance shall  
15 be distributed directly to landlords and shall not be added to  
16 Michigan bridge cards.

17 Sec. 611. The state supplementation level under the  
18 supplemental security income program for the living independently  
19 or living in the household of another categories shall not exceed  
20 the minimum state supplementation level as required under federal  
21 law or regulations.

22 Sec. 613. (1) The department shall provide reimbursements for  
23 the final disposition of indigent persons. The reimbursements shall  
24 include the following:

25 (a) The maximum allowable reimbursement for the final  
26 disposition is \$800.00.

27 (b) The adult burial with services allowance is \$720.00.

1 (c) The adult burial without services allowance is \$485.00.

2 (d) The infant burial allowance is \$165.00.

3 (2) It is the intent of the legislature that this charge limit  
4 reflect a total increase of \$20.00 per case in payments to funeral  
5 directors for funeral goods and services over the payment rate in  
6 place for the previous fiscal year. In addition, reimbursement for  
7 a cremation permit fee of up to \$75.00 and for mileage at the  
8 standard rate will also be made available for an eligible  
9 cremation. The reimbursements under this section shall take into  
10 consideration religious preferences that prohibit cremation.

11 Sec. 614. The department shall report to the senate and house  
12 of representatives appropriations subcommittees on the department  
13 budget, the senate and house fiscal agencies, and the senate and  
14 house policy offices by January 15 of the current fiscal year on  
15 the number and percentage of state disability assistance recipients  
16 who were determined to be eligible for federal supplemental  
17 security income benefits in the previous fiscal year.

18 Sec. 615. Except as required by federal law or regulations,  
19 funds appropriated in part 1 shall not be used to provide public  
20 assistance to a person who is an illegal alien. This section shall  
21 not prohibit the department from entering into contracts with food  
22 banks, emergency shelter providers, or other human services  
23 agencies who may, as a normal part of doing business, provide food  
24 or emergency shelter.

25 Sec. 616. The department shall require retailers that  
26 participate in the electronic benefits transfer program to charge  
27 no more than \$2.50 in fees for cash back as a condition of

1 participation.

2       Sec. 617. The department shall prepare a report on the number  
3 and percentage of public assistance recipients, categorized by type  
4 of assistance received, who were no longer eligible for assistance  
5 because of their status in the law enforcement information network  
6 and provide the report by January 15 of the current fiscal year to  
7 the senate and house appropriations subcommittees on the department  
8 budget, the senate and house standing committees on families and  
9 human services, and the senate and house fiscal agencies and policy  
10 offices.

11       Sec. 619. (1) Subject to subsection (2), the department shall  
12 exempt from the denial of title IV-A assistance and food assistance  
13 benefits under 21 USC 862a any individual who has been convicted of  
14 a felony that included the possession, use, or distribution of a  
15 controlled substance, after August 22, 1996, if the individual is  
16 not in violation of his or her probation or parole requirements.  
17 Benefits shall be provided to such individuals as follows:

18       (a) A third-party payee or vendor shall be required for any  
19 cash benefits provided.

20       (b) An authorized representative shall be required for food  
21 assistance receipt.

22       (2) Subject to federal approval, an individual is not entitled  
23 to the exemption in this section if the individual was convicted in  
24 2 or more separate cases of a felony that included the possession,  
25 use, or distribution of a controlled substance after August 22,  
26 1996.

27       Sec. 620. (1) The department shall make a determination of

1 Medicaid eligibility not later than 90 days if disability is an  
2 eligibility factor. For all other Medicaid applicants, including  
3 patients of a nursing home, the department shall make a  
4 determination of Medicaid eligibility within 45 days of  
5 application.

6 (2) The department shall report on a quarterly basis to the  
7 senate and house appropriations subcommittees on the department  
8 budget, the senate and house standing committees on families and  
9 human services, the senate and house fiscal agencies, the senate  
10 and house policy offices, and the state budget office on the  
11 average Medicaid eligibility standard of promptness for each of the  
12 required standards of promptness under subsection (1) and for  
13 medical review team reviews achieved statewide and at each local  
14 office.

15 Sec. 625. From the funds appropriated in part 1, the  
16 department shall allocate \$500,000.00 to contract with the Legal  
17 Services Association of Michigan to provide assistance to  
18 individuals who have applied for or wish to apply for SSI or other  
19 federal disability benefits. The Legal Services Association of  
20 Michigan shall provide a list of new recipients accepted to the  
21 department to verify that services have been provided to department  
22 recipients. The Legal Services Association of Michigan and the  
23 department shall work together to develop release forms to share  
24 information in appropriate cases. The Legal Services Association of  
25 Michigan shall provide quarterly reports indicating cases opened,  
26 cases closed, level of services provided on closed cases, and case  
27 outcomes on closed cases.



1       Sec. 630. From the funds appropriated in part 1 for family  
2 independence program, the department shall conduct a suspicion-  
3 based drug testing pilot program for the family independence  
4 program according to sections 57y and 57z of the social welfare  
5 act, 1939 PA 280, MCL 400.57y and 400.57z.

6       Sec. 642. The department shall allocate the full amount of  
7 funds appropriated in part 1 for homeless programs to provide  
8 services for homeless individuals and families, including, but not  
9 limited to, third-party contracts for emergency shelter services.

10       Sec. 643. As a condition of receipt of federal TANF funds,  
11 homeless shelters and human services agencies shall collaborate  
12 with the department to obtain necessary TANF eligibility  
13 information on families as soon as possible after admitting a  
14 family to the homeless shelter. From the funds appropriated in part  
15 1 for homeless programs, the department is authorized to make  
16 allocations of TANF funds only to the agencies that report  
17 necessary data to the department for the purpose of meeting TANF  
18 eligibility reporting requirements. Homeless shelters or human  
19 services agencies that do not report necessary data to the  
20 department for the purpose of meeting TANF eligibility reporting  
21 requirements will not receive reimbursements that exceed the per  
22 diem amount they received in fiscal year 2000. The use of TANF  
23 funds under this section should not be considered an ongoing  
24 commitment of funding.

25       Sec. 645. An individual or family is considered homeless, for  
26 purposes of eligibility for state emergency relief, if living  
27 temporarily with others in order to escape domestic violence. For

1 purposes of this section, domestic violence is defined and verified  
2 in the same manner as in the department's policies on good cause  
3 for not cooperating with child support and paternity requirements.

4 Sec. 653. From the funds appropriated in part 1 for food  
5 assistance, an individual who is the victim of domestic violence  
6 and does not qualify for any other exemption may be exempt from the  
7 3-month in 36-month limit on receiving food assistance under 7 USC  
8 2015. This exemption can be extended an additional 3 months upon  
9 demonstration of continuing need.

10 Sec. 654. The department shall notify recipients of food  
11 assistance program benefits that their benefits can be spent with  
12 their bridge cards at many farmers' markets in the state. The  
13 department shall also notify recipients about the Double Up Food  
14 Bucks program that is administered by the Fair Food Network.  
15 Recipients shall receive information about the Double Up Food Bucks  
16 program, including information that when the recipient spends  
17 \$20.00 at participating farmers' markets through the program, the  
18 recipient can receive an additional \$20.00 to buy Michigan produce.

19 Sec. 655. Within 14 days after the spending plan for low-  
20 income home energy assistance program is approved by the state  
21 budget office, the department shall provide the spending plan,  
22 including itemized projected expenditures, to the chairpersons of  
23 the senate and house appropriations subcommittees on the department  
24 budget, the senate and house fiscal agencies, the senate and house  
25 policy offices, and the state budget office.

26 Sec. 660. From the funds appropriated in part 1 for food bank  
27 funding, the department is authorized to make allocations of TANF

1 funds only to the agencies that report necessary data to the  
2 department for the purpose of meeting TANF eligibility reporting  
3 requirements. The agencies that do not report necessary data to the  
4 department for the purpose of meeting TANF eligibility reporting  
5 requirements will not receive allocations in excess of those  
6 received in fiscal year 2000. The use of TANF funds under this  
7 section should not be considered an ongoing commitment of funding.

8       Sec. 669. The department shall allocate \$6,270,000.00 for the  
9 annual clothing allowance. The allowance shall be granted to all  
10 eligible children in a family independence program group.

11       Sec. 672. (1) The department's office of inspector general  
12 shall report to the senate and house of representatives  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, and the senate and house policy offices  
15 by February 15 of the current fiscal year on department efforts to  
16 reduce inappropriate use of Michigan bridge cards. The department  
17 shall provide information on the number of recipients of services  
18 who used their electronic benefit transfer card inappropriately and  
19 the current status of each case, the number of recipients whose  
20 benefits were revoked, whether permanently or temporarily, as a  
21 result of inappropriate use, and the number of retailers that were  
22 fined or removed from the electronic benefit transfer program for  
23 permitting inappropriate use of the cards.

24       (2) As used in this section, "inappropriate use" means not  
25 used to meet a family's ongoing basic needs, including food,  
26 clothing, shelter, utilities, household goods, personal care items,  
27 and general incidentals.

1           Sec. 677. (1) The department shall establish a state goal for  
2 the percentage of family independence program cases involved in  
3 employment activities. The percentage established shall not be less  
4 than 50%. The goal for long-term employment shall be 15% of cases  
5 for 6 months or more.

6           (2) On a monthly basis, the department shall report to the  
7 senate and house appropriations subcommittees on the department  
8 budget, the senate and house fiscal agencies and policy offices,  
9 and the state budget director on the number of cases referred to  
10 Partnership. Accountability. Training. Hope. (PATH), the current  
11 percentage of family independence program cases involved in PATH  
12 employment activities, an estimate of the current percentage of  
13 family independence program cases that meet federal work  
14 participation requirements on the whole, and an estimate of the  
15 current percentage of the family independence program cases that  
16 meet federal work participation requirements for those cases  
17 referred to PATH.

18           (3) The department shall submit to the senate and house  
19 appropriations subcommittees on the department budget, the senate  
20 and house fiscal agencies, the senate and house policy offices, and  
21 the state budget office a quarterly report that includes all of the  
22 following:

23           (a) The number and percentage of nonexempt family independence  
24 program recipients who are employed.

25           (b) The average and range of wages of employed family  
26 independence program recipients.

27           (c) When data become available, the number and percentage of

1 employed family independence program recipients who remain employed  
2 for 6 months or more.

3 Sec. 686. (1) The department shall ensure that program policy  
4 requires caseworkers to confirm that individuals presenting  
5 personal identification issued by another state seeking assistance  
6 through the family independence program, food assistance program,  
7 state disability assistance program, or medical assistance program  
8 are not receiving benefits from any other state.

9 (2) The department shall require caseworkers to confirm the  
10 address provided by any individual seeking family independence  
11 program benefits or state disability assistance benefits.

12 (3) The department shall prohibit individuals with property  
13 assets assessed at a value higher than \$200,000.00 from accessing  
14 assistance through department-administered programs, unless such a  
15 prohibition would violate federal rules and guidelines.

16 (4) The department shall require caseworkers to obtain an up-  
17 to-date telephone number during the eligibility determination or  
18 redetermination process for individuals seeking medical assistance  
19 benefits.

20 Sec. 687. (1) The department shall, on a quarterly basis by  
21 February 1, May 1, August 1, and November 1, compile and make  
22 available on its website all of the following information about the  
23 family independence program, state disability assistance, the food  
24 assistance program, Medicaid, and state emergency relief:

25 (a) The number of applications received.

26 (b) The number of applications approved.

27 (c) The number of applications denied.

1 (d) The number of applications pending and neither approved  
2 nor denied.

3 (e) The number of cases opened.

4 (f) The number of cases closed.

5 (g) The number of cases at the beginning of the quarter and  
6 the number of cases at the end of the quarter.

7 (2) The information provided under subsection (1) shall be  
8 compiled and made available for the state as a whole and for each  
9 county and reported separately for each program listed in  
10 subsection (1).

11 (3) The department shall, on a quarterly basis by February 1,  
12 May 1, August 1, and November 1, compile and make available on its  
13 website the family independence program information listed as  
14 follows:

15 (a) The number of new applicants who successfully met the  
16 requirements of the 21-day assessment period for PATH.

17 (b) The number of new applicants who did not meet the  
18 requirements of the 21-day assessment period for PATH.

19 (c) The number of cases sanctioned because of the school  
20 truancy policy.

21 (d) The number of cases closed because of the 48-month and 60-  
22 month lifetime limits.

23 (e) The number of first-, second-, and third-time sanctions.

24 (f) The number of children ages 0-5 living in FIP-sanctioned  
25 households.

26 (4) The department shall notify the state budget office, the  
27 senate and house appropriations subcommittees on the department

1 budget, the senate and house fiscal agencies, and the senate and  
2 house policy offices when the reports required in this section are  
3 made available on the department's website.

#### 4 **JUVENILE JUSTICE SERVICES**

5 Sec. 701. Unless required from changes to federal or state law  
6 or at the request of a provider, the department shall not alter the  
7 terms of any signed contract with a private residential facility  
8 serving children under state or court supervision without written  
9 consent from a representative of the private residential facility.

10 Sec. 706. Counties shall be subject to 50% chargeback for the  
11 use of alternative regional detention services, if those detention  
12 services do not fall under the basic provision of section 117e of  
13 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county  
14 operates those detention services programs primarily with  
15 professional rather than volunteer staff.

16 Sec. 707. In order to be reimbursed for child care fund  
17 expenditures, counties are required to submit department-developed  
18 reports to enable the department to document potential federally  
19 claimable expenditures. This requirement is in accordance with the  
20 reporting requirements specified in section 117a(7) of the social  
21 welfare act, 1939 PA 280, MCL 400.117a.

22 Sec. 708. (1) As a condition of receiving funds appropriated  
23 in part 1 for the child care fund line item, by December 15 of the  
24 current fiscal year, counties shall have an approved service  
25 spending plan for the current fiscal year. Counties must submit the  
26 service spending plan to the department by October 1 of the current

1 fiscal year for approval. The department shall approve within 30  
2 calendar days after receipt a properly completed service plan that  
3 complies with the requirements of the social welfare act, 1939 PA  
4 280, MCL 400.1 to 400.119b, and shall notify a county within 30  
5 days after approval that its service plan was approved.

6 (2) The department shall submit a report to the house and  
7 senate appropriations subcommittees on the department budget, the  
8 house and senate fiscal agencies, and the house and senate policy  
9 offices by February 15 of the current fiscal year on the number of  
10 counties that fail to submit a service spending plan by October 1  
11 and the number of service spending plans not approved by December  
12 15.

13 Sec. 709. (1) The department's master contract for juvenile  
14 justice residential foster care services shall be amended to  
15 prohibit contractors from denying a referral for placement of a  
16 youth, or terminating a youth's placement, if the youth's assessed  
17 treatment needs are in alignment with the facility's residential  
18 program type, as identified by the court or the department. In  
19 addition, the master contract shall require that youth placed in  
20 juvenile justice residential foster care facilities must have  
21 regularly scheduled treatment sessions with a licensed psychologist  
22 or psychiatrist, or both, and access to the licensed psychologist  
23 or psychiatrist as needed.

24 (2) The rates established for private residential juvenile  
25 justice facilities that were in effect on October 1, 2015 remain in  
26 effect for the current fiscal year.

27 (3) The department shall submit a quarterly report by November



1 1, February 1, May 1, and August 1 to the senate and house  
2 appropriations subcommittees on the department budget, the senate  
3 and house fiscal agencies, and the senate and house policy offices  
4 on the current placement and status of the youth transferred from  
5 the W.J. Maxey Training School during the previous and current  
6 fiscal year as a result of the closure.

7 Sec. 719. The department shall notify the legislature at least  
8 30 days before closing or making any change in the status,  
9 including the licensed bed capacity and operating bed capacity, of  
10 a state juvenile justice facility.

11 Sec. 721. If the demand for placements at state-operated  
12 juvenile justice residential facilities exceeds capacity, the  
13 department shall not increase the available occupancy or services  
14 at the facilities, and shall post a request for proposals for a  
15 contract with not less than 1 private provider of residential  
16 services for juvenile justice youth to be a residential facility of  
17 last resort.

#### 18 **FIELD OPERATIONS AND SUPPORT SERVICES**

19 Sec. 801. (1) Funds appropriated in part 1 for independent  
20 living shall be used to support the general operations of centers  
21 for independent living in delivering mandated independent living  
22 services in compliance with federal rules and regulations for the  
23 centers, by existing centers for independent living to serve  
24 underserved areas, and for projects to build the capacity of  
25 centers for independent living to deliver independent living  
26 services. Applications for the funds shall be reviewed in

1 accordance with criteria and procedures established by the  
2 department. The funds appropriated in part 1 may be used to  
3 leverage federal vocational rehabilitation innovation and expansion  
4 funds consistent with 34 CFR 361.35 up to \$5,543,000.00, if  
5 available. If the possibility of matching federal funds exists, the  
6 centers for independent living network will negotiate a mutually  
7 beneficial contractual arrangement with Michigan rehabilitation  
8 services. Funds shall be used in a manner consistent with the state  
9 plan for independent living. Services provided should assist people  
10 with disabilities to move toward self-sufficiency, including  
11 support for accessing transportation and health care, obtaining  
12 employment, community living, nursing home transition, information  
13 and referral services, education, youth transition services,  
14 veterans, and stigma reduction activities and community education.  
15 This includes the independent living guide project that  
16 specifically focuses on economic self-sufficiency.

17 (2) The Michigan centers for independent living shall provide  
18 a report by March 1 of the current fiscal year to the house and  
19 senate appropriations subcommittees on the department budget, the  
20 house and senate fiscal agencies, the house and senate policy  
21 offices, and the state budget office on direct customer and system  
22 outcomes and performance measures.

23 Sec. 802. The Michigan rehabilitation services shall work  
24 collaboratively with the bureau of services for blind persons,  
25 service organizations, and government entities to identify  
26 qualified match dollars to maximize use of available federal  
27 vocational rehabilitation funds.

1       Sec. 803. The department shall provide an annual report by  
2       February 1 to the house and senate appropriations subcommittees on  
3       the department budget, the house and senate fiscal agencies, and  
4       house and senate policy offices on Michigan rehabilitation  
5       services. The report shall include all of the following items:

6       (a) Reductions and changes in administration costs and  
7       staffing.

8       (b) Service delivery plans and implementation steps achieved.

9       (c) Reorganization plans and implementation steps achieved.

10      (d) Plans to integrate Michigan rehabilitative services  
11      programs into other services provided by the department.

12      (e) Quarterly expenditures by major spending category.

13      (f) Employment and job retention rates from both Michigan  
14      rehabilitation services and its nonprofit partners.

15      (g) Success rate of each district in achieving the program  
16      goals.

17      Sec. 804. From the funds appropriated in part 1 for Michigan  
18      rehabilitation services, the department shall allocate \$50,000.00  
19      along with available federal match to support a private nonprofit  
20      charity that provides direct services to farmers with injuries,  
21      illnesses, or aging conditions. The funding shall be used in  
22      combination with other funds for research of adaptive farming  
23      tools, development of on-farm site evaluation plans, to plan  
24      strategies to overcome barriers to farm work, and to install farm  
25      technology to enable farmers to work longer.

26      Sec. 805. It is the intent of the legislature that Michigan  
27      rehabilitation services shall not implement an order of selection

1 for vocational and rehabilitative services. If the department is at  
2 risk of entering into an order of selection for services, the  
3 department shall notify the chairs of the senate and house  
4 subcommittees on the department budget and the senate and house  
5 fiscal agencies and policy offices within 2 weeks of receiving  
6 notification.

7       Sec. 806. From the funds appropriated in part 1 for Michigan  
8 rehabilitation services, the department shall allocate  
9 \$6,100,300.00, including federal matching funds, to service  
10 contracts with accredited, community-based rehabilitation  
11 organizations for job development and other community employment-  
12 related support services.

13       Sec. 825. From the funds appropriated in part 1, the  
14 department shall provide individuals not more than \$500.00 for  
15 vehicle repairs, including any repairs done in the previous 12  
16 months. However, the department may in its discretion pay for  
17 repairs up to \$900.00. Payments under this section shall include  
18 the combined total of payments made by the department and work  
19 participation program.

20       Sec. 850. (1) The department shall maintain out-stationed  
21 eligibility specialists in community-based organizations, community  
22 mental health agencies, nursing homes, and hospitals unless a  
23 community-based organization, community mental health agency,  
24 nursing home, or hospital requests that the program be discontinued  
25 at its facility.

26       (2) From the funds appropriated in part 1 for donated funds  
27 positions, the department shall enter into a contract with any

1 agency that requests a donated funds position and is able and  
2 eligible under federal law to provide the required matching funds  
3 for federal funding, as determined by federal statute and  
4 regulations. If the department denies a request for donated funds  
5 positions, the department shall provide to the agency that made the  
6 request the federal statute or regulation that supports the denial.  
7 If there is no federal statute or regulation that supports the  
8 denial, the department shall grant the request for the donated  
9 funds position.

10 (3) A contract for a donated funds position must include, but  
11 not be limited to, the following performance metrics:

12 (a) Meeting a standard of promptness for processing  
13 applications for Medicaid and other public assistance programs  
14 under state law.

15 (b) Meeting required standards for error rates in determining  
16 programmatic eligibility as determined by the department.

17 (4) The department shall only fill additional donated funds  
18 positions after a new contract has been signed. That position shall  
19 also be abolished when the contract expires or is terminated.

20 (5) The department shall classify as limited-term FTEs any new  
21 employees who are hired to fulfill the donated funds position  
22 contracts or are hired to fill any vacancies from employees who  
23 transferred to a donated funds position.

24 (6) Beginning in fiscal year 2016, the department may increase  
25 the total number of donated funds positions by 200.0 FTEs. The  
26 purpose of these positions will be to address client service needs  
27 in adult placement and independent living settings, federal

1 qualified health clinics, hospitals with a high degree of  
2 uncompensated care, and employer-based sites. By March 1 of the  
3 current fiscal year, the department shall submit a report to the  
4 senate and house appropriations subcommittees on the department  
5 budget, the senate and house fiscal agencies and policy offices,  
6 and the state budget office detailing information on the donated  
7 funds positions, including the total number of occupied positions,  
8 the total private contribution of the positions, and the total cost  
9 to the state for any nonsalary expenditure for the donated funds  
10 position employees.

#### 11 **BEHAVIORAL HEALTH SERVICES**

12       Sec. 901. Funds appropriated in part 1 are intended to support  
13 a system of comprehensive community mental health services under  
14 the full authority and responsibility of local CMHSPs or PIHPs in  
15 accordance with the mental health code, 1974 PA 258, MCL 330.1001  
16 to 330.2106, the Medicaid provider manual, federal Medicaid  
17 waivers, and all other applicable federal and state laws.

18       Sec. 902. (1) From funds appropriated in part 1, final  
19 authorizations to CMHSPs or PIHPs shall be made upon the execution  
20 of contracts between the department and CMHSPs or PIHPs. The  
21 contracts shall contain an approved plan and budget as well as  
22 policies and procedures governing the obligations and  
23 responsibilities of both parties to the contracts. Each contract  
24 with a CMHSP or PIHP that the department is authorized to enter  
25 into under this subsection shall include a provision that the  
26 contract is not valid unless the total dollar obligation for all of

1 the contracts between the department and the CMHSPs or PIHPs  
2 entered into under this subsection for the current fiscal year does  
3 not exceed the amount of money appropriated in part 1 for the  
4 contracts authorized under this subsection.

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

9 (a) Any new contracts with CMHSPs or PIHPs that would affect  
10 rates or expenditures are entered into.

11 (b) Any amendments to contracts with CMHSPs or PIHPs that  
12 would affect rates or expenditures are entered into.

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

16 Sec. 904. (1) Not later than May 31 of the current fiscal  
17 year, the department shall provide a report on the CMHSPs, PIHPs,  
18 regional entities designated by the department as PIHPs, and  
19 managing entities for substance use disorders to the members of the  
20 house and senate appropriations subcommittees on the department  
21 budget, the house and senate fiscal agencies, and the state budget  
22 director that includes the information required by this section.

23 (2) The report shall contain information for each CMHSP, PIHP,  
24 regional entity designated by the department as a PIHP, and  
25 managing entity for substance use disorders and a statewide  
26 summary, each of which shall include at least the following  
27 information:

1 (a) A demographic description of service recipients that,  
2 minimally, shall include reimbursement eligibility, client  
3 population, age, ethnicity, housing arrangements, and diagnosis.

4 (b) Per capita expenditures by client population group and  
5 cultural and ethnic groups of the services area, including the deaf  
6 and hard of hearing population.

7 (c) Financial information that, minimally, includes a  
8 description of funding authorized; expenditures by client group and  
9 fund source; and cost information by Medicaid and Healthy Michigan  
10 plan service category, including administration and funds specified  
11 for all outside contracts for services and products. Financial  
12 information must include the amount of funding, from each fund  
13 source, used to cover clinical services and supports. Service  
14 category includes all department-approved services. General fund  
15 expenditures should reflect those funds used to cover uninsured  
16 individuals including Medicaid spenddowns.

17 (d) Data describing service outcomes that include, but are not  
18 limited to, an evaluation of consumer satisfaction, consumer  
19 choice, and quality of life concerns including, but not limited to,  
20 housing and employment.

21 (e) Information about access to CMHSPs that includes, but is  
22 not limited to, the following:

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

24 (ii) The number of people who requested services but did not  
25 receive services.

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



1 (g) An analysis of information provided by CMHSPs in response  
2 to the needs assessment requirements of the mental health code,  
3 1974 PA 258, MCL 330.1001 to 330.2106.

4 (h) Lapses and carryforwards during the immediately preceding  
5 fiscal year for CMHSPs, PIHPs, regional entities designated by the  
6 department as PIHPs, and managing entities for substance use  
7 disorders.

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

13 (i) The amount of the contract, organized by type of service  
14 provided.

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

16 (iii) Administrative costs, including contract and consultant  
17 costs, for services provided to CMHSPs, PIHPs, regional entities  
18 designated by the department as PIHPs, and managing entities for  
19 substance use disorders.

20 (j) Information on the community mental health Medicaid  
21 managed care and Healthy Michigan plan programs, including, but not  
22 limited to, the following:

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

27 (ii) Expenditures on, and utilization of, each Medicaid and

1 Healthy Michigan plan service category by each CMHSP, PIHP,  
2 regional entity designated by the department as a PIHP, and  
3 managing entity for substance use disorders.

4 (iii) Performance indicator information required to be  
5 submitted to the department in the contracts with CMHSPs, PIHPs,  
6 regional entities designated by the department as PIHPs, and  
7 managing entities for substance use disorders.

8 (k) Administrative expenditures of each CMHSP, PIHP, regional  
9 entity designated by the department as a PIHP, and managing entity  
10 for substance use disorders that includes a breakout of the salary,  
11 benefits, and pension of each executive level staff and shall  
12 include the director, chief executive, and chief operating officers  
13 and other members identified as executive staff.

14 (3) The department shall include data reporting requirements  
15 listed in subsection (2) in the annual contract with each  
16 individual CMHSP, PIHP, regional entity designated by the  
17 department as a PIHP, and managing entity for substance use  
18 disorders.

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

23 Sec. 906. (1) The funds appropriated in part 1 for the state  
24 disability assistance substance use disorder services program shall  
25 be used to support per diem room and board payments in substance  
26 use disorder residential facilities. Eligibility of clients for the  
27 state disability assistance substance use disorder services program

1 shall include needy persons 18 years of age or older, or  
2 emancipated minors, who reside in a substance use disorder  
3 treatment center.

4 (2) The department shall reimburse all licensed substance use  
5 disorder programs eligible to participate in the program at a rate  
6 equivalent to that paid by the department to adult foster care  
7 providers. Programs accredited by department-approved accrediting  
8 organizations shall be reimbursed at the personal care rate, while  
9 all other eligible programs shall be reimbursed at the domiciliary  
10 care rate.

11 Sec. 907. (1) The amount appropriated in part 1 for substance  
12 use disorder prevention, education, and treatment grants shall be  
13 expended to coordinate care and services provided to individuals  
14 with severe and persistent mental illness and substance use  
15 disorder diagnoses.

16 (2) The department shall approve managing entity fee schedules  
17 for providing substance use disorder services and charge  
18 participants in accordance with their ability to pay.

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

23 Sec. 908. (1) By April 1 of the current fiscal year, the  
24 department shall report the following data from the prior fiscal  
25 year on substance use disorder prevention, education, and treatment  
26 programs to the senate and house appropriations subcommittees on  
27 the department budget, the senate and house fiscal agencies, and

1 the state budget office:

2 (a) Expenditures stratified by department-designated community  
3 mental health entity, by central diagnosis and referral agency, by  
4 fund source, by subcontractor, by population served, and by service  
5 type. Additionally, data on administrative expenditures by  
6 department-designated community mental health entity shall be  
7 reported.

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

10 (c) Number of services provided by central diagnosis and  
11 referral agency, by subcontractor, and by service type.  
12 Additionally, data on length of stay, referral source, and  
13 participation in other state programs.

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

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

21 Sec. 910. The department shall ensure that substance use  
22 disorder treatment is provided to applicants and recipients of  
23 public assistance through the department who are required to obtain  
24 substance use disorder treatment as a condition of eligibility for  
25 public assistance.

26 Sec. 911. (1) The department shall ensure that each contract  
27 with a CMHSP or PIHP requires the CMHSP or PIHP to implement

1 programs to encourage diversion of individuals with serious mental  
2 illness, serious emotional disturbance, or developmental disability  
3 from possible jail incarceration when appropriate.

4 (2) Each CMHSP or PIHP shall have jail diversion services and  
5 shall work toward establishing working relationships with  
6 representative staff of local law enforcement agencies, including  
7 county prosecutors' offices, county sheriffs' offices, county  
8 jails, municipal police agencies, municipal detention facilities,  
9 and the courts. Written interagency agreements describing what  
10 services each participating agency is prepared to commit to the  
11 local jail diversion effort and the procedures to be used by local  
12 law enforcement agencies to access mental health jail diversion  
13 services are strongly encouraged.

14 Sec. 912. The department shall contract directly with the  
15 Salvation Army harbor light program to provide non-Medicaid  
16 substance use disorder services if the local coordinating agency or  
17 the department confirms the Salvation Army harbor light program  
18 meets the standard of care. The standard of care shall include, but  
19 is not limited to, utilization of the medication assisted treatment  
20 option.

21 Sec. 918. On or before the twenty-fifth of each month, the  
22 department shall report to the senate and house appropriations  
23 subcommittees on the department budget, the senate and house fiscal  
24 agencies, and the state budget director on the amount of funding  
25 paid to PIHPs to support the Medicaid managed mental health care  
26 program in the preceding month. The information shall include the  
27 total paid to each PIHP, per capita rate paid for each eligibility

1 group for each PIHP, and number of cases in each eligibility group  
2 for each PIHP, and year-to-date summary of eligibles and  
3 expenditures for the Medicaid managed mental health care program.

4 Sec. 924. Each PIHP that contracts with the department to  
5 provide services to the Medicaid population shall adhere to the  
6 following timely claims processing and payment procedure for claims  
7 submitted by health professionals and facilities:

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

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

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

20 Sec. 928. Each PIHP shall provide, from internal resources,  
21 local funds to be used as a bona fide part of the state match  
22 required under the Medicaid program in order to increase capitation  
23 rates for PIHPs. These funds shall not include either state funds  
24 received by a CMHSP for services provided to non-Medicaid  
25 recipients or the state matching portion of the Medicaid capitation  
26 payments made to a PIHP.

27 Sec. 935. A county required under the provisions of the mental

1 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide  
2 matching funds to a CMHSP for mental health services rendered to  
3 residents in its jurisdiction shall pay the matching funds in equal  
4 installments on not less than a quarterly basis throughout the  
5 fiscal year, with the first payment being made by October 1 of the  
6 current fiscal year.

7       Sec. 958. Medicaid services shall include treatment for autism  
8 spectrum disorders as defined in the federally approved Medicaid  
9 state plan. These services may be coordinated with the Medicaid  
10 health plans and the Michigan Association of Health Plans.

11       Sec. 960. The department shall allocate funds appropriated in  
12 part 1 for university autism programs through a grant process for  
13 the purpose of increasing the number of applied behavioral analysis  
14 therapists, autism diagnostic centers, autism treatment centers,  
15 and employment programs, and to increase the autism clinical  
16 expertise of health care providers.

17       Sec. 994. (1) Contingent upon federal approval, if a CMHSP,  
18 PIHP, or subcontracting provider agency is reviewed and accredited  
19 by a national accrediting entity for behavioral health care  
20 services, the department, by April 1 of the current fiscal year,  
21 shall consider that CMHSP, PIHP, or subcontracting provider agency  
22 in compliance with state program review and audit requirements that  
23 are addressed and reviewed by that national accrediting entity.

24       (2) By June 1 of the current fiscal year, the department shall  
25 report to the house and senate appropriations subcommittees on the  
26 department budget, the house and senate fiscal agencies, and the  
27 state budget office all of the following:

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

4 (b) For each CMHSP, PIHP, or subcontracting provider agency  
5 described in subdivision (a), all of the following:

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

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

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

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

22 Sec. 995. From the funds appropriated in part 1 for behavioral  
23 health program administration, \$4,350,000.00 is intended to address  
24 the recommendations of the mental health diversion council.

25 Sec. 998. For distribution of state general funds to CMHSPs,  
26 if the department decides to use census data, the department shall  
27 use the most recent federal decennial census data available.



1       Sec. 1003. The department shall notify the Michigan  
2 Association of Community Mental Health Boards when developing  
3 policies and procedures that will impact PIHPs or CMHSPs.

4       Sec. 1005. For the purposes of special projects involving  
5 high-need children or adults, including the not guilty by reason of  
6 insanity population, the department may contract directly with  
7 providers of services to these identified populations.

8       Sec. 1006. No later than June 1 of the current fiscal year,  
9 the department shall provide the house and senate appropriations  
10 subcommittees on the department budget, the house and senate fiscal  
11 agencies, and the state budget office with the most recent cost  
12 data information submitted by the CMHSPs on how the funds  
13 appropriated in part 1 for the community mental health services  
14 non-Medicaid services line item were expended by each CMHSP. At a  
15 minimum, the information must include CMHSPs general fund/general  
16 purpose costs for each of the following categories: administration,  
17 prevention, jail diversion and treatment services, MICHild program,  
18 children's waiver home care program, children with serious  
19 emotional disturbance waiver program, services provided to  
20 individuals with mental illness and developmental disabilities who  
21 are not eligible for Medicaid, and the Medicaid spenddown  
22 population.

23       Sec. 1007. (1) From the funds appropriated in part 1 for  
24 behavioral health program administration, the department shall  
25 maintain a psychiatric residential treatment facility and  
26 children's behavioral action team. These services will augment the  
27 continuum of behavioral health services for high-need youth and

1 provide additional continuity of care and transition into  
2 supportive community-based services.

3 (2) Outcomes and performance measures for this initiative  
4 include, but are not limited to, the following:

5 (a) The rate of rehospitalization for youth served through the  
6 program at 30 and 180 days.

7 (b) Measured change in the Child and Adolescent Functional  
8 Assessment Scale for children served through the program.

9 Sec. 1008. The PIHP shall do all of the following:

10 (a) Work to reduce administration costs by ensuring that PIHP  
11 responsible functions are efficient to allow optimal transition of  
12 dollars to direct services. This process must include limiting  
13 duplicate layers of administration and minimizing PIHP-delegated  
14 services that may result in higher costs or inconsistent service  
15 delivery, or both.

16 (b) Take an active role in managing mental health care by  
17 ensuring consistent and high-quality service delivery throughout  
18 its network and promote a conflict-free care management  
19 environment.

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

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

25 Sec. 1009. (1) The department shall work with PIHP network  
26 providers to analyze the workforce challenges of recruitment and  
27 retention of staff who provide Medicaid-funded community living

1 supports, personal care services, respite services, skill building  
2 services, and other similar supports and services. The department  
3 workgroup must consider ways to attract and retain staff to provide  
4 Medicaid-funded supports and services.

5 (2) The department workgroup must include PIHP providers,  
6 CMHSPs, individuals with disabilities, and staff.

7 (3) By October 1 of the current fiscal year, the department  
8 shall provide a status report on the workgroup's suggestions to the  
9 senate and house appropriations subcommittees on the department  
10 budget, the senate and house fiscal agencies, and the state budget  
11 director, making note in the report when the participants outlined  
12 in subsection (2) reached consensus on the workgroup's suggestions  
13 and when the participants outlined in subsection (2) had points of  
14 difference on the workgroup's suggestions.

15 Sec. 1010. (1) If the federal government allows the  
16 redistribution of lapsed federal Medicaid match funds in the  
17 Medicaid mental health services line, the funds appropriated in  
18 part 1 for Medicaid mental health services funds, that have lapsed,  
19 shall be distributed to individual PIHPs based on the PIHP  
20 distribution formula in effect during the current fiscal year.

21 (2) It is the intent of the legislature that any funds that  
22 lapse from the funds appropriated in part 1 for Medicaid mental  
23 health services shall be redistributed to individual CMHSPs based  
24 on the community mental health non-Medicaid services distribution  
25 formula in effect during the current fiscal year. By April 1 of the  
26 current fiscal year, the department shall report to the house and  
27 senate appropriations subcommittees on the department budget, the

1 house and senate fiscal agencies, and the state budget office on  
2 the lapse by PIHP from the previous fiscal year and the projected  
3 lapse by PIHP in the current fiscal year.

4       Sec. 1011. (1) As part of the Medicaid rate setting process  
5 for behavioral health care, the department shall work with PIHP  
6 network providers and actuaries to consider including any state  
7 minimum wage increases that directly impact staff who provide  
8 Medicaid-funded community living supports, personal care services,  
9 respite services, skill building services, and other similar  
10 supports and services as part of the Medicaid rate.

11       (2) It is the intent of the legislature that any increase in  
12 the Medicaid rate related to a state minimum wage increase shall be  
13 passed through to direct care employees as described in subsection  
14 (1).

15       Sec. 1012. (1) The department shall conduct a workgroup to  
16 address the challenge of meeting monthly deductible requirements in  
17 the Medicaid program and establish policy recommendations. The  
18 members of the workgroup shall include, but are not limited to,  
19 representatives from the medical services division within the  
20 department, PIHP network providers, CMHSPS, and members of the  
21 public. The workgroup shall, at minimum, take into consideration  
22 and make recommendations on all of the following items:

23       (a) The average number of individuals who do not meet their  
24 monthly Medicaid deductibles in Michigan each year.

25       (b) How the reduction in general fund investment to CMHSPS for  
26 non-Medicaid services has played a role in the inability of many  
27 individuals to meet their spend-down.

1 (c) What currently counts as the protected income level and  
2 how that compares to other states.

3 (2) By September 30 of the current fiscal year, the department  
4 shall provide a report to the senate and house appropriations  
5 subcommittees on the department budget, the senate and house fiscal  
6 agencies, the senate and house policy offices, and the state budget  
7 office on the workgroup findings. The report shall include an  
8 action plan for implementation of any proposed changes, and an  
9 estimate of the costs that may be incurred from the adoption of  
10 workgroup recommendations.

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

12 Sec. 1051. The department shall continue a revenue recapture  
13 project to generate additional revenues from third parties related  
14 to cases that have been closed or are inactive. A portion of  
15 revenues collected through project efforts may be used for  
16 departmental costs and contractual fees associated with these  
17 retroactive collections and to improve ongoing departmental  
18 reimbursement management functions.

19 Sec. 1052. The purpose of gifts and bequests for patient  
20 living and treatment environments is to use additional private  
21 funds to provide specific enhancements for individuals residing at  
22 state-operated facilities. Use of the gifts and bequests shall be  
23 consistent with the stipulation of the donor. The expected  
24 completion date for the use of gifts and bequests donations is  
25 within 3 years unless otherwise stipulated by the donor.

26 Sec. 1055. (1) The department shall not implement any closures

1 or consolidations of state hospitals, centers, or agencies until  
2 CMHSPs or PIHPs have programs and services in place for those  
3 individuals currently in those facilities and a plan for service  
4 provision for those individuals who would have been admitted to  
5 those facilities.

6 (2) All closures or consolidations are dependent upon adequate  
7 department-approved CMHSP and PIHP plans that include a discharge  
8 and aftercare plan for each individual currently in the facility. A  
9 discharge and aftercare plan shall address the individual's housing  
10 needs. A homeless shelter or similar temporary shelter arrangements  
11 are inadequate to meet the individual's housing needs.

12 (3) Four months after the certification of closure required in  
13 section 19(6) of the state employees' retirement act, 1943 PA 240,  
14 MCL 38.19, the department shall provide a closure plan to the house  
15 and senate appropriations subcommittees on the department budget  
16 and the state budget director.

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

22 Sec. 1056. The department may collect revenue for patient  
23 reimbursement from first- and third-party payers, including  
24 Medicaid and local county CMHSP payers, to cover the cost of  
25 placement in state hospitals and centers. The department is  
26 authorized to adjust financing sources for patient reimbursement  
27 based on actual revenues earned. If the revenue collected exceeds

1 current year expenditures, the revenue may be carried forward with  
2 approval of the state budget director. The revenue carried forward  
3 shall be used as a first source of funds in the subsequent year.

4 Sec. 1058. Effective October 1 of the current fiscal year, the  
5 department, in consultation with the department of technology,  
6 management, and budget, may maintain a bid process to identify 1 or  
7 more private contractors to provide food service and custodial  
8 services for the administrative areas at any state hospital  
9 identified by the department as capable of generating savings  
10 through the outsourcing of such services.

11 Sec. 1059. (1) From the increased funds appropriated in part 1  
12 in center for forensic psychiatry, the department shall open an  
13 additional wing at the center for forensic psychiatry by April 1 of  
14 the current fiscal year. The purpose of this program is to provide  
15 additional capacity for specialized services to criminal defendants  
16 who are adjudicated as incompetent to stand trial and not guilty by  
17 reason of insanity.

18 (2) The department shall identify specific outcomes and  
19 performance measures for this initiative, including, but not  
20 limited, to the following:

21 (a) The average wait time for persons ruled incompetent to  
22 stand trial before admission to the center for forensic psychiatry.

23 (b) The average wait time for persons ruled incompetent to  
24 stand trial before admission to other state-operated psychiatric  
25 facilities.

26 (c) The number of persons waiting to receive services at the  
27 center for forensic psychiatry.

(d) The number of persons waiting to receive services at other state-operated hospitals and centers.

### **PUBLIC HEALTH ADMINISTRATION**

Sec. 1101. The department shall work with the Michigan health endowment fund corporation established under section 653 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1653, to explore ways to fund and evaluate current and future policies and programs. By December 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office detailing the steps the department has taken to work with the Michigan health endowment fund.

### **HEALTH POLICY**

Sec. 1142. The department shall continue to seek means to increase retention of Michigan medical school students for completion of their primary care residency requirements within this state and ultimately, for some period of time, to remain in this state and serve as primary care physicians. The department is encouraged to work with Michigan institutions of higher education.

Sec. 1143. The department may award health innovation grants to address emerging issues and encourage cutting edge advances in health care including strategic partners in both the public and private sectors.

Sec. 1144. (1) From the funds appropriated in part 1 for



1 health policy administration, the department shall allocate the  
2 federal state innovation model grant funding that supports  
3 implementation of the health delivery system innovations detailed  
4 in this state's "Reinventing Michigan's Health Care System:  
5 Blueprint for Health Innovation" document. Over the next 4 years  
6 this initiative will test new payment methodologies, support  
7 improved population health outcomes, and support improved  
8 infrastructure for technology and data sharing and reporting. The  
9 funds will be used to provide financial support directly to regions  
10 participating in the model test and to support statewide  
11 stakeholder guidance and technical support.

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

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

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

20 (3) By March 1 and September 1 of the current fiscal year, the  
21 department shall submit a written report to the house and senate  
22 appropriations subcommittees on the department budget, the house  
23 and senate fiscal agencies, and the state budget office on the  
24 status of the program and progress made since the prior report.

25 (4) From the funds appropriated in part 1 for health policy  
26 administration, any data aggregator created as part of the  
27 allocation of the federal state innovation model grant funds must

1 meet the following standards:

2 (a) The primary purpose of the data aggregator must be to  
3 increase the quality of health care delivered in this state, while  
4 reducing costs.

5 (b) The data aggregator must be governed by a nonprofit  
6 entity.

7 (c) All decisions regarding the establishment, administration,  
8 and modification of the database must be made by an advisory board.  
9 The membership of the advisory board must include the director of  
10 the department or a designee of the director and representatives of  
11 health carriers, consumers, and purchasers.

12 (d) The data aggregator must receive health care claims  
13 information from, without limitation, commercial health carriers,  
14 nonprofit health care corporations, health maintenance  
15 organizations, and third party administrators that process claims  
16 under a service contract.

17 (e) The data aggregator must use existing data sources and  
18 technological infrastructure, to the extent possible.

19 Sec. 1145. The department will take steps necessary to work  
20 with Indian Health Service, Tribal or Urban Indian Health Program  
21 facilities that provide services under a contract with a Medicaid  
22 managed care entity to ensure that those facilities receive the  
23 maximum amount allowable under federal law for Medicaid services.

24 Sec. 1146. From the funds appropriated in part 1 for bone  
25 marrow transplant registry, \$250,000.00 shall be allocated to  
26 Michigan Blood, the partner of the match registry of the national  
27 marrow donor program. The funds shall be used to offset ongoing

1 tissue typing expenses associated with donor recruitment and  
2 collection services and to expand those services to better serve  
3 the citizens of this state.

4       Sec. 1150. From the funds appropriated in part 1 for health  
5 policy administration, the department shall hire 1 FTE dedicated to  
6 coordinating with the department of licensing and regulatory  
7 affairs, the department of the attorney general, and the Medicaid  
8 health plans to reduce fraud related to opioid prescribing within  
9 Medicaid. By October 1 of the current fiscal year, the department  
10 shall submit a report to the senate and house appropriations  
11 committees on the department budget, the senate and house fiscal  
12 agencies, the senate and house policy offices, and the state budget  
13 office on steps the department has taken to coordinate with the  
14 entities listed in this section and other stakeholders to reduce  
15 fraud related to opioid prescribing.

16       Sec. 1151. From the funds appropriated in part 1 for health  
17 policy administration, the department shall hire 1 FTE dedicated to  
18 coordinating with the department of licensing and regulatory  
19 affairs, the department of the attorney general, and the Medicaid  
20 health plans to work with coordinating agencies to help inform  
21 residents of all medically appropriate treatment options for opioid  
22 addiction when their treating physician stops prescribing  
23 prescription opioid medication for pain. By October 1 of the  
24 current fiscal year, the department shall submit a report to the  
25 senate and house appropriations committees on the department  
26 budget, the senate and house fiscal agencies, the senate and house  
27 policy offices, and the state budget office on how the department

1 is working with local substance use disorder agencies and addiction  
2 treatment providers to ensure that Medicaid recipients are informed  
3 of all available and medically appropriate treatment options for  
4 opioid addiction when their treating physician stops prescribing  
5 prescription opioid medication for pain. The report shall include  
6 any potential barriers to medication-assisted treatment, as  
7 recommended by the Michigan medication-assisted treatment  
8 guidelines, for Medicaid-eligible residents in both office-based  
9 opioid treatment and opioid treatment program facility settings.

10 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

11 Sec. 1180. From the funds appropriated in part 1 for the  
12 healthy homes program, no less than \$1,750,000.00 shall be  
13 allocated for lead abatement of homes.

14 Sec. 1181. The department shall implement a plan designed to  
15 improve Michigan's childhood and adolescent immunization rates. The  
16 department shall engage organizations working to provide  
17 immunizations and education about the value of vaccines, including,  
18 but not limited to, statewide organizations representing health  
19 care providers, local public health departments, child health  
20 interest groups, and private foundations with a mission to increase  
21 immunization rates.

22 Sec. 1182. From the funds appropriated in part 1 for  
23 immunization programs, for every \$4.00 in private matching funds  
24 received, this state shall allocate \$1.00, up to \$500,000.00 in  
25 state contributions, to provide and promote education about the  
26 value of vaccines for infants and toddlers.

1 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

2       Sec. 1220. The amount appropriated in part 1 for  
3 implementation of the 1993 additions of or amendments to sections  
4 9161, 16221, 16226, 17014, 17015, and 17515 of the public health  
5 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,  
6 333.17015, and 333.17515, shall be used to reimburse local health  
7 departments for costs incurred related to implementation of section  
8 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

9       Sec. 1221. If a county that has participated in a district  
10 health department or an associated arrangement with other local  
11 health departments takes action to cease to participate in such an  
12 arrangement after October 1 of the current fiscal year, the  
13 department shall have the authority to assess a penalty from the  
14 local health department's operational accounts in an amount equal  
15 to no more than 6.25% of the local health department's essential  
16 local public health services funding. This penalty shall only be  
17 assessed to the local county that requests the dissolution of the  
18 health department.

19       Sec. 1222. Funds appropriated in part 1 for essential local  
20 health services shall only be distributed to counties that maintain  
21 local spending in the current fiscal year of at least the amount  
22 expended in fiscal year 1992-1993 by local health departments to  
23 support immunizations, infectious disease control, sexually  
24 transmitted disease control and prevention, hearing screening,  
25 vision services, food protection, public water supply, private  
26 groundwater supply, and on-site sewage management.

27       Sec. 1223. (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 the department budget, the senate and house  
7 standing committees on health policy, and the state budget office  
8 the number of individual patients treated, number of procedures  
9 performed, and approximate total market value of those procedures  
10 from the immediately preceding fiscal year.

11 Sec. 1224. The department shall use revenue from mobile  
12 dentistry facility permit fees received under section 21605 of the  
13 public health code, 1978 PA 368, MCL 333.21605, to offset the cost  
14 of the permit program.

15 Sec. 1225. The department shall work with the Michigan health  
16 endowment fund corporation established under section 653 of the  
17 nonprofit health care corporation reform act, 1980 PA 350, MCL  
18 550.1653, to explore ways to fund and evaluate current and future  
19 policies and programs.

20 Sec. 1226. From the funds appropriated in part 1 for health  
21 and wellness initiatives, \$1,000,000.00 shall be allocated for a  
22 school children's healthy exercise program to promote and advance  
23 physical health for school children in kindergarten through grade  
24 8. The department shall recommend model programs for sites to  
25 implement that incorporate evidence-based best practices. The  
26 department shall grant no less than 1/2 of the funds appropriated  
27 in part 1 for before- and after-school programs. The department

1 shall establish guidelines for program sites, which may include  
2 schools, community-based organizations, private facilities,  
3 recreation centers, or other similar sites. The program format  
4 shall encourage local determination of site activities and shall  
5 encourage local inclusion of youth in the decision-making regarding  
6 site activities. Program goals shall include children experiencing  
7 improved physical health and access to physical activity  
8 opportunities, the reduction of obesity, providing a safe place to  
9 play and exercise, and nutrition education. To be eligible to  
10 participate, program sites shall provide a 20% match to the state  
11 funding, which may be provided in full, or in part, by a  
12 corporation, foundation, or private partner. The department shall  
13 seek financial support from corporate, foundation, or other private  
14 partners for the program or for individual program sites.

15       Sec. 1227. The department shall establish criteria for all  
16 funds allocated under part 1 for health and wellness initiatives.  
17 The criteria must include a requirement that all programs funded be  
18 evidence-based and supported by research, include interventions  
19 that have been shown to demonstrate outcomes that lower cost and  
20 improve quality, and be designed for statewide impact. Preference  
21 must be given to programs that utilize the funding as match for  
22 additional resources including, but not limited to, federal  
23 sources.

24 **FAMILY, MATERNAL, AND CHILD HEALTH**

25       Sec. 1301. (1) Before April 1 of the current fiscal year, the  
26 department shall submit a report to the house and senate fiscal

1 agencies and the state budget director on planned allocations from  
2 the amounts appropriated in part 1 for local MCH services, prenatal  
3 care outreach and service delivery support, family planning local  
4 agreements, and pregnancy prevention programs. Using applicable  
5 federal definitions, the report shall include information on all of  
6 the following:

7 (a) Funding allocations.

8 (b) Actual number of women, children, and adolescents served  
9 and amounts expended for each group for the immediately preceding  
10 fiscal year.

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

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

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

20 Sec. 1302. Each family planning program receiving federal  
21 title X family planning funds under 42 USC 300 to 300a-8 shall be  
22 in compliance with all performance and quality assurance indicators  
23 that the office of population affairs within the United States  
24 Department of Health and Human Services specifies in the program  
25 guidelines for project grants for family planning services. An  
26 agency not in compliance with the indicators shall not receive  
27 supplemental or reallocated funds.



1       Sec. 1303. The department shall not contract with an  
2 organization that provides elective abortions, abortion counseling,  
3 or abortion referrals, for services that are to be funded with  
4 state restricted or state general fund/general purpose funds  
5 appropriated in part 1 for family planning local agreements. An  
6 organization under contract with the department shall not  
7 subcontract with an organization that provides elective abortions,  
8 abortion counseling, or abortion referrals, for services that are  
9 to be funded with state restricted or state general fund/general  
10 purpose funds appropriated in part 1 for family planning local  
11 agreements.

12       Sec. 1304. The department shall not use state restricted funds  
13 or state general funds appropriated in part 1 in the family  
14 planning local agreements appropriation line items for abortion  
15 counseling, referrals, or services.

16       Sec. 1307. From the funds appropriated in part 1 for prenatal  
17 care outreach and service delivery support, \$400,000.00 of TANF  
18 revenue shall be allocated for a pregnancy and parenting support  
19 services program, which program must promote childbirth,  
20 alternatives to abortion, and grief counseling. The department  
21 shall establish a program with a qualified contractor that will  
22 contract with qualified service providers to provide free  
23 counseling, support, and referral services to eligible women during  
24 pregnancy through 12 months after birth. As appropriate, the goals  
25 for client outcomes shall include an increase in client support, an  
26 increase in childbirth choice, an increase in adoption knowledge,  
27 an improvement in parenting skills, and improved reproductive

1 health through abstinence education. The contractor of the program  
2 shall provide for program training, client educational material,  
3 program marketing, and annual service provider site monitoring. The  
4 department shall submit a report to the house and senate  
5 appropriations subcommittees on the department budget and the house  
6 and senate fiscal agencies by April 1 of the current fiscal year on  
7 the number of clients served.

8       Sec. 1308. From the funds appropriated in part 1 for prenatal  
9 care outreach and service delivery support, not less than  
10 \$500,000.00 of funding shall be allocated for evidence-based  
11 programs to reduce infant mortality including nurse family  
12 partnership programs. The funds shall be used for enhanced support  
13 and education to nursing teams or other teams of qualified health  
14 professionals, client recruitment in areas designated as  
15 underserved for obstetrical and gynecological services and other  
16 high-need communities, strategic planning to expand and sustain  
17 programs, and marketing and communications of programs to raise  
18 awareness, engage stakeholders, and recruit nurses.

19       Sec. 1309. The department shall allocate funds appropriated in  
20 section 119 of part 1 for family, maternal, and child health  
21 pursuant to section 1 of 2002 PA 360, MCL 333.1091.

22       Sec. 1310. The department shall continue to work jointly with  
23 the Michigan state housing development authority and the joint task  
24 force established under article IV of 2014 PA 252 to review housing  
25 rehabilitation, energy and weatherization, and hazard abatement  
26 program policies and to make recommendations for integrating and  
27 coordinating project delivery with the goals of serving more

1 families and achieving better outcomes by maximizing state and  
2 federal resources. The joint task force may provide recommendations  
3 to the department. Recommendations of the joint task force must  
4 give consideration to best practices and cost effectiveness.

5 Sec. 1313. (1) The department shall continue developing an  
6 outreach program on fetal alcohol syndrome services.

7 (2) The department shall explore federal grant funding to  
8 address prevention services for fetal alcohol syndrome and reduce  
9 alcohol consumption among pregnant women.

10 Sec. 1340. The department shall include national brand peanut  
11 butter on the list of approved WIC basket items.

#### 12 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

13 Sec. 1360. The department may do 1 or more of the following:

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

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

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

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

22 Sec. 1361. From the funds appropriated in part 1 for medical  
23 care and treatment, the department is authorized to spend those  
24 funds for the continued development and expansion of telemedicine  
25 capacity to allow families with children in the children's special  
26 health care services program to access specialty providers more

1 readily and in a more timely manner.

2 **AGING AND ADULT SERVICES AGENCY**

3       Sec. 1402. The department may encourage the Food Bank Council  
4 of Michigan to collaborate directly with each area agency on aging  
5 and any other organizations that provide senior nutrition services  
6 to secure the food security of vulnerable seniors.

7       Sec. 1403. (1) By February 1 of the current fiscal year, the  
8 aging and adult services agency shall require each region to report  
9 to the aging and adult services agency and to the legislature home-  
10 delivered meals waiting lists based upon standard criteria.

11 Determining criteria shall include all of the following:

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

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

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

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

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

22       Sec. 1417. The department shall provide to the senate and  
23 house appropriations subcommittees on the department budget, senate  
24 and house fiscal agencies, and state budget director a report by  
25 March 30 of the current fiscal year that contains all of the  
26 following:

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

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

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

9 Sec. 1422. (1) From the funds appropriated in part 1 for aging  
10 and adult services administration, the department shall contract  
11 with the Prosecuting Attorneys Association of Michigan to provide  
12 the support and services necessary to increase the capability of  
13 the state's prosecutors, adult protective service system, and  
14 criminal justice system to effectively identify, investigate, and  
15 prosecute elder abuse and financial exploitation.

16 (2) By March 1 of the current fiscal year, the Prosecuting  
17 Attorneys Association of Michigan shall provide a report on the  
18 efficacy of the contract to the state budget office, the house and  
19 senate appropriations subcommittees on the department budget, the  
20 house and senate fiscal agencies, and the house and senate policy  
21 offices.

22 Sec. 1423. From the funds appropriated in part 1 for Elder Law  
23 of Michigan MiCAFE contract, the department shall allocate not less  
24 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this  
25 state's elderly population to participate in the food assistance  
26 program. Of the \$350,000.00 allocated under this section, the  
27 department shall use \$175,000.00, which are general fund/general

1 purpose funds, as state matching funds for not less than  
2 \$175,000.00 in United States Department of Agriculture funding to  
3 provide outreach program activities, such as eligibility screen and  
4 information services, as part of a statewide food assistance  
5 hotline.

6 Sec. 1424. From the funds appropriated in part 1 for community  
7 services, \$150,000.00 is appropriated for Alzheimer's disease  
8 services and shall be remitted to the Alzheimer's association-  
9 Michigan chapters for the purpose of carrying out a pilot project  
10 in Macomb, Monroe, and St. Joseph Counties. The fiduciary for the  
11 funds is the Alzheimer's association-greater Michigan chapter. The  
12 Alzheimer's association shall provide enhanced services, including  
13 24/7 helpline, continued care consultation, and support groups, to  
14 individuals with Alzheimer's disease or dementia and their families  
15 in the 3 counties, and partner with a Michigan public university to  
16 study whether provision of such in-home support services  
17 significantly delays the need for residential long-term care  
18 services for individuals with Alzheimer's disease or dementia. The  
19 study must also consider potential cost savings related to the  
20 delay of long-term care services, if a delay is shown.

#### 21 **MEDICAL SERVICES ADMINISTRATION**

22 Sec. 1501. The unexpended funds appropriated in part 1 for the  
23 electronic health records incentive program are considered work  
24 project appropriations, and any unencumbered or unallotted funds  
25 are carried forward into the following fiscal year. The following  
26 is in compliance with section 451a(1) of the management and budget

1 act, 1984 PA 431, MCL 18.1451a:

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

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

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

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

14 Sec. 1502. The department shall spend available work project  
15 revenue and any associated federal match to create and develop a  
16 transparency database website. This funding is contingent upon  
17 enactment of enabling legislation.

18 Sec. 1503. From the funds appropriated in part 1 for Healthy  
19 Michigan plan administration, the department shall maintain an  
20 accounting structure within the Michigan administrative information  
21 network that will allow expenditures associated with the  
22 administration of the Healthy Michigan plan to be identified.

23 Sec. 1505. By March 1 and September 1 of the current fiscal  
24 year, the department shall submit a report to the senate and house  
25 appropriations subcommittees on the department budget, the senate  
26 and house fiscal agencies, and the state budget office including  
27 both of the following:

1 (a) The department's projected annual increase in  
2 reimbursement savings and cost offsets that will result from the  
3 additional funds appropriated in part 1 for the office of inspector  
4 general and third party liability efforts.

5 (b) The actual increase in reimbursement savings and cost  
6 offsets that have resulted from the additional funds appropriated  
7 in part 1 for the office of inspector general and third party  
8 liability efforts.

9 Sec. 1506. (1) From the funds appropriated in part 1 for  
10 technology supporting integrated service delivery, the department  
11 shall establish new information technology tools and enhance  
12 existing systems to improve the eligibility and enrollment process  
13 for citizens accessing department administered programs. This  
14 information technology system will consolidate beneficiary  
15 information, support department caseworker efforts in building a  
16 success plan for beneficiaries, and better support department staff  
17 in supporting enrollees in assistance programs.

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

20 (a) Successful consolidation of data warehouses maintained by  
21 the department.

22 (b) The amount of time a department caseworker devotes to data  
23 entry when initiating an enrollee application.

24 (c) A reduction in wait times for persons enrolled in  
25 assistance programs to speak with department staff and get  
26 necessary changes made.

27 (d) A reduction in department caseworker workload



1 **MEDICAL SERVICES**

2       Sec. 1601. The cost of remedial services incurred by residents  
3 of licensed adult foster care homes and licensed homes for the aged  
4 shall be used in determining financial eligibility for the  
5 medically needy. Remedial services include basic self-care and  
6 rehabilitation training for a resident.

7       Sec. 1603. (1) The department may establish a program for  
8 individuals to purchase medical coverage at a rate determined by  
9 the department.

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

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

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

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

23       Sec. 1607. (1) An applicant for Medicaid, whose qualifying  
24 condition is pregnancy, shall immediately be presumed to be  
25 eligible for Medicaid coverage unless the preponderance of evidence  
26 in her application indicates otherwise. The applicant who is  
27 qualified as described in this subsection shall be allowed to

1 select or remain with the Medicaid participating obstetrician of  
2 her choice.

3 (2) An applicant qualified as described in subsection (1)  
4 shall be given a letter of authorization to receive Medicaid  
5 covered services related to her pregnancy. All qualifying  
6 applicants shall be entitled to receive all medically necessary  
7 obstetrical and prenatal care without preauthorization from a  
8 health plan. All claims submitted for payment for obstetrical and  
9 prenatal care shall be paid at the Medicaid fee-for-service rate in  
10 the event a contract does not exist between the Medicaid  
11 participating obstetrical or prenatal care provider and the managed  
12 care plan. The applicant shall receive a listing of Medicaid  
13 physicians and managed care plans in the immediate vicinity of the  
14 applicant's residence.

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

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

27 (5) The department shall develop an enrollment process for

1 pregnant women covered under this section that facilitates the  
2 selection of a managed care plan at the time of application.

3 (6) The department shall mandate enrollment of women, whose  
4 qualifying condition is pregnancy, into Medicaid managed care  
5 plans.

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

10 Sec. 1611. (1) For care provided to medical services  
11 recipients with other third-party sources of payment, medical  
12 services reimbursement shall not exceed, in combination with such  
13 other resources, including Medicare, those amounts established for  
14 medical services-only patients. The medical services payment rate  
15 shall be accepted as payment in full. Other than an approved  
16 medical services co-payment, no portion of a provider's charge  
17 shall be billed to the recipient or any person acting on behalf of  
18 the recipient. Nothing in this section shall be considered to  
19 affect the level of payment from a third-party source other than  
20 the medical services program. The department shall require a  
21 nonenrolled provider to accept medical services payments as payment  
22 in full.

23 (2) Notwithstanding subsection (1), medical services  
24 reimbursement for hospital services provided to dual  
25 Medicare/medical services recipients with Medicare part B coverage  
26 only shall equal, when combined with payments for Medicare and  
27 other third-party resources, if any, those amounts established for

1 medical services-only patients, including capital payments.

2       Sec. 1620. (1) For fee-for-service recipients who do not  
3 reside in nursing homes, the pharmaceutical dispensing fee shall be  
4 \$2.75 or the pharmacy's usual or customary cash charge, whichever  
5 is less. For nursing home residents, the pharmaceutical dispensing  
6 fee shall be \$3.00 or the pharmacy's usual or customary cash  
7 charge, whichever is less.

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

13       (3) The department shall require a prescription co-payment for  
14 Medicaid recipients enrolled in the Healthy Michigan plan with an  
15 income of at least 100% of the federal poverty level of \$4.00 for a  
16 generic drug and \$8.00 for a brand-name drug, except as prohibited  
17 by federal or state law or regulation.

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

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

26       (2) Except as otherwise prohibited by federal or state law or  
27 regulation, the department shall require Medicaid recipients not

1 enrolled in the Healthy Michigan plan or with an income less than  
2 100% of the federal poverty level to pay not less than the  
3 following co-payments:

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

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

6 (c) Fifty dollars for the first day of an inpatient hospital  
7 stay.

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

9 (3) Except as otherwise prohibited by federal or state law or  
10 regulation, the department shall require Medicaid recipients  
11 enrolled in the Healthy Michigan plan with an income of at least  
12 100% of the federal poverty level to pay the following co-payments:

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

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

15 (c) One hundred dollars for the first day of an inpatient  
16 hospital stay.

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

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

24 Sec. 1657. (1) Reimbursement for medical services to screen  
25 and stabilize a Medicaid recipient, including stabilization of a  
26 psychiatric crisis, in a hospital emergency room shall not be made  
27 contingent on obtaining prior authorization from the recipient's

1 HMO. If the recipient is discharged from the emergency room, the  
2 hospital shall notify the recipient's HMO within 24 hours of the  
3 diagnosis and treatment received.

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

8 (3) Subsections (1) and (2) do not require an alteration to an  
9 existing agreement between an HMO and its contracting hospitals and  
10 do not require an HMO to reimburse for services that are not  
11 considered to be medically necessary.

12 Sec. 1659. The following sections of this part are the only  
13 ones that shall apply to the following Medicaid managed care  
14 programs, including the comprehensive plan, MIChoice long-term care  
15 plan, and the mental health, substance use disorder, and  
16 developmentally disabled services program: 904, 911, 918, 928, 994,  
17 1008, 1607, 1657, 1662, 1699, 1764, 1806, 1809, 1810, 1820, 1850,  
18 1875, 1879, 1881, 1882, 1885, and 1888.

19 Sec. 1662. (1) The department shall ensure that an external  
20 quality review of each contracting HMO is performed that results in  
21 an analysis and evaluation of aggregated information on quality,  
22 timeliness, and access to health care services that the HMO or its  
23 contractors furnish to Medicaid beneficiaries.

24 (2) The department shall require Medicaid HMOs to provide  
25 EPSDT utilization data through the encounter data system, and HEDIS  
26 well child health measures in accordance with the National  
27 Committee for Quality Assurance prescribed methodology.

1           (3) The department shall provide a copy of the analysis of the  
2 Medicaid HMO annual audited HEDIS reports and the annual external  
3 quality review report to the senate and house of representatives  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies, and the state budget director, within 30  
6 days of the department's receipt of the final reports from the  
7 contractors.

8           Sec. 1670. (1) The appropriation in part 1 for the MICHild  
9 program is to be used to provide comprehensive health care to all  
10 children under age 19 who reside in families with income at or  
11 below 212% of the federal poverty level, who are uninsured and have  
12 not had coverage by other comprehensive health insurance within 6  
13 months of making application for MICHild benefits, and who are  
14 residents of this state. The department shall develop detailed  
15 eligibility criteria through the medical services administration  
16 public concurrence process, consistent with the provisions of this  
17 part and part 1.

18           (2) The department may provide up to 1 year of continuous  
19 eligibility to children eligible for the MICHild program unless the  
20 family fails to pay the monthly premium, a child reaches age 19, or  
21 the status of the children's family changes and its members no  
22 longer meet the eligibility criteria as specified in the state  
23 plan.

24           (3) Children whose category of eligibility changes between the  
25 Medicaid and MICHild programs shall be assured of keeping their  
26 current health care providers through the current prescribed course  
27 of treatment for up to 1 year, subject to periodic reviews by the

1 department if the beneficiary has a serious medical condition and  
2 is undergoing active treatment for that condition.

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

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

11 (6) MICHild services shall include treatment for autism  
12 spectrum disorders as defined in the federally approved Medicaid  
13 state plan.

14 Sec. 1673. The department may establish premiums for MICHild  
15 eligible individuals in families with income at or below 212% of  
16 the federal poverty level. The monthly premiums shall be \$10.00 per  
17 month.

18 Sec. 1677. The MICHild program shall provide, at a minimum,  
19 all benefits available under the Michigan benchmark plan that are  
20 delivered through contracted providers and consistent with federal  
21 law, including, but not limited to, the following medically  
22 necessary services:

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

27 (b) Outpatient mental health services, other than substance



1 use disorder services, including services furnished in a state-  
2 operated mental hospital and community-based services.

3 (c) Durable medical equipment and prosthetic and orthotic  
4 devices.

5 (d) Dental services as outlined in the approved MICHild state  
6 plan.

7 (e) Substance use disorder treatment services that may include  
8 inpatient, outpatient, and residential substance use disorder  
9 treatment services.

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

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

13 (h) Emergency ambulance services.

14 Sec. 1682. (1) In addition to the appropriations in part 1,  
15 the department is authorized to receive and spend penalty money  
16 received as the result of noncompliance with medical services  
17 certification regulations. Penalty money, characterized as private  
18 funds, received by the department shall increase authorizations and  
19 allotments in the long-term care accounts.

20 (2) Any unexpended penalty money, at the end of the year,  
21 shall carry forward to the following year.

22 Sec. 1692. (1) The department is authorized to pursue  
23 reimbursement for eligible services provided in Michigan schools  
24 from the federal Medicaid program. The department and the state  
25 budget director are authorized to negotiate and enter into  
26 agreements, together with the department of education, with local  
27 and intermediate school districts regarding the sharing of federal

1 Medicaid services funds received for these services. The department  
2 is authorized to receive and disburse funds to participating school  
3 districts pursuant to such agreements and state and federal law.

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

7 (a) Finance activities within the medical services  
8 administration related to this project.

9 (b) Reimburse participating school districts pursuant to the  
10 fund-sharing ratios negotiated in the state-local agreements  
11 authorized in subsection (1).

12 (c) Offset general fund costs associated with the medical  
13 services program.

14 Sec. 1693. The special Medicaid reimbursement appropriation in  
15 part 1 may be increased if the department submits a medical  
16 services state plan amendment pertaining to this line item at a  
17 level higher than the appropriation. The department is authorized  
18 to appropriately adjust financing sources in accordance with the  
19 increased appropriation.

20 Sec. 1694. From the funds appropriated in part 1 for special  
21 Medicaid reimbursement, up to \$12,600.00 of general fund/general  
22 purpose revenue and any associated federal match shall be  
23 distributed for poison control services to an academic health care  
24 system that includes a children's hospital that has a high indigent  
25 care volume.

26 Sec. 1699. (1) The department may make separate payments in  
27 the amount of \$45,000,000.00 directly to qualifying hospitals

1 serving a disproportionate share of indigent patients and to  
2 hospitals providing GME training programs. If direct payment for  
3 GME and DSH is made to qualifying hospitals for services to  
4 Medicaid recipients, hospitals shall not include GME costs or DSH  
5 payments in their contracts with HMOs.

6 (2) The department shall allocate \$45,000,000.00 in DSH  
7 funding using the distribution methodology used in fiscal year  
8 2003-2004.

9 (3) By September 30 of the current fiscal year, the department  
10 shall report to the senate and house appropriations subcommittees  
11 on the department budget, the senate and house fiscal agencies, and  
12 the state budget office on the distribution of funding to each  
13 eligible hospital from the GME and DSH pools.

14 Sec. 1730. (1) The department shall work with the department  
15 of education to evaluate the feasibility of including an assessment  
16 tool to promote literacy development of pregnant women and new  
17 mothers in the maternal infant health program.

18 (2) By March 1 of the current fiscal year, the department  
19 shall provide a report to the house and senate appropriations  
20 subcommittees on the department budget, the house and senate fiscal  
21 agencies, and the state budget office on the findings of the  
22 feasibility study on including an assessment tool to promote  
23 literacy development of pregnant women and new mothers in the  
24 maternal infant health program.

25 Sec. 1757. The department shall obtain proof from all Medicaid  
26 recipients that they are legal United States citizens or otherwise  
27 legally residing in this country and that they are residents of

1 this state before approving Medicaid eligibility.

2       Sec. 1764. (1) The department shall annually certify whether  
3 rates paid to Medicaid health plans and specialty PIHPs are  
4 actuarially sound in accordance with federal requirements and shall  
5 provide a copy of the rate certification and approval of rates paid  
6 to Medicaid health plans and specialty PIHPs within 5 business days  
7 after certification or approval to the senate and house  
8 appropriations subcommittees on the department budget, the senate  
9 and house fiscal agencies, and the state budget office. When  
10 calculating the annual actuarial soundness adjustment, the  
11 department shall take into account all Medicaid policy bulletins  
12 affecting Medicaid health plans or specialty PIHPs issued after the  
13 most recent actuarial soundness process concluded. The department  
14 shall require all Medicaid policy bulletins affecting Medicaid  
15 health plans issued after the federal certification of rates to  
16 include an economic analysis demonstrating that the approved rates  
17 will not be compromised due to the new policy.

18       (2) To fully implement actuarial soundness, the department  
19 shall include language in the contract between the state and  
20 Medicaid health plans that provides that the state will annually  
21 reimburse the contractor the full cost of all taxes imposed by this  
22 state and the federal government, including the health insurer fee  
23 that the contractor incurs and becomes obligated to pay under  
24 section 9010 of the patient protection and affordable care act,  
25 Public Law 111-148, as amended by the health care and education  
26 reconciliation act of 2010, due to its receipt of Medicaid premiums  
27 under the contract. For purposes of this subsection, the full cost

1 of the health insurer fee includes both the health insurer fee and  
2 the allowance to reflect the federal and state income tax.

3 Sec. 1770. The department shall report to the senate and house  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies, and the state budget office information  
6 on savings from the reduction in managed care laboratory services  
7 fees enacted under Executive Order No. 2015-5 and continued in the  
8 current fiscal year. This report shall include the actual gross  
9 reduction in expenditures by Medicaid health plans that result from  
10 the reduction in the laboratory services fees.

11 Sec. 1775. (1) By March 1 and September 1 of the current  
12 fiscal year, the department shall report to the senate and house  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, and the state budget office on progress  
15 in implementing the waiver to implement managed care for  
16 individuals who are eligible for both Medicare and Medicaid, known  
17 as MI Health Link, including, but not limited to, a description of  
18 how the department intends to ensure that service delivery is  
19 integrated, how key components of the proposal are implemented  
20 effectively, and any problems and potential solutions as identified  
21 by the ombudsman described in subsection (2).

22 (2) The department shall ensure the existence of an ombudsman  
23 program that is not associated with any project service manager or  
24 provider to assist MI Health Link beneficiaries with navigating  
25 complaint and dispute resolution mechanisms and to identify  
26 problems in the demonstrations and in the complaint and dispute  
27 resolution mechanisms.

1       Sec. 1800. For the distribution of each of the pools within  
2 the \$85,000,000.00 outpatient disproportionate share hospital  
3 payment, the department shall develop a formula for the  
4 distribution of each pool based on the quality of care, cost,  
5 traditional disproportionate share hospital factors such as  
6 Medicaid utilization and uncompensated care, and any other factor  
7 that the department determines should be considered. By May 1 of  
8 the current fiscal year, the department shall report to the senate  
9 and house appropriations subcommittees on the department budget,  
10 the senate and house fiscal agencies, and the state budget office  
11 on the distribution of each pool.

12       Sec. 1801. From the funds appropriated in part 1 for physician  
13 services and health plan services, the department shall use  
14 \$33,318,800.00 in general fund/general purpose plus associated  
15 federal match to continue the increase to Medicaid rates for  
16 primary care services provided only by primary care providers. For  
17 the purpose of this section, a primary care provider is a  
18 physician, or a practitioner working under the personal supervision  
19 of a physician, who is board-eligible or certified with a specialty  
20 designation of family medicine, general internal medicine, or  
21 pediatric medicine, or a provider who provides the department with  
22 documentation of equivalency. The department shall examine  
23 including the subspecialty of neonatal medicine in its definition  
24 of primary care provider. Providers performing a service and whose  
25 primary practice is as a non-primary-care subspecialty is not  
26 eligible for the increase. The department shall establish policies  
27 that most effectively limit the increase to primary care providers

1 for primary care services only.

2       Sec. 1802. From the funds appropriated in part 1, a lump-sum  
3 payment shall be made to hospitals that qualified for rural  
4 hospital access payments in fiscal year 2013-2014 and that provide  
5 obstetrical care in the current fiscal year. The payment shall be  
6 calculated as \$830.00 for each obstetrical care case payment and  
7 each newborn care case payment for all such cases billed by the  
8 qualified hospitals for fiscal year 2012-2013 and shall be paid  
9 through the Medicaid health plan hospital rate adjustment process  
10 by January 1 of the current fiscal year.

11       Sec. 1804. The department, in cooperation with the department  
12 of military and veterans affairs, shall work with the federal  
13 public assistance reporting information system to identify Medicaid  
14 recipients who are veterans and who may be eligible for federal  
15 veterans health care benefits or other benefits.

16       Sec. 1805. Hospitals receiving medical services payments for  
17 graduate medical education shall submit fully completed quality  
18 data to the same national nonprofit organization with extensive  
19 experience in collecting and reporting hospital quality data on a  
20 public website. The reporting must utilize consensus-based  
21 nationally endorsed standards that meet National Quality Forum-  
22 endorsed safe practices. The organization collecting the data must  
23 be one that uses severity-adjusted risk models and measures that  
24 will help patients and payers identify hospital campuses likely to  
25 have superior outcomes. The department shall withhold a hospital's  
26 graduate medical education payment until the hospital submits the  
27 data to the qualifying nonprofit organization described in this

1 section.

2       Sec. 1806. (1) The department may establish performance  
3 standards to measure progress in the implementation of the common  
4 formulary used by all contracted Medicaid health plans.

5       (2) The ongoing implementation of the common formulary must  
6 include consideration of the department's preferred drug list.

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

10       (4) 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. 1809. The department shall establish separate contract  
15 performance standards for Medicaid health plans that adhere to the  
16 requirements of section 105d of the social welfare act, 1939 PA  
17 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation  
18 withhold. The determination of the performance of the 0.75%  
19 capitation withhold is at the discretion of the department but must  
20 include recognized concepts such as 1-year continuous enrollment  
21 and the HEDIS audited data. The determination of the performance of  
22 the 0.25% capitation withhold is at the discretion of the  
23 department but must include the utilization of high-value services  
24 and discouraging the utilization of low-value services.

25       Sec. 1810. The department shall enhance encounter data  
26 reporting processes and develop rules that would make each health  
27 plan's encounter data as complete as possible, provide a fair



1 measure of acuity for each health plan's enrolled population for  
2 risk adjustment purposes, capitation rate setting, diagnosis-  
3 related group rate setting, and research and analysis of program  
4 efficiencies while minimizing health plan administrative expense.

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 senate and house  
10 appropriations subcommittees on the department budget, the senate  
11 and house fiscal agencies, and the state budget office.

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 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 the  
19 need to add additional administrative costs to oversee the  
20 residents in the training program.

21       (c) The postresidency retention rate for the residency  
22 training program.

23       (3) The department shall hold graduate medical education  
24 recipients' payments until the submission of the information  
25 required in subsections (1) and (2).

26       (4) The department shall convene a workgroup to use the  
27 reports submitted under subsections (1) and (2) to assist in the

1 development of metrics for distribution of graduate medical  
2 education funds and shall report to the senate and house  
3 appropriations subcommittees on the department budget and the  
4 senate and house fiscal agencies on the results of the workgroup by  
5 September 30 of the current fiscal year. It is the intent of the  
6 legislature that, beginning with the budget for the fiscal year  
7 ending September 30, 2018, the metrics developed by this workgroup  
8 be used to determine the distribution of funds for graduate medical  
9 education.

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

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

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

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

25 (4) By July 1 of the current fiscal year, the department shall  
26 provide a progress report to the house and senate appropriations  
27 subcommittees on the department budget, the house and senate fiscal

1 agencies, and the state budget office on implementation of this  
2 section.

3 Sec. 1837. The department shall continue, and expand where  
4 appropriate, utilization of telemedicine and telepsychiatry as  
5 strategies to increase access to services for Medicaid recipients  
6 in medically underserved areas.

7 Sec. 1846. From the funds appropriated in part 1 for graduate  
8 medical education, the department shall distribute the funds with  
9 an emphasis on the following health care workforce goals:

10 (a) The encouragement of the training of physicians in  
11 specialties, including primary care, that are necessary to meet the  
12 future needs of residents of this state.

13 (b) The training of physicians in settings that include  
14 ambulatory sites and rural locations.

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

22 Sec. 1862. From the funds appropriated in part 1, the  
23 department shall maintain payment rates for Medicaid obstetrical  
24 services at 95% of Medicare levels effective October 1, 2014.

25 Sec. 1866. (1) From the funds appropriated in part 1 for  
26 hospital services and therapy and health plan services,  
27 \$12,000,000.00 in general fund/general purpose revenue and any

1 associated federal match shall be awarded to hospitals that meet  
2 criteria established by the department for services to low-income  
3 rural residents. One of the reimbursement components of the  
4 distribution formula shall be assistance with labor and delivery  
5 services.

6 (2) No hospital or hospital system shall receive more than  
7 10.0% of the total funding referenced in subsection (1).

8 (3) To allow hospitals to understand their rural payment  
9 amounts under this section, the department shall provide hospitals  
10 with the methodology for distribution under this section and  
11 provide each hospital with its applicable data that are used to  
12 determine the payment amounts by August 1 of the current fiscal  
13 year. The department shall publish the distribution of payments for  
14 the current fiscal year and the immediately preceding fiscal year.

15 (4) The department shall report to the senate and house  
16 appropriations subcommittees on the department budget, the senate  
17 and house fiscal agencies, and the state budget office on the  
18 distribution of funds referenced in subsection (1) by April 1 of  
19 the current fiscal year.

20 Sec. 1870. (1) The department shall work with MiDocs to create  
21 a legal entity that is a 501(c)(3) organization, which shall serve  
22 as the fiduciary for any state-appropriated funds for a future  
23 pilot program.

24 (2) MiDocs shall develop a grant-making mechanism to determine  
25 which specialties, programs, and institutions are eligible to  
26 receive funding under a potential pilot program, propose a funding  
27 mechanism that will address potential interruptions of multi-year

1 residency positions, and design an incentive program for residents  
2 to practice in underserved communities post-residency by offsetting  
3 part or all of the residents' medical school debt.

4 (3) The department shall work with MiDocs and the Michigan  
5 Area Health Education Centers to identify the number, type,  
6 locations, and cost of potential new MiDocs residency slots, with  
7 the goal of 50 residents per class or 150 in the overall pilot  
8 program.

9 (4) The Michigan Area Health Education Centers shall do all of  
10 the following:

11 (a) Develop a database protocol for collecting and  
12 distributing educational and clinical quality outcomes.

13 (b) Incorporate interprofessional education best practices.

14 (c) Survey small hospitals and ambulatory sites in medically  
15 underserved areas to ascertain their ability and willingness to  
16 train residents and other health care professionals using  
17 traditional and innovative methods.

18 (d) Develop criteria and certification for clinical rotation  
19 sites.

20 (e) Assist MiDocs in developing reporting tools to annually  
21 report audited financial, clinical, and educational data to the  
22 state legislature and the department.

23 (5) By December 1 of the current fiscal year, the department  
24 and MiDocs shall submit a report to the senate and house  
25 subcommittees on the department budget, the senate and house fiscal  
26 agencies, the senate and house policy offices, and the state budget  
27 office on the information required by subsections (3) and (4) as

1 well as a comprehensive funding plan for the pilot project.

2 (6) It is the intent of the legislature that, beginning with  
3 the budget for the fiscal year ending September 30, 2018, the  
4 department shall work in collaboration with the MiDocs consortium  
5 to create a pilot graduate medical education program with the  
6 purpose of producing new physicians to practice medicine in this  
7 state.

8 Sec. 1872. From the funds appropriated in part 1 for adult  
9 home help services, the department shall allocate \$500,000.00 to  
10 develop and deploy a mobile electronic service verifications  
11 solution that shall include biometric identity verification to  
12 create administrative efficiencies, reduce error, and minimize  
13 fraud.

14 Sec. 1873. From the funds appropriated in part 1 for long-term  
15 care services, the department may allocate up to \$3,700,000.00 for  
16 the purpose of outreach and education to nursing home residents and  
17 the coordination of housing in order to move out of the facility.  
18 In addition, any funds appropriated shall be used for other quality  
19 improvement activities of the program. The department shall  
20 consider working with the Area Agencies on Aging Association of  
21 Michigan, the non-Area Agencies on Aging waivers, and the  
22 Disability Network/Michigan to develop a plan for the ongoing  
23 sustainability of the nursing facility transition initiative.

24 Sec. 1874. (1) The department shall ensure, in counties where  
25 program of all-inclusive care for the elderly or PACE services are  
26 available, that the program of all-inclusive care for the elderly  
27 (PACE) is included as an option in all options counseling and

1 enrollment brokering for aging services and managed care programs,  
2 including, but not limited to, Area Agencies on Aging, centers for  
3 independent living, and the MiChoice home and community-based  
4 waiver. Such options counseling must include approved marketing and  
5 discussion materials.

6 (2) The department shall establish a workgroup that consists  
7 of the independent waiver agents, the medical services  
8 administration, and PACE providers, to address PACE program issues  
9 as identified within the state contract with PACE providers. The  
10 workgroup shall, at a minimum, address the following concerns:

11 (a) Timely eligibility processing.

12 (b) Barriers to new enrollment.

13 (c) Future expansion criteria.

14 (3) The department shall report by April 1 of the current  
15 fiscal year to the senate and house appropriations subcommittees on  
16 the department budget, the senate and house fiscal agencies, and  
17 the state budget office on the findings of the workgroup.

18 Sec. 1875. (1) The department and its contractual agents may  
19 not subject Medicaid prescriptions to prior authorization  
20 procedures with respect to the following drugs:

21 (a) A prescription drug that is generally recognized in a  
22 standard medical reference or the American Psychiatric  
23 Association's Diagnostic and Statistical Manual for the treatment  
24 of a psychiatric disorder.

25 (b) A prescription drug that is generally recognized in a  
26 standard medical reference for the treatment of cancer, HIV-AIDS,  
27 epilepsy or seizure disorder, or organ replacement therapy.

1           (2) As used in this section, "prior authorization" means a  
2 process implemented by the department or its contractual agents  
3 that conditions, delays, or denies delivery or particular pharmacy  
4 services to Medicaid beneficiaries upon application of  
5 predetermined criteria by the department or its contractual agents  
6 to those pharmacy services. The process of prior authorization  
7 often requires that a prescriber do 1 or both of the following:

8           (a) Obtain preapproval from the department or its contractual  
9 agents before prescribing a given drug.

10          (b) Verify to the department or its contractual agents that  
11 the use of a drug prescribed for an individual meets predetermined  
12 criteria from the department or its contractual agents for a  
13 prescription drug that is otherwise available under the Medicaid  
14 program in Michigan.

15          Sec. 1876. (1) From the funds appropriated in part 1 for  
16 Healthy Michigan Plan, the department shall allocate up to  
17 \$830,000.00 to facilitate the development and implementation of a  
18 demonstration project in cooperation with 1 or more contracting  
19 Medicaid health plans. These provisions shall be part of the  
20 protocol for implementation of incentives under the Healthy  
21 Michigan Plan and must do all of the following:

22          (a) Target Healthy Michigan Plan health plan enrollees who are  
23 above 100% of the federal poverty level, in at least 2 prosperity  
24 regions.

25          (b) Implement a web-based technology that links providers,  
26 beneficiaries, and health plans, in real-time, for the purpose of  
27 addressing deficiency in medical literacy and demonstrating that



1 personal responsibility is enhanced by technology.

2 (c) Identify specific behavioral changes that will result as  
3 indicated by changes in measurable health outcomes and health care  
4 utilization.

5 (2) The demonstration project shall be implemented by April 1  
6 of the current fiscal year. Prior to implementation, the department  
7 shall present a summary description to the senate and house  
8 appropriations subcommittees on the department budget and the  
9 senate and house committees on health policy that must include the  
10 estimated cost of the demonstration, identify a shared savings  
11 proposal for Medicaid health plans who participate in the  
12 demonstration, and identify intended measurable results.

13 (3) It is the intent of the legislature that the demonstration  
14 project shall test the cost containment capabilities of a program  
15 that uses financial incentives to improve health and health care by  
16 promoting health literacy and doctor-patient mutual accountability.  
17 Outcomes and performance measures for this initiative shall  
18 include, but are not limited to, the following:

19 (a) The total annual per capita or per-member-per-year health  
20 care expenditures. This metric shall be derived by dividing the  
21 total annual health care expenditures of a population by the  
22 average annual number of people in that population. Claims data  
23 shall be used to compute health care expenditures.

24 (b) The per-member-per-year health care expenditures of a  
25 reasonably matched population not covered by the demonstration  
26 program. To account for minor differences in the 2 populations,  
27 each group's annual trend during the pilot shall be measured

1 against their respective baseline trends in the year before  
2 implementing the program.

3 (c) In order to attribute the finding to the program, other  
4 process metrics that have been found to correlate with health  
5 literacy must be analyzed. These metrics may include  
6 hospitalization rates, frequency of emergency room use, and the  
7 percentage of health education sessions prescribed by medical  
8 providers and successfully completed by patients relative to the  
9 total number of possible session opportunities offered through the  
10 program.

11 (4) It is the intent of the legislature that, beginning with  
12 the budget for the fiscal year ending September 30, 2018, the  
13 department shall submit quarterly reports to the senate and house  
14 appropriations committees on the department budget, the senate and  
15 house fiscal agencies, the senate and house policy offices, and the  
16 state budget office detailing the information required in  
17 subsection (3).

18 Sec. 1877. The department shall identify necessary metrics and  
19 data collection protocols to measure the dynamic movement of  
20 enrollees in the Healthy Michigan Plan. The goal is to ensure  
21 incentives, for all stakeholders, are aligned in order to increase  
22 utilization of high-value services, decrease utilization of low-  
23 value services, and increase employment opportunities. By December  
24 31 of the current fiscal year, the department must present the  
25 first generation of these assessments to the senate and house  
26 appropriations subcommittees on the department budget and the  
27 senate and house committees on health policy.

1       Sec. 1878. Not later than March 1 of the current fiscal year,  
2 the department shall provide a report to the senate and house  
3 appropriations subcommittees on the department budget, the senate  
4 and house fiscal agencies, the senate and house policy offices, and  
5 the state budget office on hepatitis C tracking data. At a minimum,  
6 the report shall include information on the following for  
7 individuals treated with Harvoni or any other treatment used to  
8 cure hepatitis C during the current fiscal year or a previous  
9 fiscal year:

10       (a) The total number of people treated broken down by those  
11 treated through traditional Medicaid and those treated through the  
12 Healthy Michigan plan.

13       (b) The total cost of treatment.

14       (c) The total cost of treatment broken down by those treated  
15 through traditional Medicaid and those treated through the Healthy  
16 Michigan plan.

17       (d) The total amount of any rebates that were received from  
18 the purchase of hepatitis C specialty pharmaceuticals.

19       (e) Outstanding rebates that the department is expecting to  
20 receive.

21       (f) The cure rate broken down by Metavir Score, genotype,  
22 Medicaid match rate, and drug used during treatment.

23       (g) The reinfection rate broken down by Metavir Score,  
24 genotype, Medicaid match rate, and drug used during treatment.

25       Sec. 1879. For the purpose of Medicaid third party collections  
26 by Medicaid health plans, each contracting Medicaid health plan is  
27 considered an agent of the department in order to access other

1 carrier data that is otherwise provided to the department.

2       Sec. 1880. (1) From the funds appropriated in part 1 for  
3 health plan services, the department shall implement a direct  
4 primary care pilot program for Medicaid enrollees in Wayne,  
5 Oakland, and Livingston Counties that shall run from October 1,  
6 2016 to September 30, 2017. The pilot program shall include 400  
7 enrollees from each of the following Medicaid eligibility  
8 categories:

9       (a) Childless adults.

10       (b) Children ages 0-6 years.

11       (c) Children ages 7-18 years.

12       (d) Parents.

13       (e) Elderly individuals.

14       (f) Disabled individuals.

15       (2) For the purposes of the pilot program, each enrollee shall  
16 be enrolled in a direct primary care provider plan under contract  
17 with 1 or more managed care provider organizations under contract  
18 with the department to provide Medicaid services. The enrollee will  
19 be eligible for claims to the managed care provider for services  
20 not covered by the direct primary care provider plan.

21       (3) The department may take out a stop loss policy to mitigate  
22 the potential cost impact if pilot program per-member-per-month  
23 costs exceed per-member-per-month costs for the program the  
24 enrollee would have been in had they not participated in the pilot  
25 program. The cost of the stop loss plan shall not be used in the  
26 assessment of the success of the pilot program.

27       (4) The contract described in subsection (2) shall include the

1 following provisions:

2 (a) The monthly direct primary care enrollment fee shall not  
3 exceed a weighted average of \$70.00 per month across all  
4 eligibility categories. The average shall be weighted by the  
5 population makeup of the pilot program.

6 (b) The direct primary care provider must not accept any third  
7 party payments for health care services, other than retainer fees  
8 from the managed care provider with which they have contracted.

9 (c) The managed care provider must designate participating  
10 direct primary care providers as the gatekeeper for the pilot  
11 participant. As a gatekeeper, the direct primary care provider  
12 shall be authorized to provide the pilot participant with access to  
13 non-primary-care services in the managed care provider network. The  
14 managed care provider shall not stipulate any conditions upon a  
15 direct primary care provider that would alter the direct primary  
16 care service delivery model as a requirement for the direct primary  
17 care provider to receive the gatekeeper designation.

18 (d) The managed care provider is not liable for increased  
19 costs resulting from implementation of the pilot program.

20 (e) The managed care provider shall retain 50% of the net  
21 total savings resulting from implementation of the pilot program,  
22 while the remaining 50% shall return to the state as lapsed  
23 Medicaid funds.

24 (f) The managed care provider may share its portion of the net  
25 total savings resulting from implementation of the pilot program  
26 with the direct primary care service providers under contract with  
27 the managed care provider.

1           (5) On a quarterly basis the department shall report to the  
2 senate and house appropriations subcommittees on the department  
3 budget, the senate and house fiscal agencies, the senate and house  
4 policy offices, and the state budget office on the implementation  
5 of the direct primary care pilot program. The report shall include,  
6 but is not limited to, the following performance metrics:

7           (a) The number of enrollees in the pilot program by  
8 eligibility category.

9           (b) The per-member-per-month rate paid in fiscal year 2015-  
10 2016 per eligibility category.

11           (c) The number of claims paid in fiscal year 2015-2016 per  
12 eligibility category.

13           (d) The number of claims per category weighted to reflect 400  
14 enrollees.

15           (e) The dollar value of all claims per eligibility category.

16           (f) The per-member-per-month actual cost, which equals the  
17 direct primary care plan costs and any managed care costs not  
18 covered through the direct primary care plan, including managed  
19 care provider overhead costs.

20           (g) The average direct primary care cost per enrollee per  
21 eligibility category.

22           (h) The average number of actual claims per eligibility  
23 category.

24           (i) The average actual dollar value of claims per eligibility  
25 category.

26           (j) The number of enrollees in the pilot program during the  
27 previous quarter who are no longer eligible for Medicaid in the

1 current quarter, broken down by eligibility category.

2 (k) The category savings subtotal, which equals the per-  
3 member-per-month rate paid in fiscal year 2015-2016 minus the per-  
4 member-per-month actual cost, times the number of enrollees in the  
5 eligibility category.

6 (l) The total savings, which equals the per-member-per-month  
7 rate paid in fiscal year 2015-2016 minus the per-member-per-month  
8 actual cost, times the total number of enrollees in the program.

9 (6) Unexpended and unencumbered funds up to a maximum of  
10 \$830,000.00 general fund/general purpose revenue plus any  
11 associated federal match remaining in accounts appropriated in part  
12 1 for health plan services are designated as work project  
13 appropriations, and any unencumbered or unallotted funds shall not  
14 lapse at the end of the fiscal year and shall be available for  
15 expenditures for the direct primary care pilot program for Medicaid  
16 enrollees in Wayne, Oakland, and Livingston Counties under this  
17 section until the projects have been completed. All of the  
18 following are in compliance with section 451a of the management and  
19 budget act, 1984 PA 431, MCL 18.1451a:

20 (a) The purpose of the pilot is to fund the cost of a direct  
21 primary care pilot program as provided by this section.

22 (b) The project will be accomplished by contracting with a  
23 managed care organization under contract with the department to  
24 provide Medicaid services.

25 (c) The total estimated cost of the project is \$830,000.00 of  
26 general fund/general purpose revenue plus any associated federal  
27 match.

1 (d) The tentative completion date is September 30, 2019.

2 Sec. 1881. The department shall partner with the Michigan  
3 Association of Health Plans in the development and implementation  
4 of strategies for the use of information technology services for  
5 Medicaid research activities. The department shall make available  
6 state medical assistance program data, without charge, to the  
7 Michigan Association of Health Plans or any vendor considered  
8 qualified by the department for the purpose of research activities  
9 consistent with the state's goals of improving health, increasing  
10 the quality, reliability, availability, and continuity of care, and  
11 reducing the cost of care of the eligible population of Medicaid  
12 enrollees.

13 Sec. 1882. By October 31, 2016, the department shall report to  
14 the senate and house appropriations subcommittees on the department  
15 budget, the senate and house fiscal agencies, and the state budget  
16 office, documentation of the expenses incurred during the immediate  
17 preceding fiscal year by Medicaid health plans and PIHPs for the  
18 purpose of meeting the contractual requirements to join the  
19 Michigan Health Information Network Shared Services and  
20 incentivizing providers to become members of the Health Information  
21 Exchange Qualified Organization. The report should also include an  
22 estimation of the expenses to be incurred in the current fiscal  
23 year by Medicaid health plans and PIHPs for the same purpose of  
24 meeting their contractual obligations.

25 Sec. 1883. From the funds appropriated in part 1, the  
26 department shall increase Medicaid private duty nursing rates by  
27 20%.



1       Sec. 1884. (1) From the funds appropriated in part 1, the  
2 department shall increase Medicaid primary care physician rates by  
3 6%.

4       (2) The department shall report by April 1 of the current  
5 fiscal year to the senate and house fiscal agencies, the senate and  
6 house subcommittees on the department budget, and the state budget  
7 office the following:

8       (a) A list of medical specialties that were paid enhanced  
9 primary care rates in the fiscal year 2015-2016.

10       (b) Information on the geographic distribution of specialists  
11 who received enhanced rates in fiscal year 2015-2016.

12       Sec. 1888. By July 1 of the current fiscal year, the  
13 department shall establish contract performance standards  
14 associated with the capitation withhold provisions for Medicaid  
15 health plans. The determination of whether performance standards  
16 have been met shall be based primarily on recognized concepts such  
17 as 1-year continuous enrollment and the healthcare effectiveness  
18 data and information set, HEDIS, audited data.

19       Sec. 1890. From the funds appropriated in part 1 for  
20 pharmaceutical services, the department shall ensure Medicaid  
21 recipients' access to breast pumps to support and encourage  
22 breastfeeding. The department shall adjust Medicaid policy to, at a  
23 minimum, provide an individual double electric style pump to a  
24 breastfeeding mother when a physician prescribes such a device  
25 based on diagnosis of mother or infant. If the distribution method  
26 for pumps or other equipment is a department contract with durable  
27 medical equipment providers, the department shall guarantee

1 providers stock and rent to Medicaid recipients without delay or  
2 undue restriction.

3       Sec. 1894. (1) From the funds appropriated in part 1 for  
4 dental services, the department shall expand the Healthy Kids  
5 Dental program to all children in Kent, Oakland, and Wayne  
6 Counties. This program expansion will improve access to necessary  
7 dental services for Medicaid-enrolled children.

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

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

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

14       (c) The change in dental utilization in Kent, Oakland, and  
15 Wayne Counties before and after full implementation of the Healthy  
16 Kids Dental expansion in these counties.

17       Sec. 1895. (1) From the funds appropriated in part 1 for  
18 dental services, \$100.00 shall be distributed to local health  
19 departments who partner with a qualified nonprofit provider of  
20 dental services for the purpose of providing high-quality dental  
21 homes for seniors, children, and adults enrolled in Medicaid, and  
22 low-income uninsured.

23       (2) In order to be considered a qualified nonprofit provider  
24 of dental services, the provider must demonstrate an effective  
25 health insurance enrollment process for uninsured patients and  
26 demonstrate to the department an effective process of charging  
27 patients on a sliding scale based on the patient's ability to pay.

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

3 (a) The number of uninsured patients who visited a  
4 participating dentist over the prior year, broken down between  
5 adults and children.

6 (b) The number of patients assisted with health insurance  
7 enrollment, broken down between adults and children.

8 (c) A 5-year trend of the number of uninsured patients being  
9 served, broken down between adults and children.

10 Sec. 1896. (1) From the funds appropriated in part 1 for  
11 dental services, the department shall contract with a managed care  
12 organization for the administration of the Medicaid adult dental  
13 benefit. This program expansion will improve access to necessary  
14 dental services for Medicaid-enrolled adults.

15 (2) The beginning date for the managed care contract under  
16 subsection (1) must be at least 8 months after the beginning date  
17 of new contracts with Medicaid health plans for physical health  
18 Medicaid services.

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

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

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

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

1 **ONE-TIME BASIS ONLY APPROPRIATIONS**

2       Sec. 1908. The funds appropriated in part 1 for hospice  
3 services shall be expended to provide room and board for Medicaid  
4 recipients who meet hospice eligibility requirements and receive  
5 services at Medicaid enrolled hospice residences in this state. The  
6 qualifying hospice residences must have been enrolled with Medicaid  
7 by October 1, 2014.

8       Sec. 1909. (1) From the increased funds appropriated in part 1  
9 for family preservation and support services, the department shall  
10 expand the parent partner program and the family reunification  
11 program. The purpose of these program expansions will be to enhance  
12 family preservation and support services to prevent the need for  
13 foster care, shorten the length of time between foster care entry  
14 and reunification, and sustain parental progress following  
15 reunification.

16       (2) The department shall identify specific outcomes and  
17 performance measures for this initiative, including, but not  
18 limited to, the following:

19       (a) Percentage of children that were discharged from foster  
20 care to reunification in less than 12 months from the date of the  
21 latest removal from home.

22       (b) Median length of stay in months from the date of the  
23 latest removal from home until the date of discharge to  
24 reunification.

25       (c) Percentage of children who reentered foster care in less  
26 than 12 months from the date of discharge to reunification.

27       (d) Percentage of children who were victims of a substantiated

1 or indicated maltreatment allegation who were not victims of  
2 another substantiated or indicated maltreatment allegation within a  
3 6-month period from the date of discharge to reunification.

4 (e) Measurable effects of this program expansion on reducing  
5 the rate of children who live in families with incomes below the  
6 federal poverty level.

7 (3) Unexpended funds appropriated in part 1 for family  
8 preservation and support services are designated as work project  
9 appropriations, and any unencumbered or unallotted funds shall not  
10 lapse at the end of the current fiscal year and shall be available  
11 for expenditures for the parent partner program and the family  
12 reunification program until the projects have been completed. All  
13 of the following are in compliance with section 451a of the  
14 management and budget act, 1984 PA 431, MCL 18.1451a:

15 (a) The purpose of the projects is to expand and enhance  
16 family preservation and support services to prevent the need for  
17 foster care, shorten the length of time between foster care entry  
18 and reunification, and sustain parental progress following  
19 reunification.

20 (b) The projects will be carried out through contracts with  
21 private and not-for-profit vendors to expand the parent partner  
22 program and family reunification program to additional counties  
23 throughout the state.

24 (c) The estimated cost of this work project is \$3,133,300.00.

25 (d) The estimated work project completion date is September  
26 30, 2019.

27 Sec. 1910. From the funds appropriated in part 1 for the

1 drinking water declaration of emergency, the department shall  
2 allocate funds to address needs relating to the declaration of  
3 emergency in a city in which a declaration of emergency was issued  
4 because of drinking water contamination. These funds may support,  
5 but are not limited to, the following activities:

6 (a) Emergency nutrition assistance, nutritional and community  
7 education, food bank resources, and food inspections.

8 (b) Epidemiological analysis and case management of  
9 individuals at risk of elevated blood lead levels.

10 (c) Support for child and adolescent health centers,  
11 children's health care access program, and pathways to potential  
12 programming.

13 (d) Nursing services, evidence-based home visiting programs,  
14 intensive services, and outreach for children exposed to lead  
15 coordinated through local community mental health organizations.

16 (e) Department field operations costs.

17 (f) Assessment of potential linkages to other diseases.

18 Sec. 1911. The funds appropriated in part 1 for pharmacy  
19 reserve are not available for expenditure until the following  
20 conditions have been met:

21 (a) The funds have been transferred to other line items in  
22 this act pursuant to section 393(2) of the management and budget  
23 act, 1984 PA 431, MCL 18.1393.

24 (b) Thirty days have passed since the department has provided  
25 the legislature with a report containing the following information:

26 (i) The pharmaceuticals that would now be covered by programs  
27 run by the department from the transfers referenced in subdivision

1 (a).

2 (ii) The basis for the decision to cover these  
3 pharmaceuticals, including information, if any, from the state's  
4 pharmacy and therapeutics committee.

5 (iii) An estimate of the gross and general fund/general  
6 purpose cost to the department of covering the medications in the  
7 current fiscal year and the subsequent fiscal year.

8 (iv) A list of metrics to determine the efficacy, in terms of  
9 patient outcomes and net long-term fiscal impact, of the decision  
10 to cover these medications.

11 PART 2A

12 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

13 FOR FISCAL YEAR 2017-2018

14 **GENERAL SECTIONS**

15 Sec. 2001. It is the intent of the legislature to provide  
16 appropriations for the fiscal year ending on September 30, 2018 for  
17 the line items listed in part 1. The fiscal year 2017-2018  
18 appropriations are anticipated to be the same as those for fiscal  
19 year 2016-2017, except that the line items will be adjusted for  
20 changes in caseload and related costs, federal fund match rates,  
21 economic factors, and available revenue. These adjustments will be  
22 determined after the January 2017 consensus revenue estimating  
23 conference.