

**SUBSTITUTE FOR
SENATE BILL NO. 139**

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7
8
9

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2020, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions 6.0
Full-time equated classified positions 15,972.0



1	Average population	770.0	
2	GROSS APPROPRIATION		\$ 26,130,338,100
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers	13,857,600	
6	ADJUSTED GROSS APPROPRIATION		\$ 26,116,480,500
7	Federal revenues:		
8	Social security act, temporary assistance for needy		
9	families	549,336,500	
10	Capped federal revenues	571,168,800	
11	Total other federal revenues		17,108,232,200
12	Special revenue funds:		
13	Total local revenues	132,981,900	
14	Total private revenues	143,535,100	
15	Michigan merit award trust fund	49,768,700	
16	Total other state restricted revenues	2,816,115,100	
17	State general fund/general purpose		\$ 4,745,342,200
18	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT		
19	Full-time equated unclassified positions	6.0	
20	Full-time equated classified positions	829.6	
21	Unclassified salaries--6.0 FTE positions		\$ 1,223,600
22	Administrative hearings officers		11,340,000
23	Demonstration projects--7.0 FTE positions		7,358,400
24	Departmental administration and management--601.6		
25	FTE positions		95,382,700
26	Michigan community service commission--14.0 FTE		
27	positions		11,669,300
28	Office of inspector general--207.0 FTE positions		25,961,600
29	Property management		71,003,700



1	Terminal leave payments	7,302,700
2	Worker's compensation	7,532,300
3	GROSS APPROPRIATION	\$ 238,774,300
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from department of education	1,943,300
7	IDG from DTMB - office of retirement services	600
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families	22,972,900
11	Capped federal revenues	31,019,200
12	Total other federal revenues	71,809,200
13	Special revenue funds:	
14	Total local revenues	86,000
15	Total private revenues	3,887,300
16	Total other state restricted revenues	1,270,100
17	State general fund/general purpose	\$ 105,785,700
18	Sec. 103. CHILD SUPPORT ENFORCEMENT	
19	Full-time equated classified positions185.7	
20	Child support enforcement operations--179.7 FTE	
21	positions	\$ 23,471,500
22	Child support incentive payments	24,409,600
23	Legal support contracts	113,607,100
24	State disbursement unit--6.0 FTE positions	8,148,600
25	GROSS APPROPRIATION	\$ 169,636,800
26	Appropriated from:	
27	Federal revenues:	
28	Total other federal revenues	142,584,500
29	State general fund/general purpose	\$ 27,052,300



1 **Sec. 104. COMMUNITY SERVICES AND OUTREACH**

2	Full-time equated classified positions	65.6	
3	Bureau of community services and outreach--20.0 FTE		
4	positions		\$ 3,439,300
5	Campus sexual assault prevention and education		
6	initiative		1,321,700
7	Child advocacy centers--0.5 FTE position		2,407,000
8	Community services and outreach administration--12.0		
9	FTE positions		1,672,300
10	Community services block grant		25,840,000
11	Crime victim grants administration services--17.0		
12	FTE positions		2,236,000
13	Crime victim justice assistance grants		99,279,300
14	Crime victim rights services grants		18,870,000
15	Domestic violence prevention and treatment--15.6 FTE		
16	positions		17,915,700
17	Homeless programs		22,632,700
18	Housing and support services		13,031,000
19	Rape prevention and services--0.5 FTE position		5,097,300
20	School success partnership program		525,000
21	Uniform statewide sexual assault evidence kit		
22	tracking system		800,000
23	Weatherization assistance		15,505,000
24	GROSS APPROPRIATION		\$ <u>230,572,300</u>
25	Appropriated from:		
26	Federal revenues:		
27	Social security act, temporary assistance for needy		
28	families		13,264,800
29	Capped federal revenues		57,314,500



1	Total other federal revenues		117,138,300
2	Special revenue funds:		
3	Compulsive gambling prevention fund		1,040,500
4	Sexual assault evidence tracking fund		800,000
5	Sexual assault victims' prevention and treatment fund ..		3,000,000
6	Child advocacy centers fund		1,407,000
7	Crime victim's rights fund		17,690,600
8	State general fund/general purpose	\$	18,916,600
9	Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD		
10	WELFARE		
11	Full-time equated classified positions	4,047.2	
12	Adoption subsidies		\$ 198,618,200
13	Adoption support services--10.0 FTE positions		33,588,800
14	Attorney general contract		5,001,100
15	Child abuse and neglect - children's justice		
16	act--1.0 FTE position		626,400
17	Child care fund		207,915,100
18	Child protection		800,300
19	Child welfare administration travel		375,000
20	Child welfare field staff - noncaseload		
21	compliance--353.0 FTE positions		39,335,100
22	Child welfare institute--51.0 FTE positions		9,315,000
23	Child welfare licensing--59.0 FTE positions		7,120,300
24	Child welfare medical/psychiatric evaluations		10,435,500
25	Children's protective services - caseload		
26	staff--1,615.0 FTE positions		162,849,600
27	Children's protective services supervisors--387.0		
28	FTE positions		45,708,900
29	Children's services administration--188.2 FTE		



1	positions	20,412,900
2	Children's trust fund administration--12.0 FTE	
3	positions	590,700
4	Children's trust fund grants	3,777,200
5	Contractual services, supplies, and materials	10,155,600
6	Court appointed special advocates	100
7	Education planners--15.0 FTE positions	1,579,200
8	Family preservation and prevention services	
9	administration--9.0 FTE positions	1,342,900
10	Family preservation programs--15.0 FTE positions	42,291,400
11	Foster care payments	244,982,200
12	Foster care services - caseload staff--966.0 FTE	
13	positions	93,195,800
14	Foster care services supervisors--227.0 FTE positions ..	29,535,000
15	Foster care task force	50,000
16	Guardianship assistance program	10,534,500
17	Peer coaches--45.5 FTE positions	5,922,300
18	Performance based funding implementation--3.0 FTE	
19	positions	1,454,500
20	Permanency resource managers--28.0 FTE positions	3,317,600
21	Prosecuting attorney contracts	3,879,500
22	Second line supervisors and technical staff--54.0	
23	FTE positions	9,184,800
24	Settlement monitor	2,034,100
25	Strong families/safe children	12,600,000
26	Title IV-E compliance and accountability office--4.0	
27	FTE positions	435,700
28	Youth in transition--4.5 FTE positions	15,545,100
29	GROSS APPROPRIATION	\$ 1,234,510,400



1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from department of education	90,300
4	Federal revenues:	
5	Social security act, temporary assistance for needy	
6	families	344,141,600
7	Capped federal revenues	111,497,100
8	Total other federal revenues	252,067,700
9	Special revenue funds:	
10	Private - collections	1,770,700
11	Local funds - county chargeback	18,102,700
12	Children's trust fund	2,897,300
13	State general fund/general purpose	\$ 503,943,000
14	Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE	
15	JUSTICE	
16	Full-time equated classified positions120.5	
17	Bay Pines Center--47.0 FTE positions	\$ 5,755,100
18	Committee on juvenile justice administration--2.5	
19	FTE positions	356,300
20	Committee on juvenile justice grants	3,000,000
21	Community support services--3.0 FTE positions	2,129,400
22	County juvenile officers	3,904,300
23	Juvenile justice, administration and	
24	maintenance--21.0 FTE positions	3,997,500
25	Shawono Center--47.0 FTE positions	5,804,100
26	GROSS APPROPRIATION	\$ <u>24,946,700</u>
27	Appropriated from:	
28	Federal revenues:	
29	Capped federal revenues	8,567,600



1	Total other federal revenues	25,800
2	Special revenue funds:	
3	Local funds - state share education funds	1,355,700
4	Local funds - county chargeback	4,698,000
5	State general fund/general purpose	\$ 10,299,600
6	Sec. 107. PUBLIC ASSISTANCE	
7	Full-time equated classified positions3.0	
8	Emergency services local office allocations	\$ 9,007,500
9	Family independence program	65,774,800
10	Food assistance program benefits	1,760,805,700
11	Food Bank Council of Michigan	2,045,200
12	Indigent burial	4,375,000
13	Low-income home energy assistance program	174,951,600
14	Michigan energy assistance program--1.0 FTE position ...	50,000,000
15	Multicultural integration funding	15,303,800
16	Refugee assistance program--2.0 FTE positions	3,050,400
17	State disability assistance payments	6,567,500
18	State supplementation	58,903,400
19	State supplementation administration	1,681,100
20	GROSS APPROPRIATION	\$ 2,152,466,000
21	Appropriated from:	
22	Federal revenues:	
23	Social security act, temporary assistance for needy	
24	families	55,534,000
25	Capped federal revenues	178,186,500
26	Total other federal revenues	1,756,605,700
27	Special revenue funds:	
28	Child support collections	11,250,200
29	Supplemental security income recoveries	4,142,700



1	Public assistance recoupment revenue	5,000,000
2	Low-income energy assistance fund	50,000,000
3	State general fund/general purpose	\$ 91,746,900

4 **Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES**

5	Full-time equated classified positions	5,814.5
6	Administrative support workers--221.0 FTE positions	\$ 13,397,000
7	Adult services field staff--520.0 FTE positions	58,058,800
8	Contractual services, supplies, and materials	16,927,600
9	Donated funds positions--238.0 FTE positions	27,558,000
10	Elder Law of Michigan MiCAFE contract	350,000
11	Electronic benefit transfer (EBT)	8,509,000
12	Employment and training support services	4,219,100
13	Field policy and administration--66.0 FTE positions	11,464,100
14	Field staff travel	8,111,400
15	Medical/psychiatric evaluations	1,420,100
16	Nutrition education--2.0 FTE positions	33,050,400
17	Public assistance field staff--4,747.5 FTE positions ...	499,285,700
18	SSI advocacy legal services grant	250,000
19	Training and program support--20.0 FTE positions	2,516,600
20	Volunteer services and reimbursement	942,400
21	GROSS APPROPRIATION	\$ <u>686,060,200</u>

22 Appropriated from:

23 Interdepartmental grant revenues:

24	IDG from department of corrections	121,500
25	IDG from department of education	7,873,100

26 Federal revenues:

27	Social security act, temporary assistance for needy	
28	families	73,168,800
29	Capped federal revenues	55,013,900



1	Total other federal revenues	264,639,700
2	Special revenue funds:	
3	Local funds - donated funds	4,102,000
4	Private funds - donated funds	9,395,600
5	State general fund/general purpose	\$ 271,745,600
6	Sec. 109. DISABILITY DETERMINATION SERVICES	
7	Full-time equated classified positions575.4	
8	Disability determination operations--571.3 FTE	
9	positions	\$ 112,880,800
10	Retirement disability determination--4.1 FTE positions .	623,300
11	GROSS APPROPRIATION	\$ <u>113,504,100</u>
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from DTMB - office of retirement services	799,900
15	Federal revenues:	
16	Total other federal revenues	108,388,000
17	State general fund/general purpose	\$ 4,316,200
18	Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
19	AND SPECIAL PROJECTS	
20	Full-time equated classified positions108.0	
21	Behavioral health program administration--86.0 FTE	
22	positions	\$ 54,836,800
23	Family support subsidy	14,137,300
24	Federal and other special projects	2,535,600
25	Gambling addiction--1.0 FTE position	4,511,000
26	Office of recipient rights--21.0 FTE positions	2,804,700
27	Protection and advocacy services support	194,400
28	GROSS APPROPRIATION	\$ <u>79,019,800</u>
29	Appropriated from:	



1	Federal revenues:		
2	Social security act, temporary assistance for needy		
3	families		14,317,800
4	Total other federal revenues		38,998,700
5	Special revenue funds:		
6	Total private revenues		1,004,700
7	Total other state restricted revenues		4,511,000
8	State general fund/general purpose	\$	20,187,600
9	Sec. 111. BEHAVIORAL HEALTH SERVICES		
10	Full-time equated classified positions11.0		
11	Autism services	\$	208,181,100
12	Children with serious emotional disturbance waiver		10,000,000
13	Children's waiver home care program		20,241,100
14	Civil service charges		399,300
15	Community mental health non-Medicaid services		125,578,200
16	Community substance use disorder prevention,		
17	education, and treatment		107,754,700
18	Court-appointed guardian and conservator reimbursement .		100
19	Federal mental health block grant--4.0 FTE positions ...		20,573,800
20	Health homes		3,369,000
21	Healthy Michigan plan - behavioral health		346,548,100
22	Medicaid mental health services		2,478,086,100
23	Medicaid substance use disorder services		66,200,100
24	Nursing home PAS/ARR-OBRA--7.0 FTE positions		12,291,300
25	State disability assistance program substance use		
26	disorder services		2,018,800
27	GROSS APPROPRIATION	\$	<u>3,401,241,700</u>
28	Appropriated from:		
29	Federal revenues:		



1	Total other federal revenues	2,232,858,000
2	Special revenue funds:	
3	Total local revenues	25,475,700
4	Total other state restricted revenues	34,018,100
5	State general fund/general purpose	\$ 1,108,889,900

6 **Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC**
7 **MENTAL HEALTH SERVICES**

8	Total average population	770.0
9	Full-time equated classified positions	2,380.6
10	Behavioral health facility contingency	\$ 20,000,000
11	Caro Regional Mental Health Center - psychiatric	
12	hospital - adult - or regional mental health center	
13	located within 6 miles of the county seat of a	
14	county with a population between 55,000 and 57,0	
15	in the 2010 decennial census--542.3 FTE positions	63,020,400
16	Average population	145.0
17	Center for forensic psychiatry--613.1 FTE positions	88,170,000
18	Average population	240.0
19	Developmental disabilities council and	
20	projects--10.0 FTE positions	3,108,100
21	Gifts and bequests for patient living and treatment	
22	environment	1,000,000
23	Hawthorn Center - psychiatric hospital - children	
24	and adolescents--276.0 FTE positions	32,617,800
25	Average population	55.0
26	IDEA, federal special education	120,000
27	Kalamazoo Psychiatric Hospital - adult--533.8 FTE	
28	positions	70,128,800
29	Average population	170.0



1	Purchase of medical services for residents of	
2	hospitals and centers	445,600
3	Revenue recapture	750,100
4	Special maintenance	924,600
5	Walter P. Reuther	
6	Psychiatric Hospital -	
7	adult--405.4 FTE positions	48,375,800
8	Average population160.0	<hr/>
9	GROSS APPROPRIATION	\$ 328,661,200
10	Appropriated from:	
11	Federal revenues:	
12	Total other federal revenues	43,434,400
13	Special revenue funds:	
14	Total local revenues	23,106,200
15	Total private revenues	1,000,000
16	Total other state restricted revenues	15,092,700
17	State general fund/general purpose	\$ 246,027,900
18	Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND	
19	INITIATIVES	
20	Full-time equated classified positions609.7	
21	Certificate of need program administration--11.8 FTE	
22	positions	\$ 2,770,900
23	Health policy administration--33.9 FTE positions	14,517,200
24	Human trafficking intervention services	200,000
25	Independent living	14,031,700
26	Michigan essential health provider	4,521,200
27	Michigan rehabilitation services--555.0 FTE positions ..	131,109,200
28	Minority health grants and contracts--3.0 FTE	
29	positions	1,127,900



1	Nurse education and research program--3.0 FTE	
2	positions	798,900
3	Primary care services--2.0 FTE positions	3,481,000
4	Rural health services--1.0 FTE position	1,555,500
5	GROSS APPROPRIATION	\$ <u>174,113,500</u>
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from the department of education	2,400
9	IDG from the department of licensing and regulatory	
10	affairs	837,200
11	IDG from the department of treasury, Michigan state	
12	hospital finance authority	117,700
13	Federal revenues:	
14	Social security act, temporary assistance for needy	
15	families	332,100
16	Capped federal revenues	104,163,600
17	Federal supplemental security income	8,588,600
18	Total other federal revenues	16,176,400
19	Special revenue funds:	
20	Total local revenues	5,300,000
21	Total private revenues	1,396,500
22	Total other state restricted revenues	3,143,000
23	State general fund/general purpose	\$ 34,056,000
24	Sec. 114. LABORATORY SERVICES	
25	Full-time equated classified positions102.0	
26	Laboratory services--102.0 FTE positions	\$ 23,776,100
27	GROSS APPROPRIATION	\$ <u>23,776,100</u>
28	Appropriated from:	
29	Interdepartmental grant revenues:	



1	IDG from the department of environmental quality	1,004,600
2	Federal revenues:	
3	Total other federal revenues	4,338,600
4	Special revenue funds:	
5	Total other state restricted revenues	11,147,200
6	State general fund/general purpose	\$ 7,285,700
7	Sec. 115. EPIDEMIOLOGY AND POPULATION HEALTH	
8	Full-time equated classified positions229.5	
9	Childhood lead program--4.5 FTE positions	\$ 2,062,200
10	Epidemiology administration--75.1 FTE positions	21,274,400
11	Healthy homes program--12.0 FTE positions	27,768,000
12	Newborn screening follow-up and treatment	
13	services--10.5 FTE positions	7,825,900
14	PFAS and environmental contamination response--46.0	
15	FTE positions	18,925,300
16	Vital records and health statistics--81.4 FTE	
17	positions	10,439,500
18	GROSS APPROPRIATION	\$ <u>88,295,300</u>
19	Appropriated from:	
20	Federal revenues:	
21	Capped federal revenues	81,100
22	Total other federal revenues	41,423,800
23	Special revenue funds:	
24	Total private revenues	347,000
25	Total other state restricted revenues	14,529,500
26	State general fund/general purpose	\$ 31,913,900
27	Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
28	Full-time equated classified positions137.3	
29	AIDS prevention, testing, and care programs--37.7	



1	FTE positions	\$	63,752,200
2	Cancer prevention and control program--16.0 FTE		
3	positions		15,632,300
4	Chronic disease control and health promotion		
5	administration--23.4 FTE positions		10,420,800
6	Diabetes and kidney program--8.0 FTE positions		3,274,700
7	Essential local public health services		51,419,300
8	Implementation of 1993 PA 133, MCL 333.17015		20,000
9	Injury control intervention project		100
10	Local health services--3.3 FTE positions		7,209,100
11	Medicaid outreach cost reimbursement to local health		
12	departments		12,500,000
13	Public health administration--9.0 FTE positions		1,998,200
14	Sexually transmitted disease control program--20.0		
15	FTE positions		6,376,500
16	Smoking prevention program--15.0 FTE positions		3,818,000
17	Violence prevention--4.9 FTE positions		3,315,800
18	GROSS APPROPRIATION	\$	<u>179,737,000</u>
19	Appropriated from:		
20	Federal revenues:		
21	Capped federal revenues		495,000
22	Total other federal revenues		72,554,200
23	Special revenue funds:		
24	Total local revenues		5,150,000
25	Total private revenues		33,789,800
26	Total other state restricted revenues		9,919,500
27	State general fund/general purpose	\$	57,828,500
28	Sec. 117. FAMILY HEALTH SERVICES		
29	Full-time equated classified positions		133.6



1	Dental programs--3.8 FTE positions	\$	2,764,900
2	Family, maternal, and child health		
3	administration--55.0 FTE positions		9,738,300
4	Family planning local agreements		8,310,700
5	Immunization program--15.8 FTE positions		19,046,200
6	Local MCH services		7,018,100
7	Pregnancy prevention program		1,464,600
8	Prenatal care and premature birth avoidance grant		1,000,000
9	Prenatal care outreach and service delivery		
10	support--14.0 FTE positions		20,803,500
11	Special projects		11,486,000
12	Sudden and unexpected infant death and suffocation		
13	prevention program		321,300
14	Women, infants, and children program administration		
15	and benefits--45.0 FTE positions		249,471,600
16	GROSS APPROPRIATION	\$	<u>331,425,200</u>
17	Appropriated from:		
18	Federal revenues:		
19	Social security act, temporary assistance for needy		
20	families		750,000
21	Total other federal revenues		243,388,500
22	Special revenue funds:		
23	Total local revenues		75,000
24	Total private revenues		62,202,400
25	Total other state restricted revenues		4,053,900
26	State general fund/general purpose	\$	20,955,400
27	Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND		
28	PREPAREDNESS		
29	Full-time equated classified positions		76.0



1	Bioterrorism preparedness--53.0 FTE positions	\$	30,588,900
2	Emergency medical services program--23.0 FTE positions .		6,594,100
3	GROSS APPROPRIATION	\$	<u>37,183,000</u>
4	Appropriated from:		
5	Federal revenues:		
6	Total other federal revenues		31,532,200
7	Special revenue funds:		
8	Total other state restricted revenues		4,004,900
9	State general fund/general purpose	\$	1,645,900
10	Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
11	Full-time equated classified positions		46.8
12	Bequests for care and services--2.8 FTE positions	\$	1,841,400
13	Children's special health care services		
14	administration--44.0 FTE positions		6,173,400
15	Medical care and treatment		228,477,000
16	Nonemergency medical transportation		905,900
17	Outreach and advocacy		5,510,000
18	GROSS APPROPRIATION	\$	<u>242,907,700</u>
19	Appropriated from:		
20	Federal revenues:		
21	Total other federal revenues		130,414,400
22	Special revenue funds:		
23	Total private revenues		1,019,800
24	Total other state restricted revenues		3,683,400
25	State general fund/general purpose	\$	107,790,100
26	Sec. 120. AGING AND ADULT SERVICES AGENCY		
27	Full-time equated classified positions		47.0
28	Aging and adult services administration--47.0 FTE		
29	positions	\$	8,727,600



1	Community services	46,067,400
2	Employment assistance	3,500,000
3	Nutrition services	42,254,200
4	Respite care program	6,468,700
5	Senior volunteer service programs	4,765,300
6	GROSS APPROPRIATION	\$ 111,783,200
7	Appropriated from:	
8	Federal revenues:	
9	Capped federal revenues	249,700
10	Total other federal revenues	59,094,200
11	Special revenue funds:	
12	Total private revenues	520,000
13	Michigan merit award trust fund	4,068,700
14	Total other state restricted revenues	2,000,000
15	State general fund/general purpose	\$ 45,850,600
16	Sec. 121. MEDICAL SERVICES ADMINISTRATION	
17	Full-time equated classified positions 406.0	
18	Electronic health record incentive program	\$ 37,501,000
19	Healthy Michigan plan administration--36.0 FTE	
20	positions	45,654,100
21	Healthy Michigan plan work supports	10,000,000
22	Medical services administration--370.0 FTE positions ...	79,621,800
23	GROSS APPROPRIATION	\$ 172,776,900
24	Appropriated from:	
25	Federal revenues:	
26	Total other federal revenues	118,936,900
27	Special revenue funds:	
28	Total local revenues	37,700
29	Total private revenues	101,300



1	Total other state restricted revenues	336,300
2	State general fund/general purpose	\$ 53,364,700
3	Sec. 122. MEDICAL SERVICES	
4	Adult home help services	\$ 393,359,100
5	Ambulance services	10,220,000
6	Auxiliary medical services	7,717,000
7	Dental clinic program	1,000,000
8	Dental services	331,631,700
9	Federal Medicare pharmaceutical program	293,038,500
10	Health plan services	5,205,096,500
11	Healthy Michigan plan	3,793,457,400
12	Home health services	6,427,000
13	Hospice services	163,243,100
14	Hospital disproportionate share payments	45,000,000
15	Hospital services and therapy	743,245,000
16	Integrated care organizations	250,392,300
17	Long-term care services	2,024,893,700
18	Maternal and child health	32,279,600
19	Medicaid home- and community-based services waiver	346,613,000
20	Medicare premium payments	633,857,300
21	Personal care services	8,437,000
22	Pharmaceutical services	349,251,700
23	Physician services	210,585,100
24	Program of all-inclusive care for the elderly	133,210,000
25	School-based services	109,937,200
26	Special Medicaid reimbursement	309,957,300
27	Transportation	16,966,500
28	GROSS APPROPRIATION	\$ 15,419,816,000
29	Appropriated from:	



1	Federal revenues:	
2	Total other federal revenues	10,901,074,400
3	Special revenue funds:	
4	Total local revenues	45,492,900
5	Total private revenues	2,100,000
6	Michigan merit award trust fund	45,700,000
7	Total other state restricted revenues	2,609,177,400
8	State general fund/general purpose	\$ 1,816,271,300
9	Sec. 123. INFORMATION TECHNOLOGY	
10	Full-time equated classified positions	43.0
11	Bridges information system	\$ 14,903,000
12	Child support automation	44,425,600
13	Information technology services and projects	203,415,900
14	Michigan Medicaid information system	104,287,600
15	Michigan statewide automated child welfare	
16	information system	18,133,800
17	Technology supporting integrated service	
18	delivery--43.0 FTE positions	73,533,000
19	GROSS APPROPRIATION	\$ <u>458,698,900</u>
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from department of education	1,067,000
23	Federal revenues:	
24	Social security act, temporary assistance for needy	
25	families	24,854,500
26	Capped federal revenues	24,580,600
27	Total other federal revenues	286,429,800
28	Special revenue funds:	
29	Total private revenues	25,000,000



1	Total other state restricted revenues	1,999,800
2	State general fund/general purpose	\$ 94,767,200
3	Sec. 124. ONE-TIME APPROPRIATIONS	
4	Asian American health care and wellness initiative	\$ 100
5	Autism navigator	100
6	Autism train the trainer grant	100,000
7	Dental clinic program	100
8	Drinking water declaration of emergency	700,000
9	Employment first	100
10	Federal health insurance fee	180,500,000
11	Information technology services and projects	47,000,000
12	Multicultural integration funding	1,381,100
13	Opioid transitional housing and services grant	750,000
14	Refugee assistance grant	100
15	State innovation model continuation	100
16	Statewide lead abatement contractor outreach	100
17	GROSS APPROPRIATION	\$ <u>230,431,800</u>
18	Appropriated from:	
19	Federal revenues:	
20	Total other federal revenues	165,730,200
21	State general fund/general purpose	\$ 64,701,600

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2019-2020

GENERAL SECTIONS

28 Sec. 201. Pursuant to section 30 of article IX of the state
29 constitution of 1963, total state spending from state sources under



1 part 1 for fiscal year 2019-2020 is \$7,611,226,000.00 and state
 2 spending from state sources to be paid to local units of government
 3 for fiscal year 2019-2020 is \$1,551,936,700.00. The itemized
 4 statement below identifies appropriations from which spending to
 5 local units of government will occur:

6	DEPARTMENT OF HEALTH AND HUMAN SERVICES	
7	DEPARTMENTAL ADMINISTRATION AND MANAGEMENT	
8	Departmentwide administration and management	344,000
9	Michigan community service commission	2,300
10	CHILD SUPPORT ENFORCEMENT	
11	Child support incentive payments	9,465,000
12	Legal support contracts	3,511,000
13	COMMUNITY SERVICES AND OUTREACH	
14	Crime victim administration and services	7,796,300
15	Domestic violence prevention and treatment	164,500
16	Housing and support services	501,200
17	CHILDREN'S SERVICES AGENCY - CHILD WELFARE	
18	Child care fund	164,865,900
19	Child welfare licensing	76,700
20	Child welfare medical/psychiatric evaluations	32,700
21	Child's trust fund grants	150,200
22	Contractual services, supplies, and materials	5,600
23	Foster care payments	2,485,800
24	Youth in transition	2,700
25	CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE	
26	Bay Pine Center	26,900
27	Community support services	412,800
28	Juvenile justice, administration, and maintenance	26,500
29	Shawono Center	1,300



1	PUBLIC ASSISTANCE	
2	Emergency services local office allocations	557,800
3	Family independence program	1,300
4	Indigent burial	4,300
5	Multicultural integration funding	1,387,100
6	State disability assistance payments	243,400
7	FIELD OPERATIONS AND SUPPORT SERVICES	
8	Contractual services, supplies, and materials	46,500
9	Employment and training support services	7,600
10	Volunteer services and reimbursements	7,000
11	BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL	
12	PROJECTS	
13	Behavioral health program administration	4,252,000
14	BEHAVIORAL HEALTH SERVICES	
15	Autism services	72,884,600
16	Children with serious emotional disturbance waiver	3,594,000
17	Children's waiver home care program	7,274,700
18	Community mental health non-Medicaid services	125,578,200
19	Community substance use disorder prevention,	
20	education, and treatment	14,735,900
21	Health homes	50,800
22	Healthy Michigan plan - behavioral health	32,396,000
23	Medicaid mental health services	852,130,400
24	Medicaid substance use disorder services	23,381,300
25	Nursing home PAS/ARR-OBRA	2,485,800
26	State disability assistance program substance use	
27	disorder services	1,807,600
28	STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH	
29	SERVICES	



1	Caro Regional Mental Health Center - psychiatric	
2	hospital - adult - or regional mental health center	
3	located within 6 miles of the county seat of a	
4	county with a population between 55,000 and 57,000	
5	in the 2010 decennial census	182,900
6	Center for forensic psychiatry	643,600
7	Hawthorn Center - psychiatric hospital - children	
8	and adolescents	93,600
9	Kalamazoo Psychiatric Hospital - adult	33,300
10	Walter P. Reuther Psychiatric Hospital - adult	48,000
11	HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES	
12	Michigan rehabilitation services	262,600
13	Primary care services	88,900
14	EPIDEMIOLOGY AND POPULATION HEALTH	
15	Epidemiology administration	233,200
16	Healthy homes program	99,200
17	Vital records and health statistics	5,100
18	LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
19	AIDS prevention, testing, and care programs	2,323,800
20	Cancer prevention and control program	463,000
21	Chronic disease control and health promotion	
22	administration	2,189,400
23	Essential local public health services	46,269,300
24	Local health services	3,184,300
25	Sexually transmitted disease control program	442,700
26	FAMILY HEALTH SERVICES	
27	Family planning local agreements	187,700
28	Family, maternal, and child health administration	52,300
29	Immunization program	1,247,900



1	Prenatal care outreach and service delivery support	3,809,100
2	Special projects	760,000
3	EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS	
4	Emergency medical services program	8,200
5	CHILDREN'S SPECIAL HEALTH CARE SERVICES	
6	Medical care and treatment	368,800
7	Outreach and advocacy	2,617,900
8	AGING AND ADULT SERVICES AGENCY	
9	Aging and adult services administration	716,400
10	Community services	21,589,200
11	Nutrition services	12,597,200
12	Respite care program	6,375,300
13	Senior volunteer service programs	1,000,400
14	MEDICAL SERVICES	
15	Adult home help services	269,100
16	Ambulance services	441,400
17	Auxiliary medical services	1,100
18	Dental services	1,166,900
19	Health plan services	658,300
20	Healthy Michigan plan	463,800
21	Home health services	15,500
22	Hospice services	51,700
23	Hospital disproportionate share payments	9,000
24	Hospital services and therapy	2,032,000
25	Long-term care services	90,155,600
26	Medicaid home- and community-based services waiver	11,666,900
27	Personal care services	28,900
28	Pharmaceutical services	16,400
29	Physician services	3,320,300



1	Special Medicaid reimbursement	112,900
2	Transportation	235,900
3	ONE-TIME APPROPRIATIONS	
4	Drinking water declaration of emergency	700,000
5	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	1,551,936,700

6 Sec. 202. The appropriations authorized under this part and
7 part 1 are subject to the management and budget act, 1984 PA 431,
8 MCL 18.1101 to 18.1594.

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

- 10 (a) "AIDS" means acquired immunodeficiency syndrome.
- 11 (b) "CMHSP" means a community mental health services program
12 as that term is defined in section 100a of the mental health code,
13 1974 PA 258, MCL 330.1100a.
- 14 (c) "CMS" means the Centers for Medicare and Medicaid
15 Services.
- 16 (d) "Current fiscal year" means the fiscal year ending
17 September 30, 2020.
- 18 (e) "Department" means the department of health and human
19 services.
- 20 (f) "Director" means the director of the department.
- 21 (g) "DSH" means disproportionate share hospital.
- 22 (h) "EPSDT" means early and periodic screening, diagnosis, and
23 treatment.
- 24 (i) "Federal poverty level" means the poverty guidelines
25 published annually in the Federal Register by the United States
26 Department of Health and Human Services under its authority to
27 revise the poverty line under 42 USC 9902.
- 28 (j) "FTE" means full-time equated.
- 29 (k) "GME" means graduate medical education.



1 (l) "Health plan" means, at a minimum, an organization that
2 meets the criteria for delivering the comprehensive package of
3 services under the department's comprehensive health plan.

4 (m) "HEDIS" means healthcare effectiveness data and
5 information set.

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

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

9 (p) "IDG" means interdepartmental grant.

10 (q) "MCH" means maternal and child health.

11 (r) "Medicaid" means subchapter XIX of the social security
12 act, 42 USC 1396 to 1396w-5.

13 (s) "Medicare" means subchapter XVIII of the social security
14 act, 42 USC 1395 to 1395lll.

15 (t) "MiCAFE" means Michigan's coordinated access to food for
16 the elderly.

17 (u) "MiChild" means the program described in section 1670 of
18 this part.

19 (v) "MiSACWIS" means Michigan statewide automated child
20 welfare information system.

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

25 (x) "PFAS" means perfluoroalkyl and polyfluoroalkyl
26 substances.

27 (y) "PIHP" means an entity designated by the department as a
28 regional entity or a specialty prepaid inpatient health plan for
29 Medicaid mental health services, services to individuals with



1 developmental disabilities, and substance use disorder services.
2 Regional entities are described in section 204b of the mental
3 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
4 inpatient health plans are described in section 232b of the mental
5 health code, 1974 PA 258, MCL 330.1232b.

6 (z) "Previous fiscal year" means the fiscal year ending
7 September 30, 2019.

8 (aa) "Quarterly reports" means 4 reports shall be submitted to
9 the required recipients by the following dates: February 1, April
10 1, July 1, and September 30 of the current fiscal year.

11 (bb) "Semiannual basis" means March 1 and September 30 of the
12 current fiscal year.

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

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

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

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

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

26 (ii) "Title X" means subchapter VIII of the public health
27 service act, 42 USC 300 to 300a-8, which establishes grants to
28 states for family planning services.

29 Sec. 204. Unless otherwise specified, the departments and



1 agencies receiving appropriations in part 1 shall use the internet
2 to fulfill the reporting requirements of this part and part 1. This
3 requirement shall include transmission of reports via electronic
4 mail to the recipients identified for each reporting requirement,
5 and it shall include placement of reports on the internet.

6 Sec. 205. Funds appropriated in part 1 shall not be used for
7 the purchase of foreign goods or services, or both, if
8 competitively priced and of comparable quality American goods or
9 services, or both, are available. Preference shall be given to
10 goods or services, or both, manufactured or provided by Michigan
11 businesses if they are competitively priced and of comparable
12 quality. In addition, preference shall be given to goods or
13 services, or both, that are manufactured or provided by Michigan
14 businesses owned and operated by veterans if they are competitively
15 priced and of comparable quality.

16 Sec. 206. The director shall take all reasonable steps to
17 ensure businesses in deprived and depressed communities compete for
18 and perform contracts to provide services or supplies, or both.
19 Each director shall strongly encourage firms with which the
20 department contracts to subcontract with certified businesses in
21 depressed and deprived communities for services, supplies, or both.

22 Sec. 207. The departments and agencies receiving
23 appropriations in part 1 shall prepare a report on out-of-state
24 travel expenses not later than January 1 of each year. The travel
25 report shall be a listing of all travel by classified and
26 unclassified employees outside this state in the immediately
27 preceding fiscal year that was funded in whole or in part with
28 funds appropriated in the department's budget. The report shall be
29 submitted to the senate and house appropriations committees, the



1 house and senate fiscal agencies, and the state budget director.
2 The report shall include the following information:

3 (a) The dates of each travel occurrence.

4 (b) The transportation and related costs of each travel
5 occurrence, including the proportion funded with state general
6 fund/general purpose revenues, the proportion funded with state
7 restricted revenues, the proportion funded with federal revenues,
8 and the proportion funded with other revenues.

9 Sec. 209. Not later than November 30, the state budget office
10 shall prepare and transmit a report that provides for estimates of
11 the total general fund/general purpose appropriation lapses at the
12 close of the prior fiscal year. This report shall summarize the
13 projected year-end general fund/general purpose appropriation
14 lapses by major departmental program or program areas. The report
15 shall be transmitted to the chairpersons of the senate and house
16 appropriations committees, and the senate and house fiscal
17 agencies.

18 Sec. 211. The department shall cooperate with the department
19 of technology, management, and budget to maintain a searchable
20 website accessible by the public at no cost that includes, but is
21 not limited to, all of the following for each department or agency:

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

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

24 (c) Fiscal year-to-date payments to a selected vendor,
25 including the vendor name, payment date, payment amount, and
26 payment description.

27 (d) The number of active department employees by job
28 classification.

29 (e) Job specifications and wage rates.



1 Sec. 212. Within 14 days after the release of the executive
2 budget recommendation, the department shall cooperate with the
3 state budget office to provide the senate and house appropriations
4 chairs, the senate and house appropriations subcommittees chairs,
5 and the senate and house fiscal agencies with an annual report on
6 estimated state restricted fund balances, state restricted fund
7 projected revenues, and state restricted fund expenditures for the
8 previous fiscal year and the current fiscal year.

9 Sec. 213. The department shall maintain, on a publicly
10 accessible website, a department scorecard that identifies, tracks,
11 and regularly updates key metrics that are used to monitor and
12 improve the department's performance.

13 Sec. 214. Total authorized appropriations from all sources
14 under part 1 for legacy costs for the current fiscal year are
15 estimated at \$350,330,100.00. From this amount, total agency
16 appropriations for pension-related legacy costs are estimated at
17 \$170,303,500.00. Total agency appropriations for retiree health
18 care legacy costs are estimated at \$180,026,600.00.

19 Sec. 215. If either of the following events occur, within 30
20 days the department shall notify the state budget director, the
21 chairs of the house and senate appropriations subcommittees on the
22 department budget, and the house and senate fiscal agencies and
23 policy offices of that fact:

24 (a) A legislative objective of this part or of a bill or
25 amendment to a bill to amend the social welfare act, 1939 PA 280,
26 MCL 400.1 to 400.119b, cannot be implemented because implementation
27 would conflict with or violate federal regulations.

28 (b) A federal grant, for which a notice of an award has been
29 received, cannot be used, or will not be used.



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

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

12 Sec. 217. (1) By February 1 of the current fiscal year, the
13 department shall report to the house and senate appropriations
14 subcommittees on the department budget, the house and senate fiscal
15 agencies, and the state budget director on the detailed name and
16 amounts of estimated federal, restricted, private, and local
17 sources of revenue that support the appropriations in each of the
18 line items in part 1.

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

25 Sec. 218. The department shall include, but not be limited to,
26 the following in its annual list of proposed basic health services
27 as required in part 23 of the public health code, 1978 PA 368, MCL
28 333.2301 to 333.2321:

29 (a) Immunizations.



- 1 (b) Communicable disease control.
 2 (c) Sexually transmitted disease control.
 3 (d) Tuberculosis control.
 4 (e) Prevention of gonorrhea eye infection in newborns.
 5 (f) Screening newborns for the conditions listed in section
 6 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
 7 recommended by the newborn screening quality assurance advisory
 8 committee created under section 5430 of the public health code,
 9 1978 PA 368, MCL 333.5430.

10 (g) Health and human services annex of the Michigan emergency
 11 management plan.

12 (h) Prenatal care.

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

- 24 (a) A detailed description of each funded project.
 25 (b) The amount allocated for each project, the appropriation
 26 line item from which the allocation is funded, and the source of
 27 financing for each project.
 28 (c) The expected project duration.
 29 (d) A detailed spending plan for each project, including a



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

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

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

16 Sec. 221. According to section 1b of the social welfare act,
17 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this
18 part as a time-limited addendum to the social welfare act, 1939 PA
19 280, MCL 400.1 to 400.119b.

20 Sec. 222. (1) The department shall make the entire policy and
21 procedures manual available and accessible to the public via the
22 department website.

23 (2) The department shall report by April 1 of the current
24 fiscal year on each specific policy change made to implement a
25 public act affecting the department that took effect during the
26 prior calendar year to the house and senate appropriations
27 subcommittees on the budget for the department, the joint committee
28 on administrative rules, the senate and house fiscal agencies, and
29 policy offices. The department shall attach each policy bulletin



1 issued during the prior calendar year to this report.

2 Sec. 223. The department may establish and collect fees for
3 publications, videos and related materials, conferences, and
4 workshops. Collected fees are appropriated when received and shall
5 be used to offset expenditures to pay for printing and mailing
6 costs of the publications, videos and related materials, and costs
7 of the workshops and conferences. The department shall not collect
8 fees under this section that exceed the cost of the expenditures.
9 When collected fees are appropriated under this section in an
10 amount that exceeds the current fiscal year appropriation, within
11 30 days the department shall notify the chairs of the house and
12 senate appropriations subcommittees on the department budget, the
13 house and senate fiscal agencies and policy offices, and the state
14 budget director of that fact.

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 departmental administration and support
23 appropriation unit.

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

28 (2) Neither the department nor private service providers or
29 licensees shall be granted preferential treatment or considered



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

7 Sec. 226. If the revenue collected by the department from fees
8 and collections exceeds the amount appropriated in part 1, the
9 revenue may be carried forward with the approval of the state
10 budget director into the subsequent fiscal year. The revenue
11 carried forward under this section shall be used as the first
12 source of funds in the subsequent fiscal year.

13 Sec. 227. The state departments, agencies, and commissions
14 receiving tobacco tax funds and Healthy Michigan fund revenue from
15 part 1 shall report by April 1 of the current fiscal year to the
16 senate and house appropriations committees, the senate and house
17 fiscal agencies, and the state budget director on the following:

18 (a) Detailed spending plan by appropriation line item
19 including description of programs and a summary of organizations
20 receiving these funds.

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

23 (c) Eligibility criteria for program participation and maximum
24 benefit levels where applicable.

25 (d) Outcome measures used to evaluate programs, including
26 measures of the effectiveness of these programs in improving the
27 health of Michigan residents.

28 Sec. 228. If the department is authorized under state or
29 federal law to collect an overpayment owed to the department, the



1 department may assess a penalty of 1% per month beginning 60 days
2 after notification. If caused by department error, a penalty may
3 not be assessed until 6 months after the initial notification date
4 of the overpayment amount. The department shall not collect penalty
5 interest in an amount that exceeds the amount of the original
6 overpayment. The state share of any funds collected under this
7 section shall be deposited in the state general fund.

8 Sec. 229. (1) The department shall extend the interagency
9 agreement with the Michigan talent investment agency for the
10 duration of the current fiscal year, which concerns TANF funding to
11 provide job readiness and welfare-to-work programming. The
12 interagency agreement shall include specific outcome and
13 performance reporting requirements as described in this section.
14 TANF funding provided to the Michigan talent investment agency in
15 the current fiscal year is contingent on compliance with the data
16 and reporting requirements described in this section. The
17 interagency agreement must require the Michigan talent investment
18 agency to provide all of the following items by January 1 of the
19 current fiscal year for the previous fiscal year to the senate and
20 house appropriations subcommittees on the department budget and the
21 state budget office:

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

24 (i) Direct services to recipients.

25 (ii) Administrative expenditures.

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

28 (i) The number and percentage who obtained employment through
29 Michigan Works!



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

3 (iii) Average TANF spending per recipient.

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

7 (2) By March 1 of the current fiscal year, the department
8 shall provide to the senate and house appropriations subcommittees
9 on the department budget, the senate and house fiscal agencies, the
10 senate and house policy offices, and the state budget office an
11 annual report on the following matters itemized by Michigan Works!
12 agency: the number of referrals to Michigan Works! job readiness
13 programs, the number of referrals to Michigan Works! job readiness
14 programs who became a participant in the Michigan Works! job
15 readiness programs, the number of participants who obtained
16 employment, and the cost per participant case.

17 Sec. 230. By December 31 of the current fiscal year, the
18 department shall report to the senate and house appropriations
19 subcommittees on the department budget, the senate and house fiscal
20 agencies and policy offices, and the state budget office on the
21 status of the implementation of any noninflationary, noncaseload,
22 programmatic funding increases from the previous fiscal year. The
23 report shall confirm the implementation of already implemented
24 funding increases and provide explanations for any planned
25 implementation of funding increases that have not yet occurred. For
26 any planned implementation of funding increases that have not yet
27 occurred, the department shall provide an expected implementation
28 date and the reasons for delayed implementation.

29 Sec. 231. From the funds appropriated in part 1 for travel



1 reimbursements to employees, the department shall allocate up to
2 \$100,000.00 toward reimbursing counties for the out-of-pocket
3 travel costs of the local county department board members and
4 county department directors to attend 1 meeting per year of the
5 Michigan County Social Services Association.

6 Sec. 232. (1) The department shall provide the approved
7 spending plan for each line item receiving an appropriation in the
8 current fiscal year to the senate and house appropriations
9 subcommittees on the department budget and the senate and house
10 fiscal agencies within 60 days of approval by the department but
11 not later than January 15 of the current fiscal year. The spending
12 plan shall include the following information regarding planned
13 expenditures for each category: allocation in the previous period,
14 change in the allocation, and new allocation. The spending plan
15 shall include the following information regarding each revenue
16 source for the line item: category of the fund source indicated by
17 general fund/general purpose, state restricted, local, private or
18 federal. Figures included in the approved spending plan shall not
19 be assumed to constitute the actual final expenditures, as line
20 items may be updated on an as-needed basis to reflect changes in
21 projected expenditures and projected revenue. The department shall
22 supplement the spending plan information by providing a list of all
23 active contracts and grants in the department's contract system.
24 For amounts listed in the other contracts category of each spending
25 plan, the department shall provide a list of all contracts and
26 grants and amounts for the current fiscal year, and include the
27 name of the line item and the name of the fund source related to
28 each contract or grant and amount. For amounts listed in the all
29 other costs category of each spending plan, the department shall



1 provide a list detailing planned expenditures and amounts for the
2 current fiscal year, and include the name of the line item and the
3 name of the fund source related to each amount and expenditure.

4 (2) Notwithstanding any other appropriation authority granted
5 in part 1, the department shall not appropriate any additional
6 general fund/general purpose funds or any related federal and state
7 restricted funds without providing a written 30-day notice to the
8 senate and house appropriations subcommittees on the department
9 budget, the senate and house fiscal agencies, and the senate and
10 house policy offices.

11 Sec. 235. (1) The department may work with PIHPs and CMHSPs to
12 create a physical and behavioral health integrated service
13 demonstration pilot without public funds being transferred to for-
14 profit Medicaid health plans. This pilot shall not be contingent on
15 approval of a section 1115 waiver from CMS.

16 (2) This pilot program, to achieve integrated practices in
17 Michigan, shall demonstrate a successful expansion of existing
18 local and statewide integrated efforts as currently mandated by the
19 department, and shall continue to include care coordination, risk
20 stratification, data sharing, and health care technology. This
21 contractual mandate by the department shall include shared care
22 coordination between PIHP and Medicaid health plans for individuals
23 served by both entities. Care coordination shall be made possible
24 by using health-related information maintained through the
25 department's Care Connect 360 platform and health information
26 exchanges. The PIHP and Medicaid health plans shall meet monthly,
27 as required by the department, to review health information of all
28 jointly served individuals. From this group, those individuals with
29 the greatest level of need shall be identified to receive joint



1 care coordination. The PIHP and Medicaid health plans shall
2 collaborate to develop a shared care plan for each of these
3 individuals.

4 (3) It is the intent of the legislature that the pilot program
5 shall be designed to last at least 2 years.

6 (4) The pilot shall increase the number of individuals who
7 meet criteria for expanded care coordination for all individuals on
8 the stratification list provided by the department via the Care
9 Connect 360 platform. In addition, the pilot program shall expand
10 the focus of care coordination to include anyone who is identified
11 as not receiving the health care services as identified by HEDIS,
12 including, but not limited to, the following:

13 (a) Follow-up after hospitalization.

14 (b) Plan all cause readmission.

15 (c) Diabetes screening for people with schizophrenia or bi-
16 polar disorder who are using antipsychotic medications.

17 (5) The primary purpose of the pilot program is to test how
18 the state may better integrate behavioral and physical health
19 delivery systems in order to improve behavioral and physical health
20 outcomes, maximize efficiencies, minimize unnecessary costs, and
21 achieve material increases in behavioral health services without
22 increases in overall Medicaid spending. Specific outcome
23 measurements of the pilot program shall include, but are not
24 limited to, all of the following:

25 (a) Decreased emergency room visits.

26 (b) Decreased hospitalizations.

27 (c) Increased primary care or preventative services.

28 (d) Increased stable housing.

29 (e) Increased competitive employment.



1 (f) Improved HEDIS scores for the measures listed in
2 subsection (4).

3 (6) Within 90 days after completion of the pilot program
4 advanced under this section, the PIHP or CMHSP and Medicaid health
5 plans shall submit a joint report to the senate and house
6 appropriations subcommittees on the department budget, the senate
7 and house fiscal agencies, the senate and house policy offices, and
8 the state budget office detailing their experiences, lessons
9 learned, the outcomes of the measurements in subsection (5), any
10 efficiencies and savings revealed for the PIHP or CMHSP and the
11 Medicaid health plans, and any increases in investment on
12 behavioral health services from the PIHP or CMHSP and the Medicaid
13 health plans.

14 Sec. 250. (1) Beginning October 1 of the current fiscal year
15 and monthly thereafter, the department shall report to the senate
16 and house appropriations subcommittees on the department budget,
17 the senate and house fiscal agencies, and the state budget office
18 on all of the following:

19 (a) Fiscal year-to-date information technology spending for
20 the current fiscal year by service and project and by line-item
21 appropriation.

22 (b) Planned information technology spending for the remainder
23 of the current fiscal year by service and project and by line-item
24 appropriation.

25 (c) Total fiscal year-to-date information technology spending
26 and planned spending for the current fiscal year by service and
27 project and by line-item appropriation.

28 (2) As used in subsection (1), "project" means all of, but not
29 limited to, the following major projects:



1 (a) Community health automated Medicaid processing system
2 (CHAMPS).

3 (b) Bridges and MiBridges eligibility determination.

4 (c) Michigan statewide automated child welfare information
5 system (MiSACWIS).

6 (d) Integrated service delivery.

7 (3) By September 30 of the current fiscal year, the
8 department, in coordination with the department of technology,
9 management, and budget, shall provide to the senate and house
10 appropriations subcommittees on the department budget, the senate
11 and house fiscal agencies, and the state budget office a financial
12 performance report that includes total information technology
13 expenditures from the previous fiscal year by fund source, total
14 information technology appropriations as a percentage of total
15 department appropriations by fund source, and a return on
16 investment, by project, for all information technology expenditures
17 in the previous fiscal year. The financial performance report shall
18 also include, for the previous 5 fiscal years, the department's
19 information technology spending compared to similar departments in
20 3 other states located in the Midwest.

21 Sec. 251. Beginning October 1, of the current fiscal year, and
22 monthly thereafter, the department shall report to the senate and
23 house appropriation subcommittees on the department budget, the
24 senate and house fiscal agencies, and the state budget office on
25 any line-item appropriation for which the department estimates
26 total annual expenditures would exceed the funds appropriated for
27 that line-item appropriation by 5% or more. The department shall
28 provide a detailed explanation for any relevant line-item
29 appropriation exceedance and shall identify the corrective actions



1 undertaken to mitigate line-item appropriation expenditures from
2 exceeding the funds appropriated for that line-item appropriation
3 by a greater amount. This section does not apply for line-item
4 appropriations that are part of the May revenue estimating
5 conference caseload and expenditure estimates.

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. 253. (1) The department shall implement information
19 technology investment management practices that use recommendations
20 from the office of the auditor general audit number 071-0550-17.
21 The department shall form a department-based information technology
22 investment board (IT investment board). The IT investment board
23 shall include the director, the deputy director with information
24 technology responsibilities, the deputy director with budgetary and
25 financial responsibilities, and senior leadership from each
26 administration or agency within the department that uses a system
27 or program that is included in the funds appropriated in part 1.
28 The IT investment board shall create a board charter that directs
29 the department's information technology investment management



1 practices. The IT investment board shall implement the publication
2 "Information Technology Investment Management: A Framework for
3 Assessing and Improving Process Maturity" from the United States
4 Government Accountability office as the policy for the department's
5 information technology investment decisions. The department, in
6 consultation with the IT investment board, shall develop policies
7 that include, but are not limited to, the following:

8 (a) The roles and responsibilities that department staff have
9 in making information technology investment decisions.

10 (b) The criteria, policies, and best practices for selecting,
11 controlling, and evaluating information technology investments. The
12 criteria, policies, and best practices shall include a return on
13 investment to evaluate the funds appropriated in part 1 for
14 information technology.

15 (c) The authority the department has in determining
16 information technology investment decisions that are not made
17 within the department of technology, management, and budget.

18 (d) Policies to manage information technology investment
19 decisions that have a high cost or are considered a high risk to
20 the department to reduce the possibility that information
21 technology expenditures will exceed the funds appropriated in part
22 1 for information technology.

23 (2) By October 1 of the current fiscal year, the department
24 shall submit to the senate and house appropriations subcommittees
25 on the department budget, the senate and house fiscal agencies, and
26 the senate and house policy offices, a report with a copy of the IT
27 investment board charter and a list of all information technology
28 projects in which the funds appropriated in part 1 exceed
29 \$500,000.00 for the current fiscal year.



1 (3) By September 30 of the current fiscal year, the department
2 shall submit to the senate and house appropriations subcommittees
3 on the department budget, the senate and house fiscal agencies, and
4 the senate and house policy offices, a report, for any information
5 technology project that exceeded \$500,000.00, on the business needs
6 met by each project, the selection process used to select the
7 project, the documentation of the IT investment board oversight and
8 approval of the project, total project development cost, total
9 project operational and maintenance cost, total state cost, total
10 contractor cost, total non-labor cost, and the total cost of
11 ownership of the project through the current fiscal year.

12 (4) From the funds appropriated in part 1 and all available
13 federal funds for information technology services and projects, the
14 department shall contract with an independent verification
15 validation program to address the increasing information technology
16 cost and to ensure that information technology contracts are
17 meeting the policies and objectives stated in subsection (1). By
18 November 1 of the current fiscal year, the department shall
19 institute an independent verification validation program by using a
20 third-party vendor who has been approved on the state's financial
21 accounting and auditing services prequalification program. The
22 independent verification validation program vendor that is selected
23 to perform independent verification validation services shall not
24 be involved in the development of software or systems that are used
25 by the department or are under consideration to be used by the
26 department. The independent verification validation program vendor
27 selected shall have experience in information technology
28 development methodologies including information technology
29 development modalities such as: waterfall, agile, and scale agile.



1 The vendor selected shall apply information technology industry
2 audit standards and audit credentials and shall have an established
3 advisory business unit.

4 (5) The independent verification validation program shall be
5 applied to information technology projects that have funds
6 appropriated in part 1 with a contract value greater than
7 \$500,000.00 that meet at least 1 of the following criteria:

8 (a) The project spans across more than 1 administration or
9 agency.

10 (b) The project involves multiple vendors.

11 (c) The project has an aggressive schedule.

12 (d) The impact is high if the project were to fail or be
13 delayed.

14 (6) The independent verification validation program shall
15 design compliance of program governance, project management, and
16 technical delivery requirements. Additionally, the independent
17 verification validation program vendor selected shall use
18 information technology practices such as robotic process automation
19 and analytics to enable real-time identification of risks and
20 issues.

21 (7) By March 1 of the current fiscal year, the department,
22 along with the selected independent verification validation vendor,
23 shall report to the senate and house appropriations subcommittees
24 on the department budget, the senate and house fiscal agencies, and
25 senate and house policy offices on an assessment of the findings of
26 the independent verification validation program and recommendations
27 for improvements. The report shall include, but not be limited to,
28 the following items:

29 (a) Compliance with federal reporting requirements.



1 (b) Demonstration of earlier identification and resolution of
2 project risks.

3 (c) The capacity to achieve a positive return on investment
4 from information technology investments.

5 (d) The potential for accelerated time to benefit realization
6 and increased benefit sustainability.

7 (e) Improved transparency of information technology project
8 benefits and financial measures.

9 (f) A reduction in variability in the development and system
10 integration process that will lead to more predictable outcomes of
11 information technology expenditures and information technology
12 project performance.

13 (g) Identification and transfer of leading industry practices
14 for improved effectiveness and efficiency.

15 Sec. 256. If funds become available, the department shall, in
16 consultation with the Michigan department of education, the
17 Michigan domestic and sexual violence prevention and treatment
18 board, and the Michigan Coalition to End Domestic and Sexual
19 Violence, redraft the curriculum for the "Growing Up & Staying
20 Healthy" and "Healthy & Responsible Relationships" modules to
21 include age-appropriate information about the importance of
22 consent, setting and respecting personal boundaries, and the
23 prevention of child sexual abuse as outlined in MCL 380.1505 and
24 consistent with the recommendations and guidelines set by the task
25 force on the prevention of sexual abuse of children created under
26 section 12b of the child protection law, 1975 PA 238, MCL 722.632b,
27 and the prevention of sexual assault and dating violence.

28 Sec. 263. (1) Except as otherwise provided in this subsection,
29 before submission of a waiver, a state plan amendment, or a similar



1 proposal to CMS or other federal agency, the department shall
2 provide written notification of the planned submission to the house
3 and senate appropriations subcommittees on the department budget,
4 the house and senate fiscal agencies and policy offices, and the
5 state budget office. This subsection does not apply to the
6 submission of a waiver, a state plan amendment, or similar proposal
7 that does not propose a material change or is outside of the
8 ordinary course of waiver, state plan amendment, or similar
9 proposed submissions.

10 (2) The department shall provide written reports on a
11 semiannual basis to the senate and house appropriations
12 subcommittees on the department budget, the senate and house fiscal
13 agencies, and the state budget office summarizing the status of any
14 new or ongoing discussions with CMS or the United States Department
15 of Health and Human Services or other federal agency regarding
16 potential or future waiver applications as well as the status of
17 submitted waivers that have not yet received federal approval. If,
18 at the time a semiannual report is due, there are no reportable
19 items, then no report is required to be provided.

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

23 Sec. 270. The department shall advise the legislature of the
24 receipt of a notification from the attorney general's office of a
25 legal action in which expenses had been recovered according to
26 section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.
27 By February 1 of the current fiscal year, the department shall
28 submit a written report to the house and senate appropriations
29 subcommittees on the department budget, the house and senate fiscal



1 agencies, and the state budget office that includes, at a minimum,
2 all of the following:

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

4 (b) The program or service for which the money was originally
5 expended.

6 (c) Details on the disposition of the funds recovered such as
7 the appropriation or revenue account in which the money was
8 deposited.

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

10 Sec. 274. (1) The department, in collaboration with the state
11 budget office, shall submit to the house and senate appropriations
12 subcommittees on the department budget, the house and senate fiscal
13 agencies, and the house and senate policy offices 1 week after the
14 day the governor submits to the legislature the budget for the
15 ensuing fiscal year a report on spending and revenue projections
16 for each of the capped federal funds listed below. The report shall
17 contain actual spending and revenue in the previous fiscal year,
18 spending and revenue projections for the current fiscal year as
19 enacted, and spending and revenue projections within the executive
20 budget proposal for the fiscal year beginning October 1, 2020 for
21 each individual line item for the department budget. The report
22 shall also include federal funds transferred to other departments.
23 The capped federal funds shall include, but not be limited to, all
24 of the following:

25 (a) TANF.

26 (b) Title XX social services block grant.

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

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



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

2 (2) It is the intent of the legislature that the department,
3 in collaboration with the state budget office, not utilize capped
4 federal funding for economics adjustments for FTEs or other
5 economics costs that are included as part of the budget submitted
6 to the legislature by the governor for the ensuing fiscal year,
7 unless there is a reasonable expectation for increased federal
8 funding to be available to the department from that capped revenue
9 source in the ensuing fiscal year.

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

- 15 (a) Other departments.
16 (b) Local units of government.
17 (c) Private sources.

18 Sec. 275. (1) As part of the year-end closing process, the
19 department, with the approval of the state budget director, is
20 authorized to realign sources between other federal, TANF, and
21 capped federal financing authorizations in order to maximize
22 federal revenues. This realignment of financing shall not produce a
23 gross increase or decrease in the department's total individual
24 line item authorizations, nor will it produce a net increase or
25 decrease in total federal revenues, or a net increase in TANF
26 authorization.

27 (2) Within 30 days of the date on which year-end book closing
28 is completed, the department shall submit to the house and senate
29 appropriations subcommittees on the department budget, the house



1 and senate fiscal agencies, and the house and senate policy offices
2 a report on the realignment of federal fund sources that took place
3 as part of the year-end closing process for the previous fiscal
4 year.

5 Sec. 279. (1) All master contracts relating to foster care and
6 adoption services as funded by the appropriations in section 105 of
7 part 1 shall be performance-based contracts that employ a client-
8 centered results-oriented process that is based on measurable
9 performance indicators and desired outcomes and includes the annual
10 assessment of the quality of services provided.

11 (2) By February 1 of the current fiscal year, the department
12 shall provide the senate and house appropriations subcommittees on
13 the department budget, the senate and house fiscal agencies and
14 policy offices, and the state budget office a report detailing
15 measurable performance indicators, desired outcomes, and an
16 assessment of the quality of services provided by the department
17 during the previous fiscal year.

18 Sec. 280. By March 1 of the current fiscal year, the
19 department shall provide a report to the house and senate
20 appropriations subcommittees on the department budget, the house
21 and senate fiscal agencies, the house and senate policy offices,
22 and the state budget director that provides all of the following
23 for each line item in part 1 containing personnel-related costs,
24 including the specific individual amounts for salaries and wages,
25 payroll taxes, and fringe benefits:

26 (a) FTE authorization.

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

29 (c) Actual year-to-date expenditures for personnel-related



1 costs, by fund source, through the end of the prior month.

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

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

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

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

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

23 Sec. 289. By March 1 of the current fiscal year, the
24 department shall provide 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 an annual report
27 on the supervisor-to-staff ratio by department divisions and
28 subdivisions.

29 Sec. 290. Any public advertisement for public assistance shall



1 also inform the public of the welfare fraud hotline operated by the
2 department.

3 Sec. 295. (1) From the funds appropriated in part 1 to
4 agencies providing physical and behavioral health services to
5 multicultural populations, the department shall award grants in
6 accordance with the requirements of subsection (2). The state is
7 not liable for any spending above the contract amount. Funds shall
8 not be released until reporting requirements under section 295 of
9 article X of 2018 PA 207 are satisfied.

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

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

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

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

23 (d) Each contractor or subcontractor shall demonstrate cost-
24 effectiveness.

25 (e) Each contractor or subcontractor shall ensure their
26 ability to leverage private dollars to strengthen and maximize
27 service provision.

28 (f) Each contractor or subcontractor shall provide timely and
29 accurate reports regarding the number of clients served, units of



1 service provision, and ability to meet their stated goals.

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

12 Sec. 296. From the funds appropriated in part 1, the
13 department is responsible for the necessary and reasonable attorney
14 fees and costs incurred by private and independent legal counsel
15 chosen by current and former classified and unclassified department
16 employees in the defense of the employees in any state or federal
17 lawsuit or investigation related to the water system in a city or
18 community in which a declaration of emergency was issued because of
19 drinking water contamination.

20 Sec. 297. On a semiannual basis, the department shall report
21 on the number of FTEs in pay status by type of staff. The report
22 shall include a comparison by line item of the number of FTEs
23 authorized from funds appropriated in part 1 to the actual number
24 of FTEs employed by the department at the end of the reporting
25 period.

26 Sec. 298. (1) The department shall continue to implement up to
27 3 pilot projects to achieve fully financially integrated Medicaid
28 behavioral health and physical health benefit and financial
29 integration demonstration models. These demonstration models shall



1 use single contracts between the state and each licensed Medicaid
2 health plan that is currently contracted to provide Medicaid
3 services in the geographic area of the pilot project. The
4 department shall ensure that the pilot projects described in this
5 subsection are implemented in a manner that ensures at least all of
6 the following:

7 (a) That allows the CMHSP in the geographic area of the pilot
8 project to be a provider of behavioral health supports and
9 services. The department shall define specific criteria relating to
10 CMHSP "willingness" and "capacity" to provide the full array of
11 services required by section 116 of the mental health code, 1974 PA
12 258, MCL 330.1116. These criteria shall include service
13 accessibility, quality, and reasonable cost. Contracts between the
14 department and the Medicaid health plans must require that the
15 Medicaid health plans contract with CMHSPs, unless the CMHSP
16 permits contracting outside the CMHSP network. If a CMHSP does not
17 meet the willingness and capacity criteria, the department shall
18 allow the Medicaid health plans to contract outside the CMHSP
19 network for those services. Contracts outside the CMHSP network
20 shall be required to meet statutory, regulatory, and contractual
21 requirements currently in place.

22 (b) That any changes made to a Medicaid waiver or Medicaid
23 state plan to implement the pilot projects described in this
24 subsection must only be in effect for the duration of the pilot
25 programs established under section 298 of article X of 2016 PA 268.

26 (c) That the project is consistent with the stated core values
27 as identified in the final report of the workgroup established in
28 section 298 of article X of 2016 PA 268.

29 (d) That updates are provided to the medical care advisory



1 council, behavioral health advisory council, and developmental
2 disabilities council.

3 (2) It is the intent of the legislature that each pilot
4 project and demonstration model shall be designed to last at least
5 3 years. It is the intent of the legislature that by January 31,
6 2021, the department shall provide a document to the senate and
7 house appropriations subcommittees on the department budget, the
8 senate and house fiscal agencies, the senate and house policy
9 offices, and the state budget office of the results of measures
10 developed in conjunction with the Medicaid health plans and CMHSPs
11 participating in the pilot program described in subsection (1)
12 that, if met, would trigger a full statewide, all managed care
13 populations' integration process beginning October 1, 2022. The
14 measures developed by the department, Medicaid health plans, and
15 CMHSPs must include, at a minimum, performance metrics from each of
16 the following categories:

17 (a) Improvement of the coordination between behavioral health
18 and physical health.

19 (b) Improvement of services available to individuals with
20 mental illness, intellectual or developmental disabilities, or
21 substance use disorders.

22 (c) Benefits associated with full access to community-based
23 services and supports.

24 (d) Beneficiary health status.

25 (e) Beneficiary satisfaction.

26 (f) Provider network stability.

27 (g) Treatment and service efficacies before and during the
28 pilot programs and demonstration pilot, including utilization
29 measures.



1 (h) Use of best practices.

2 (i) Financial efficiencies.

3 (j) Barriers to clinical data sharing between CMHSPs and
4 Medicaid health plans.

5 (k) Any other relevant categories.

6 (3) For the duration of any pilot projects and demonstration
7 model, the department shall require that contracts between CMHSPs
8 and the Medicaid health plans within their pilot region mandate
9 that any and all realized benefits and cost savings of integrating
10 the physical health and behavioral health systems shall be
11 reinvested in services and supports for individuals having or at
12 risk of having a mental illness, an intellectual or developmental
13 disability, or a substance use disorder. Any and all realized
14 benefits and cost savings shall be specifically reinvested in the
15 pilot site where the savings occurred in accordance with the
16 Medicaid state plan and any applicable Medicaid waiver.

17 (4) It is the intent of the legislature that the primary
18 purpose of the pilot projects and demonstration model is to test
19 how the state may better integrate behavioral and physical health
20 delivery systems in order to improve behavioral and physical health
21 outcomes, maximize efficiencies, minimize unnecessary costs, and
22 achieve material increases in behavioral health services without
23 increases in overall Medicaid spending.

24 (5) The department shall continue to partner with 1 of the
25 state's research universities at least 6 months before the
26 completion of each pilot project or demonstration model authorized
27 under this section to evaluate the pilot project or demonstration
28 model. The evaluation must include all of the following:

29 (a) Information on the pilot project's or demonstration



1 model's success in meeting the performance metrics developed in
2 this subsection and information on whether the pilot project could
3 be replicated into other geographic areas with similar performance
4 metric outcomes.

5 (b) Performance metrics, at a minimum, from each of the
6 following categories:

7 (i) Improvement of the coordination between behavioral health
8 and physical health.

9 (ii) Improvement of services available to individuals with
10 mental illness, intellectual or developmental disabilities, or
11 substance use disorders.

12 (iii) Benefits associated with full access to community-based
13 services and supports.

14 (iv) Beneficiary health status.

15 (v) Beneficiary satisfaction.

16 (vi) Provider network stability.

17 (vii) Treatment and service efficacies before and after the
18 pilot projects and demonstration model.

19 (viii) Use of best practices.

20 (ix) Financial efficiencies.

21 (x) Barriers to clinical data sharing with Medicaid health
22 plans.

23 (xi) Any other relevant categories.

24 (c) A requirement that the evaluation shall be completed
25 within 6 months after the end of each pilot project or
26 demonstration model and will be provided to the department, the
27 house and senate appropriations subcommittees on the department
28 budget, the house and senate fiscal agencies, the house and senate



1 policy offices, and the state budget office.

2 (6) By November 1 of the current fiscal year, the department
3 shall report to the house and senate appropriations subcommittees
4 on the department budget, the house and senate fiscal agencies, the
5 house and senate policy offices, and the state budget office on the
6 progress toward implementation of the pilot projects and
7 demonstration model described in this section, and a summary of all
8 projects. The report shall also include information on policy
9 changes and any other efforts made to improve the coordination of
10 supports and services for individuals having or at risk of having a
11 mental illness, an intellectual or developmental disability, a
12 substance use disorder, or a physical health need.

13 (7) Upon completion of any pilot project or demonstration
14 model advanced under this section, the managing entity of the pilot
15 project or demonstration model shall submit a report to the senate
16 and house appropriations subcommittees on the department budget,
17 the senate and house fiscal agencies, the senate and house policy
18 offices, and the state budget office within 30 days of completion
19 of that pilot project or demonstration model detailing their
20 experience, lessons learned, efficiencies and savings revealed,
21 increases in investment on behavioral health services, and
22 recommendations for extending pilot projects to full implementation
23 or discontinuation.

24 Sec. 299. (1) No state department or agency shall issue a
25 request for proposal (RFP) for a contract in excess of
26 \$5,000,000.00, unless the department or agency has first considered
27 issuing a request for information (RFI) or a request for
28 qualification (RFQ) relative to that contract to better enable the
29 department or agency to learn more about the market for the



1 products or services that are the subject of the RFP. The
2 department or agency shall notify the department of technology,
3 management, and budget of the evaluation process used to determine
4 if an RFI or RFQ was not necessary prior to issuing the RFP.

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

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

3
4 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

5 Sec. 307. (1) From the funds appropriated in part 1 for
6 demonstration projects, \$950,000.00 shall be distributed as
7 provided in subsection (2). The amount distributed under this
8 subsection shall not exceed 50% of the total operating expenses of
9 the program described in subsection (2), with the remaining 50%
10 paid by local United Way organizations and other nonprofit
11 organizations and foundations.

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

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

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



1 caller data and number and percentage of callers referred to public
2 or private provider types.

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

9 Sec. 317. From the funds appropriated in part 1 for
10 developmental disabilities council and projects, \$100.00 is
11 appropriated to support the objectives stated in Executive Order
12 No. 2015-15, by providing the service provider community with
13 technical assistance in the process of provider transformation
14 among community rehabilitation organizations and restructuring the
15 reimbursement rates for employment supports and services among
16 those who provide job preparation, job placement, and job retention
17 supports and services. Additionally, the department shall ensure
18 technical assistance to promote seamless transition outcomes from
19 education to employment for individuals with disabilities and
20 providing education and outreach to clients and their families,
21 including information on benefits coordination and planning for the
22 promotion of successful employment outcomes.

23 Sec. 333. From the funds appropriated in part 1 for community
24 services and outreach administration, \$100.00 shall be awarded to a
25 nonprofit organization that currently provides career connections,
26 food distribution, and community building throughout the state in
27 order to support workforce program and training activities in
28 multiple cities and has a spending and operation plan developed by
29 April 1, 2017 in consultation with Michigan businesses and the



1 Michigan economic development corporation.

2

3 **CHILD SUPPORT ENFORCEMENT**

4 Sec. 401. (1) The appropriations in part 1 assume a total
5 federal child support incentive payment of \$26,000,000.00.

6 (2) From the federal money received for child support
7 incentive payments, \$11,500,000.00 shall be retained by the state
8 and expended for child support program expenses.

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

13 (4) If the child support incentive payment to the state from
14 the federal government is greater than \$26,000,000.00, then 100% of
15 the excess shall be retained by the state and is appropriated until
16 the total retained by the state reaches \$15,397,400.00.

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

22 (6) If the child support incentive payment to the state from
23 the federal government is less than \$26,000,000.00, then the state
24 and county share shall each be reduced by 50% of the shortfall.

25 Sec. 409. (1) If statewide retained child support collections
26 exceed \$38,300,000.00, 75% of the amount in excess of
27 \$38,300,000.00 is appropriated to legal support contracts. This
28 excess appropriation may be distributed to eligible counties to
29 supplement and not supplant county title IV-D funding.



1 (2) Each county whose retained child support collections in
 2 the current fiscal year exceed its fiscal year 2004-2005 retained
 3 child support collections, excluding tax offset and financial
 4 institution data match collections in both the current fiscal year
 5 and fiscal year 2004-2005, shall receive its proportional share of
 6 the 75% excess.

7 Sec. 410. (1) If title IV-D-related child support collections
 8 are escheated, the state budget director is authorized to adjust
 9 the sources of financing for the funds appropriated in part 1 for
 10 legal support contracts to reduce federal authorization by 66% of
 11 the escheated amount and increase general fund/general purpose
 12 authorization by the same amount. This budget adjustment is
 13 required to offset the loss of federal revenue due to the escheated
 14 amount being counted as title IV-D program income in accordance
 15 with federal regulations at 45 CFR 304.50.

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

20 Sec. 411. From funds appropriated in part 1 for child support
 21 incentive payments, the department shall allocate 100% of the
 22 Medicaid cash medical support incentive to counties and shall not
 23 consider incentive payments as program income for purposes of the
 24 office of child support program.

25

26 **COMMUNITY SERVICES AND OUTREACH**

27 Sec. 450. (1) From the funds appropriated in part 1 for school
 28 success partnership program, the department shall allocate
 29 \$525,000.00 by December 1 of the current fiscal year to support the



1 Northeast Michigan Community Service Agency programming, which will
2 take place in each county in the Governor's Prosperity Region 3.
3 The department shall require the following performance objectives
4 be measured and reported for the duration of the state funding for
5 the school success partnership program:

6 (a) Increasing school attendance and decreasing chronic
7 absenteeism.

8 (b) Increasing academic performance based on grades with
9 emphasis on math and reading.

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

12 (d) Increasing parent involvement with the parent's child's
13 school and community.

14 (2) On a semiannual basis, the Northeast Michigan Community
15 Service Agency shall provide reports to the department on the
16 number of children and families served and the services that were
17 provided to families to meet the performance objectives identified
18 in this section. The department shall distribute the reports within
19 1 week after receipt to the senate and house appropriations
20 subcommittees on the department budget, the senate and house fiscal
21 agencies, the senate and house policy offices, and the state budget
22 office.

23 Sec. 452. From the funds appropriated in part 1 for crime
24 victim justice assistance grants, the department shall continue to
25 support forensic nurse examiner programs to facilitate training for
26 improved evidence collection for the prosecution of sexual assault.
27 The funds shall be used for program coordination and training.

28 Sec. 453. From the funds appropriated in part 1 for homeless
29 programs, the department shall maintain emergency shelter program



1 per diem rates at \$16.00 per bed night to support efforts of
2 shelter providers to move homeless individuals and households into
3 permanent housing as quickly as possible. Expected outcomes are
4 increased shelter discharges to stable housing destinations,
5 decreased recidivism rates for shelter clients, and a reduction in
6 the average length of stay in emergency shelters.

7 Sec. 454. The department shall allocate the full amount of
8 funds appropriated in part 1 for homeless programs to provide
9 services for homeless individuals and families, including, but not
10 limited to, third-party contracts for emergency shelter services.

11 Sec. 455. As a condition of receipt of federal TANF funds,
12 homeless shelters and human services agencies shall collaborate
13 with the department to obtain necessary TANF eligibility
14 information on families as soon as possible after admitting a
15 family to the homeless shelter. From the funds appropriated in part
16 1 for homeless programs, the department is authorized to make
17 allocations of TANF funds only to the homeless shelters and human
18 services agencies that report necessary data to the department for
19 the purpose of meeting TANF eligibility reporting requirements.
20 Homeless shelters or human services agencies that do not report
21 necessary data to the department for the purpose of meeting TANF
22 eligibility reporting requirements will not receive reimbursements
23 that exceed the per diem amount they received in fiscal year 2000.
24 The use of TANF funds under this section is not an ongoing
25 commitment of funding.

26 Sec. 456. From the funds appropriated in part 1 for homeless
27 and housing programs, the department shall allocate \$90,000.00 to
28 reimburse public service agencies that provide documentation of
29 paying birth certificate fees on behalf of category 1 homeless



1 clients at county clerk's offices. Public service agencies shall be
2 reimbursed for the cost of the birth certificate fees quarterly
3 until this allocation is fully spent.

4 Sec. 457. (1) From the funds appropriated in part 1 for the
5 uniform statewide sexual assault evidence kit tracking system, in
6 accordance with the final report of the Michigan sexual assault
7 evidence kit tracking and reporting commission, \$800,000.00 is
8 allocated from the sexual assault evidence tracking fund to
9 contract for implementation of a uniform statewide sexual assault
10 evidence kit tracking system. The system shall include the
11 following:

12 (a) A uniform statewide system to track the submission and
13 status of sexual assault evidence kits.

14 (b) A uniform statewide system to audit untested kits that
15 were collected on or before March 1, 2015 and were released by
16 victims to law enforcement.

17 (c) Secure electronic access for victims.

18 (d) The ability to accommodate concurrent data entry with kit
19 collection through various mechanisms, including web entry through
20 computer or smartphone, and through scanning devices.

21 (2) By March 30 of the current fiscal year, the department
22 shall submit to the senate and house appropriations subcommittees
23 on the department budget, the senate and house fiscal agencies, the
24 senate and house policy offices, and the state budget office a
25 status report on implementation and operation of the uniform
26 statewide sexual assault evidence kit tracking system, including
27 operational status and any known issues regarding implementation.

28 (3) The sexual assault evidence tracking fund established in
29 section 1451 of 2017 PA 158 shall continue to be maintained in the



1 department of treasury. Money in the sexual assault evidence
2 tracking fund at the close of a fiscal year shall remain in the
3 sexual assault evidence tracking fund and shall not revert to the
4 general fund and shall be appropriated as provided by law for the
5 development and implementation of a uniform statewide sexual
6 assault evidence kit tracking system as described in subsection
7 (1).

8 (4) By September 30 of the current fiscal year, the department
9 shall submit to the senate and house appropriations subcommittees
10 on the department budget, the senate and house fiscal agencies, the
11 senate and house policy offices, and the state budget office a
12 report on the findings of the annual audit of the proper submission
13 of sexual assault evidence kits as required by the sexual assault
14 kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935.
15 The report must include, but is not limited to, a detailed county-
16 by-county compilation of the number of sexual assault evidence kits
17 that were properly submitted and the number that met or did not
18 meet deadlines established in the sexual assault kit evidence
19 submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of
20 sexual assault evidence kits retrieved by law enforcement after
21 analysis, and the physical location of all released sexual assault
22 evidence kits collected by health care providers in that year, as
23 of the date of the annual draft report for each reporting agency.

24 Sec. 458. From the funds appropriated in part 1 for crime
25 victim rights services grants, the department shall allocate
26 \$2,000,000.00 of crime victim's rights fund to increase grant
27 funding to support the further use of crime victim advocates in the
28 criminal justice system. The purpose of the additional funding is
29 to increase available grant funding for crime victim advocates to



1 ensure that the advocates have the resources, training, and funding
2 needed to respond to the physical and emotional needs of crime
3 victims and to provide victims with the necessary services,
4 information, and assistance in order to help them understand and
5 participate in the criminal justice system and experience a measure
6 of safety and security throughout the legal process.

7 Sec. 459. (1) Funding appropriated in part 1 for campus sexual
8 assault prevention and education initiative shall be used to
9 provide and administer grants to public or nonpublic community
10 colleges, colleges, universities, and high schools with a physical
11 presence in this state to address campus sexual assault issues in
12 order to improve the safety and security of students, faculty, and
13 staff in campus environments in this state.

14 (2) Grant funds awarded shall support sexual assault programs,
15 including education, awareness, prevention, reporting, bystander
16 intervention programs, peer advocacy groups, and student
17 organizations dedicated to campus sexual assault prevention and
18 other actions covered by title IX protections.

19 (3) The department shall report on grant activities to the
20 senate and house appropriations subcommittees on the department
21 budget, the senate and house appropriations subcommittees on higher
22 education, the senate and house fiscal agencies, and the state
23 budget office by February 28, 2020.

24 (4) The unexpended portion of funds appropriated in part 1 for
25 the campus sexual assault prevention and education initiative is
26 designated as a work project appropriation. Any unencumbered or
27 unallotted funds shall not lapse at the end of the fiscal year and
28 shall be available for expenditure for the project under this
29 section until the project has been completed. The following is in



1 compliance with section 451a(1) of the management and budget act,
2 1984 PA 431, MCL 18.1451a:

3 (a) The purpose of the project is to provide grants for sexual
4 assault education, awareness, prevention, reporting, bystander
5 intervention programs, peer advocacy groups, and student
6 organizations dedicated to campus sexual assault prevention and
7 other actions covered by title IX protections. The student
8 organizations may be provided funds to support and develop advocacy
9 groups and act on issues related to prevention of sexual assault,
10 including, but not limited to, student outreach, supporting
11 survivors of sexual assault, and advocating for campus improvements
12 such as additional lighting.

13 (b) The project will be accomplished by grants to eligible
14 community colleges, colleges, universities, and high schools.

15 (c) The total estimated cost of the project is \$1,321,700.00.

16 (d) The estimated completion date is September 30, 2024.
17

18 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

19 Sec. 501. (1) A goal is established that not more than 25% of
20 all children in foster care at any given time during the current
21 fiscal year, if in the best interest of the child, will have been
22 in foster care for 24 months or more.

23 (2) By March 1 of the current fiscal year, the department
24 shall provide to the senate and house appropriations subcommittees
25 on the department budget, the senate and house fiscal agencies, the
26 senate and house policy offices, and the state budget office a
27 report describing the steps that will be taken to achieve the
28 specific goal established in this section and on the percentage of
29 children who currently are in foster care and who have been in



1 foster care a total of 24 or more months.

2 Sec. 502. From the funds appropriated in part 1 for foster
3 care, the department shall provide 50% reimbursement to Indian
4 tribal governments for foster care expenditures for children who
5 are under the jurisdiction of Indian tribal courts and who are not
6 otherwise eligible for federal foster care cost sharing.

7 Sec. 503. (1) In accordance with the final report of the
8 Michigan child welfare performance-based funding task force issued
9 in response to section 503 of article X of 2013 PA 59, the
10 department shall continue to review, update, or develop actuarially
11 sound case rates for necessary child welfare foster care case
12 management services that achieve permanency by the department and
13 private child placing agencies in a prospective payment system
14 under a performance-based funding model.

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

22 (3) 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 continue an independent, third-party evaluation of the performance-
26 based funding model.

27 (4) The department shall only implement the performance-based
28 funding model into additional counties where the department,
29 private child welfare agencies, the county, and the court operating



1 within that county have signed a memorandum of understanding that
2 incorporates the intentions of the concerned parties in order to
3 implement the performance-based funding model.

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

16 (6) From the funds appropriated in part 1 for the performance-
17 based funding model pilot, the department shall continue to work
18 with the West Michigan Partnership for Children Consortium on the
19 implementation of the performance-based funding model pilot. The
20 consortium shall accept and comprehensively assess referred youth,
21 assign cases to members of its continuum or leverage services from
22 other entities, and make appropriate case management decisions
23 during the duration of a case. The consortium shall operate an
24 integrated continuum of care structure, with services provided by
25 both private and public agencies, based on individual case needs.
26 The consortium shall demonstrate significant organizational
27 capacity and competencies, including experience with managing risk-
28 based contracts, financial strength, experienced staff and
29 leadership, and appropriate governance structure.



1 Sec. 504. (1) The department may continue a master agreement
2 with the West Michigan Partnership for Children Consortium for a
3 performance-based child welfare contracting pilot program. The
4 consortium shall consist of a network of affiliated child welfare
5 service providers that will accept and comprehensively assess
6 referred youth, assign cases to members of its continuum or
7 leverage services from other entities, and make appropriate case
8 management decisions during the duration of a case.

9 (2) The consortium shall operate an integrated continuum of
10 care structure, with services provided by private or public
11 agencies, based on individual case needs.

12 (3) By March 1 of the current fiscal year, the consortium
13 shall provide to the department and the house and senate
14 appropriations subcommittees on the department budget a report on
15 the consortium, including, but not limited to, actual expenditures,
16 number of children placed by agencies in the consortium, fund
17 balance of the consortium, and the status of the consortium
18 evaluation.

19 Sec. 505. (1) From the funds appropriated in part 1 for county
20 child care fund by October 1 of the current fiscal year, the
21 department and Wayne County shall provide to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies and policy offices, and the state budget
24 office a report for youth referred or committed to the department
25 for care or supervision in the previous fiscal year outlining the
26 number of youth served by the department within the juvenile
27 justice system, the type of setting for each youth, performance
28 outcomes, and financial costs or savings.

29 (2) The department shall not allocate funds appropriated in



1 part 1 for county child care fund to the county identified in
2 subsection (1) until the reporting requirements in subsection (1)
3 are satisfied.

4 Sec. 507. The department's ability to satisfy appropriation
5 deducts in part 1 for foster care private collections shall not be
6 limited to collections and accruals pertaining to services provided
7 only in the current fiscal year but may include revenues collected
8 during the current fiscal year for services provided in prior
9 fiscal years.

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

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

20 Sec. 511. The department shall provide reports on a semiannual
21 basis to the senate and house appropriations subcommittees on the
22 department budget, the senate and house standing committees on
23 families and human services, and the senate and house fiscal
24 agencies and policy offices on the number and percentage of
25 children who received an initial medical and mental health
26 examination within 30 days after entry into foster care. The goal
27 of the program is that at least 85% of children receive timely
28 physical and mental health examinations after entry into foster
29 care.



1 Sec. 512. (1) As required by the settlement, by March 1 of the
2 current fiscal year, the department shall report to the senate and
3 house appropriations subcommittees on the department budget, the
4 senate and house fiscal agencies, the senate and house policy
5 offices, and the state budget office on the following information
6 for cases of child abuse or child neglect from the previous fiscal
7 year:

8 (a) The total number of relative care placements.

9 (b) The total number of relatives with a placement who became
10 licensed.

11 (c) The number of waivers of foster care licensure granted to
12 relative care providers.

13 (d) The number of waivers of foster care denied to relative
14 care providers.

15 (e) A list of the reasons from a sample of cases the
16 department denied granting a waiver of foster care licensure for a
17 relative care provider.

18 (f) A list of the reasons from a sample of cases where
19 relatives were declined foster care licensure as documented by the
20 department.

21 (2) The caseworker shall request a waiver of foster care
22 licensure if both of the following apply:

23 (a) The caseworker has fully informed the relative of the
24 benefits of licensure and the option of a licensure waiver.

25 (b) The caseworker has assessed the relative and the
26 relative's home using the department's initial relative safety
27 screen and the department's relative home assessment and has
28 determined that the relative's home is safe and placement there is
29 in the child's best interest.



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

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

7 (b) An out-of-state placement exists that is nearer to the
8 child's home than the closest appropriate in-state placement as
9 determined by the department interstate compact office.

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

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

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

18 (2) The department shall not expend money for a child placed
19 in an out-of-state facility without approval of the executive
20 director of the children's services agency.

21 (3) The department shall submit an annual report to the state
22 court administrative office, the house and senate appropriations
23 subcommittees on the department budget, the house and senate fiscal
24 agencies, the house and senate policy offices, and the state budget
25 office on the number of Michigan children residing in out-of-state
26 facilities on the last day of the previous fiscal year, the total
27 cost and average per diem cost of these out-of-state placements to
28 this state, and a list of each such placement arranged by the
29 Michigan county of residence for each child.



1 Sec. 514. The department shall make a comprehensive report
2 concerning children's protective services (CPS) to the legislature,
3 including the senate and house policy offices and the state budget
4 director, by March 1 of the current fiscal year, that shall include
5 all of the following:

6 (a) Statistical information including, but not limited to, all
7 of the following:

8 (i) The total number of reports of child abuse or child neglect
9 investigated under the child protection law, 1975 PA 238, MCL
10 722.621 to 722.638, and the number of cases classified under
11 category I or category II and the number of cases classified under
12 category III, category IV, or category V.

13 (ii) Characteristics of perpetrators of child abuse or child
14 neglect and the child victims, such as age, relationship, race, and
15 ethnicity and whether the perpetrator exposed the child victim to
16 drug activity, including the manufacture of illicit drugs, that
17 exposed the child victim to substance abuse, a drug house, or
18 methamphetamine.

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

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

26 (v) For the reported complaints of child abuse or child
27 neglect by teachers, school administrators, and school counselors,
28 the number of cases classified under category I or category II and
29 the number of cases classified under category III, category IV, or



1 category V.

2 (vi) For the reported complaints of child abuse or child
3 neglect by teachers, school administrators, and school counselors,
4 the number of cases that resulted in separation of the child from
5 the parent or guardian and the period of time of that separation,
6 up to and including termination of parental rights.

7 (b) New policies related to children's protective services
8 including, but not limited to, major policy changes and court
9 decisions affecting the children's protective services system
10 during the immediately preceding 12-month period. The report shall
11 also include a summary of the actions undertaken and applicable
12 expenditures to achieve compliance with the office of the auditor
13 general audit number 431-1285-16.

14 (c) Statistical information regarding families that were
15 classified in category III, including, but not limited to, all of
16 the following:

17 (i) The total number of cases classified in category III.

18 (ii) The number of cases in category III referred to voluntary
19 community services and closed with no additional monitoring.

20 (iii) The number of cases in category III referred to voluntary
21 community services and monitored for up to 90 days.

22 (iv) The number of cases in category III for which the
23 department entered more than 1 determination that there was
24 evidence of child abuse or child neglect.

25 (v) The number of cases in category III that the department
26 reclassified from category III to category II.

27 (vi) The number of cases in category III that the department
28 reclassified from category III to category I.

29 (vii) The number of cases in category III that the department



1 reclassified from category III to category I that resulted in a
2 removal.

3 (d) The department policy, or changes to the department
4 policy, regarding children who have been exposed to the production
5 or manufacture of methamphetamines.

6 Sec. 516. From funds appropriated in part 1 for county child
7 care fund, the administrative or indirect cost payment equal to 10%
8 of a county's total monthly gross expenditures shall be distributed
9 to the county on a monthly basis and a county is not required to
10 submit documentation to the department for any of the expenditures
11 that are covered under the 10% payment as described in section
12 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA 280, MCL
13 400.117a.

14 Sec. 517. The department shall retain the same title IV-E
15 appeals policy in place as of the fiscal year ending September 30,
16 2017.

17 Sec. 519. The department shall permit any private agency that
18 has an existing contract with this state to provide foster care
19 services to be also eligible to provide treatment foster care
20 services.

21 Sec. 520. The department shall submit a report to the house
22 and senate appropriations subcommittees on the department budget,
23 the house and senate fiscal agencies, the house and senate policy
24 offices, and the state budget office by February 15 of the current
25 fiscal year on the number of days of care and expenditures by
26 funding source for the previous fiscal year for out-of-home
27 placements by specific placement programs for child abuse or child
28 neglect and juvenile justice, including, but not limited to, paid
29 relative placement, department direct family foster care, private



1 agency supervised foster care, private child caring institutions,
2 county-supervised facilities, court-supervised facilities, and
3 independent living. The report shall also include the number of
4 days of care for department-operated residential juvenile justice
5 facilities by security classification.

6 Sec. 522. (1) From the funds appropriated in part 1 for youth
7 in transition, the department shall allocate \$750,000.00 for
8 scholarships through the fostering futures scholarship program in
9 the Michigan education trust to youths who were in foster care
10 because of child abuse or child neglect and are attending a college
11 or a career technical educational institution located in this
12 state. Of the funds appropriated, 100% shall be used to fund
13 scholarships for the youths described in this section.

14 (2) By March 1 of the current fiscal year, the department
15 shall provide a report to the senate and house appropriations
16 subcommittees on the department budget, the senate and house fiscal
17 agencies, the senate and house policy offices, and the state budget
18 office that includes the number of youths who received scholarships
19 and the amount of each scholarship, and the total amount of funds
20 spent or encumbered in the current fiscal year.

21 Sec. 523. (1) By February 15 of the current fiscal year, the
22 department shall submit to the senate and house appropriations
23 subcommittees on the department budget, the senate and house fiscal
24 agencies, the senate and house policy offices, and the state budget
25 office a report on the families first, family reunification, and
26 families together building solutions family preservation programs.
27 The report shall provide population and outcome data based on
28 contractually required follow-up evaluations for families who
29 received family preservation services and shall include information



1 for each program on any innovations that may increase child safety
2 and risk reduction.

3 (2) From the funds appropriated in part 1 for youth in
4 transition and domestic violence prevention and treatment, the
5 department is authorized to make allocations of TANF funds only to
6 agencies that report necessary data to the department for the
7 purpose of meeting TANF eligibility reporting requirements.

8 Sec. 524. As a condition of receiving funds appropriated in
9 part 1 for strong families/safe children, counties must submit the
10 service spending plan to the department by October 1 of the current
11 fiscal year for approval. The department shall approve the service
12 spending plan within 30 calendar days after receipt of a properly
13 completed service spending plan.

14 Sec. 525. The department shall implement the same on-site
15 evaluation processes for privately operated child welfare and
16 juvenile justice residential facilities as is used to evaluate
17 state-operated facilities. Penalties for noncompliance shall be the
18 same for privately operated child welfare and juvenile justice
19 residential facilities and state-operated facilities.

20 Sec. 527. With the approval of the settlement monitor, for the
21 purposes of calculating adoption worker caseloads for private child
22 placing agencies, the department shall exclude the following case
23 types:

24 (a) Cases in which there are multiple applicants as that term
25 is defined in section 22(e) of chapter X of the probate code of
26 1939, 1939 PA 288, MCL 710.22, also known as a competing party
27 case, in which the case has a consent motion pending from
28 Michigan's children's institute or the court for more than 30 days.

29 (b) Cases in which a birth parent has an order or motion for a



1 rehearing or an appeal as of right that has been pending for more
2 than 15 days.

3 Sec. 531. The department shall notify the house and senate
4 appropriations subcommittees on the department budget, the house
5 and senate fiscal agencies, and the house and senate policy offices
6 of any changes to a child welfare master contract template,
7 including the adoption master contract template, the independent
8 living plus master contract template, the child placing agency
9 foster care master contract template, and the residential foster
10 care juvenile justice master contract template, not less than 30
11 days before the change takes effect.

12 Sec. 532. The department, in collaboration with
13 representatives of private child and family agencies, shall revise
14 and improve the annual licensing review process and the annual
15 contract compliance review process for child placing agencies and
16 child caring institutions. The improvement goals shall be safety
17 and care for children. Improvements to the review process shall be
18 directed toward alleviating administrative burdens so that agency
19 resources may be focused on children. The revision shall include
20 identification of duplicative staff activities and information
21 sought from child placing agencies and child caring institutions in
22 the annual review process. The department shall report to the
23 senate and house appropriations subcommittees on the department
24 budget, the senate and house fiscal agencies and policy offices,
25 and the state budget director on or before January 15 of the
26 current fiscal year on the findings of the annual licensing review
27 and include summaries of actions undertaken to revise, improve, and
28 identify weaknesses in the current annual licensing process and
29 annual contract compliance.



1 Sec. 533. The department shall make payments to child placing
2 facilities for in-home and out-of-home care services and adoption
3 services within 30 days of receiving all necessary documentation
4 from those agencies. It is the intent of the legislature that the
5 burden of ensuring that these payments are made in a timely manner
6 and no payments are in arrears is upon the department.

7 Sec. 534. 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 adoption subsidies expenditures from the previous
12 fiscal year. The report shall include, but is not limited to, the
13 range of annual adoption support subsidy amounts, for both title
14 IV-E eligible cases and state-funded cases, paid to adoptive
15 families, the number of title IV-E and state-funded cases, the
16 number of cases in which the adoption support subsidy request of
17 adoptive parents for assistance was denied by the department, and
18 the number of adoptive parents who requested a redetermination of
19 adoption support subsidy.

20 Sec. 535. The department shall seek federal title IV-E claims
21 for foster care maintenance payments and foster care administrative
22 payments for department approved placements associated with the
23 department's compliance with *D.O. v Glisson*, 847 F3d 374 (CA 6,
24 2017).

25 Sec. 536. By March 1 of the current fiscal year, the
26 department shall submit to the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal
28 agencies, and the policy offices a report on the status of the
29 department's planned and achieved implementation of the federal



1 family first prevention services act, Public Law 115-123. The
2 report shall include, but not be limited to, an estimate of the 5-
3 year spending plan for administrative and compliance costs,
4 information regarding compliance with title IV-E prevention
5 requirements, the status of statewide compliance with the qualified
6 residential treatment program requirements, the department's
7 conformity with federal model licensing standards, the department's
8 plan for tracking and preventing child maltreatment deaths, and the
9 department's plan for extending John H. Chaffee foster care
10 independence programs up to age 23.

11 Sec. 537. (1) The department, in collaboration with child
12 placing agencies, shall develop a strategy to implement section
13 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The
14 strategy shall include a requirement that a department caseworker
15 responsible for preparing a recommendation to a court concerning a
16 juvenile placement shall provide, as part of the recommendation,
17 information regarding the requirements of section 115o of the
18 social welfare act, 1939 PA 280, MCL 400.115o.

19 (2) By March 1 of the current fiscal year, the department
20 shall provide to the senate and house appropriations subcommittees
21 on the department budget, the senate and house fiscal agencies, the
22 senate and house policy offices, and the state budget office a
23 report on the strategy described in subsection (1).

24 Sec. 538. By October 1 of the current fiscal year, the
25 department shall submit to the senate and house appropriations
26 subcommittees on the department budget, the senate and house fiscal
27 agencies, and the policy offices a report on the status of the
28 department's program improvement plan associated with round 3 of
29 the child and family services review (CFSR). The report shall also



1 include, but not be limited to, a specific and detailed plan to
2 address the areas of substantial nonconformity identified in the
3 CFSR such as the inadequacy of caseworker training provided by the
4 department, the estimated costs necessary to reduce travel time for
5 service delivery to rural areas, plans to improve caseworker
6 engagement to reduce maltreatment in care, and steps undertaken by
7 the department to emphasize permanency in case planning.

8 Sec. 540. If a physician or psychiatrist who is providing
9 services to state or court wards placed in a residential facility
10 submits a formal request to the department to change the
11 psychotropic medication of a ward, the department shall, if the
12 ward is a state ward, make a determination on the proposed change
13 within 7 business days after the request or, if the ward is a
14 temporary court ward, seek parental consent within 7 business days
15 after the request. If parental consent is not provided within 7
16 business days, the department shall petition the court on the
17 eighth business day.

18 Sec. 546. (1) From the funds appropriated in part 1 for foster
19 care payments and from child care fund, the department shall pay
20 providers of general foster care, independent living, and trial
21 reunification services not less than a \$46.20 administrative rate.

22 (2) From the funds appropriated in part 1, the department
23 shall pay providers of independent living plus services statewide
24 per diem rates for staff-supported housing and host-home housing
25 based on proposals submitted in response to a solicitation for
26 pricing. The independent living plus program provides staff-
27 supported housing and services for foster youth ages 16 through 19
28 who, because of their individual needs and assessments, are not
29 initially appropriate for general independent living foster care.



1 (3) If required by the federal government to meet title IV-E
2 requirements, providers of foster care services shall submit
3 quarterly reports on expenditures to the department to identify
4 actual costs of providing foster care services.

5 (4) From the funds appropriated in part 1, the department
6 shall maintain the rates in place on September 30, 2019 for each
7 private provider of residential services.

8 Sec. 547. (1) From the funds appropriated in part 1 for the
9 guardianship assistance program, the department shall pay a minimum
10 rate that is not less than the approved age-appropriate payment
11 rates for youth placed in family foster care.

12 (2) The department shall report quarterly to the state budget
13 office, the senate and house appropriations subcommittees on the
14 department budget, the senate and house fiscal agencies, and the
15 senate and house policy offices on the number of children enrolled
16 in the guardianship assistance and foster care - children with
17 serious emotional disturbance waiver programs.

18 Sec. 550. (1) The department shall not offset against
19 reimbursement payments to counties or seek reimbursement from
20 counties for charges that were received by the department more than
21 12 months before the department seeks to offset against
22 reimbursement. A county shall not request reimbursement for and
23 reimbursement payments shall not be paid for a charge that is more
24 than 12 months after the date of service or original status
25 determination when initially submitted by the county.

26 (2) All service providers shall submit a request for payment
27 within 12 months after the date of service. Any request for payment
28 submitted 12 months or more after the date of service requires the
29 provider to submit an exception request to the county or the



1 department for approval or denial.

2 (3) The county is not subject to any offset, chargeback, or
3 reimbursement liability for prior expenditures resulting from an
4 error in foster care fund source determinations.

5 Sec. 551. The department shall respond to counties within 30
6 days regarding any request for a clarification requested through
7 the department's child care fund management unit electronic mail
8 address.

9 Sec. 552. Sixty days after a county's child care fund on-site
10 review is completed, the department shall provide the results of
11 the review to the county. The department shall not evaluate the
12 relevancy, quality, effectiveness, efficiency, or impact of the
13 services provided to youth of the county's child care fund programs
14 in the review. Pursuant to state law, the department shall not
15 release the results of the review to a third-party without the
16 permission of the county being reviewed.

17 Sec. 558. From the funds appropriated in part 1 for child
18 welfare institute, by January 1 of the current fiscal year, the
19 department shall provide all the necessary training and materials
20 to designated private child placing agency staff in order for all
21 pre-service training requirements specified by the settlement to be
22 completed by private child placing agency staff at agency
23 facilities. It shall be department policy that the designated
24 private child placing agency staff trained by the department to
25 deliver training are authorized to deliver pre-service training to
26 any private child placing agency staff, regardless of agency. This
27 section does not modify or amend current licensing, certification,
28 or subject matter standards required by federal law, state law, or
29 the settlement.



1 Sec. 559. (1) From the funds appropriated in part 1 for
2 adoption support services, the department shall allocate
3 \$250,000.00 to the Adoptive Family Support Network by December 1 of
4 the current fiscal year to operate and expand its adoptive parent
5 mentor program to provide a listening ear, knowledgeable guidance,
6 and community connections to adoptive parents and children who were
7 adopted in this state or another state.

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

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

25 Sec. 564. (1) The department shall develop a clear policy for
26 parent-child visitations. The local county offices, caseworkers,
27 and supervisors shall meet an 85% success rate, after accounting
28 for factors outside of the caseworkers' control.

29 (2) Per the court-ordered number of required meetings between



1 caseworkers and a parent, the caseworkers shall achieve a success
2 rate of 85%, after accounting for factors outside of the
3 caseworkers' control.

4 (3) By March 1 of the current fiscal year, the department
5 shall provide to the senate and house appropriations subcommittees
6 on the department budget, the senate and house fiscal agencies, the
7 senate and house policy offices, and the state budget office a
8 report on the following:

9 (a) The percentage of success rate for parent-child
10 visitations and court-ordered required meetings between caseworkers
11 referenced in subsections (1) and (2) for the previous year.

12 (b) The barriers to achieve the success rates in subsections
13 (1) and (2) and how this information is tracked.

14 Sec. 567. The department shall submit to the senate and house
15 appropriations subcommittees on the department budget, the senate
16 and house fiscal agencies, the senate and house policy offices, and
17 the state budget office by March 1 of the current fiscal year a
18 report on transfer of medical passports for children in foster
19 care, including the following:

20 (a) From the total medical passports transferred, the
21 percentage that transferred within 2 weeks from the date of
22 placement or return to the home.

23 (b) From the total school records, the percentage that
24 transferred within 2 weeks from the date of placement or return to
25 the home.

26 (c) The implementation steps that have been taken to improve
27 the outcomes for the measures in subdivision (a).

28 Sec. 569. The department shall reimburse private child placing
29 agencies that complete adoptions at the rate according to the date



1 on which the petition for adoption and required support
 2 documentation was accepted by the court and not according to the
 3 date the court's order placing for adoption was entered.

4 Sec. 573. (1) From the funds appropriated in part 1 for foster
 5 care payments and county child care fund, the department shall
 6 allocate \$100.00 to pay providers of foster care services a per
 7 diem daily administrative rate for every case on a caseworker's
 8 caseload for the duration of a case from referral acceptance to the
 9 discharge of wardship.

10 (2) The department shall continue a workgroup to determine an
 11 equitable and fair method to compensate private child placing
 12 agencies for case management and services provided to children for
 13 which private child placing agencies are not paid an administrative
 14 rate. The members of the workgroup shall include, but not be
 15 limited to, the department, representatives from the Michigan
 16 Federation for Children and Families, representatives from the
 17 Association of Accredited Child and Family Agencies,
 18 representatives from contracted private child placing agencies, and
 19 members of the senate and the house of representatives. The
 20 workgroup shall, at a minimum, provide an update on the possibility
 21 of implementing any of the following items that the workgroup
 22 considers feasible:

23 (a) A consensus agreement on the definition of an unpaid
 24 foster care case.

25 (b) A determination of the optimal way to provide compensation
 26 that is suitable for private child placing agencies for the case
 27 management of a child who, as described by department policy as of
 28 September 30 of the previous fiscal year, is not in foster care and
 29 for whom the private child placing agency does not receive an



1 administrative rate, but, as of September 30 of the previous fiscal
2 year, who was factored into the calculation of caseloads for a
3 foster care worker as described by the settlement. The department
4 shall provide an estimate of the costs to compensate private child
5 placing agencies for cases in which the private child placing
6 agency has been assigned primary case management, but are not
7 currently compensated for.

8 (c) The status of an indirect or administrative payment to
9 compensate private child placing agencies for the case management
10 of a child who, as described by department policy as of September
11 30 of the previous fiscal year, is not in foster care and does not
12 receive an administrative rate, but, as of September 30 of the
13 previous fiscal year, who was factored into the calculation of
14 caseloads for a foster care worker as described by the settlement.

15 (3) The department and the participants in the workgroup
16 described in subsection (2) shall complete the determination by
17 March 1 of the current fiscal year and shall provide a copy of the
18 workgroup's determination to all workgroup members.

19 (4) The department shall complete an actuarial study to review
20 case rates paid to private child placing agencies every even-
21 numbered year.

22 (5) The department shall submit a request to the settlement
23 monitor to define caseload ratios in the settlement to only include
24 active cases or to designate a zero case weight for cases that are
25 routed for case closure but remain open to complete administrative
26 activities.

27 Sec. 574. (1) From the funds appropriated in part 1 for foster
28 care payments, \$2,000,000.00 is allocated to support performance-
29 based contracts with child placing agencies to facilitate the



1 licensure of relative caregivers as foster parents. Agencies shall
2 receive \$4,500.00 for each facilitated licensure if completed
3 within 180 days after case acceptance, or, if a waiver was
4 previously approved, 180 days from the referral date. If the
5 facilitated licensure, or approved waiver, is completed after 180
6 days, the agency shall receive up to \$3,500.00. The agency
7 facilitating the licensure would retain the placement and continue
8 to provide case management services for the newly licensed cases
9 for which the placement was appropriate to the agency. The 180-day
10 period shall not include any delay due to actions solely in the
11 control of the department as accounted for by the child placing
12 agency assisting with licensure.

13 (2) From the funds appropriated for foster care payments,
14 \$375,000.00 is allocated to support family incentive grants to
15 private and community-based foster care service providers to assist
16 with home improvements or payment for physical exams for applicants
17 needed by foster families to accommodate foster children.

18 Sec. 583. By March 1 of the current fiscal year, the
19 department shall provide to the senate and house appropriations
20 subcommittees on the department budget, the senate and house
21 standing committees on families and human services, the senate and
22 house fiscal agencies and policy offices, and the state budget
23 office a report that includes:

24 (a) The number and percentage of foster parents that dropped
25 out of the program in the previous fiscal year and the reasons the
26 foster parents left the program and how those figures compare to
27 prior fiscal years.

28 (b) The number and percentage of foster parents successfully
29 retained in the previous fiscal year and how those figures compare



1 to prior fiscal years.

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

5 Sec. 586. From the funds appropriated in part 1 for foster
6 care taskforce, the department shall allocate \$50,000.00 to cover
7 the necessary expenses of the foster care taskforce and be used to
8 reimburse commission members for reasonable, actual, and necessary
9 expenses incurred in the performance of their duties.

10 Sec. 588. (1) Concurrently with public release, the department
11 shall transmit all reports from the court-appointed settlement
12 monitor, including, but not limited to, the needs assessment and
13 period outcome reporting, to the state budget office, the senate
14 and house appropriations subcommittees on the department budget,
15 and the senate and house fiscal agencies and policy offices,
16 without revision.

17 (2) By October 1 of the current fiscal year, department shall
18 submit to the senate and house appropriations subcommittees on the
19 department budget, the senate and house fiscal agencies, and the
20 policy offices a detailed plan that will terminate and dismiss with
21 prejudice the settlement by September 30 of the current fiscal
22 year.

23 Sec. 589. (1) From the funds appropriated in part 1 for child
24 care fund, the department shall pay 100% of the administrative rate
25 for all new cases referred to providers of foster care services.

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

29 Sec. 593. The department may allow residential service



1 providers for child abuse and child neglect cases to implement a
2 staff ratio during working hours of 1 staff to 5 children.

3 Sec. 594. From the funds appropriated in part 1 for foster
4 care payments, the department shall support regional resource teams
5 to provide for the recruitment, retention, and training of foster
6 and adoptive parents and shall expand the Michigan youth
7 opportunities initiative to all Michigan counties. The purpose of
8 this funding is to increase the number of annual inquiries from
9 prospective foster parents, increase the number of nonrelative
10 foster homes that achieve licensure each year, increase the annual
11 retention rate of nonrelative foster homes, reduce the number of
12 older foster youth placed outside of family settings, and provide
13 older youth with enhanced support in transitioning to adulthood.

14 Sec. 595. (1) Due to the exigent circumstances found in the
15 department's children's protective services (CPS) program by the
16 office of the auditor general (OAG) audit number 431-1285-16, from
17 the funds appropriated in part 1, the department shall expend
18 \$162,849,600.00 for children's protective services - caseload staff
19 in order to dedicate resources to CPS investigations. The
20 department shall hire staff from the funds appropriated in part 1
21 for children's protective services - caseload staff for the
22 department to come into compliance and sustain measured corrective
23 action as determined by the OAG for OAG audit number 431-1285-16.

24 (2) From the funds appropriated in part 1 for foster care
25 services - caseload staff, the department shall not expend any
26 funds on hiring foster care workers or licensing workers and shall
27 not assume any direct supervisory responsibility of foster care
28 cases unless 1 of the following conditions is met:

29 (a) An initial review of the case indicated that the case is



1 not eligible for Title IV-E reimbursement.

2 (b) The department is already providing direct foster care
3 service to 1 or more siblings of the child ordered into a
4 placement, and a department direct service provision can provide
5 placement to the entire sibling group.

6 (c) The court has ordered placement for only some of the
7 children in the family, requiring the department to monitor the
8 children remaining at home.

9 (3) From the funds appropriated in part 1 for foster care
10 payments, all new foster care cases coming into care shall be
11 placed with a private child placing agency supervision unless any
12 of the conditions in subsection (1) are met or until the statewide
13 ratio of foster care cases is 55% for private child placing agency
14 supervision to 45% department case management supervision
15 respectively.

16 (4) This section does not require an individual county to meet
17 the case ratio described in subsection (3).

18 (5) This section does not modify or amend caseload ratios
19 required under the settlement.

20 Sec. 596. From the funds appropriated in part 1 for youth in
21 transition, the department shall allocate \$500,000.00 state general
22 fund/general purpose revenue to maintain funding to support the
23 runaway and homeless youth services program. The purpose of the
24 maintained funding is to support current programs for contracted
25 providers that provide emergency shelter and services to homeless
26 and runaway youth.

27 Sec. 598. Partial child care fund reimbursements to counties
28 for undisputed charges shall be made within 45 business days of the
29 receipt of the required forms and documentation. The department



1 shall notify a county within 15 business days of a disputed
2 reimbursement request. The department shall reimburse for corrected
3 charges within 45 business days of a properly corrected submission.
4

5 **PUBLIC ASSISTANCE**

6 Sec. 601. Whenever a client agrees to the release of his or
7 her name and address to the local housing authority, the department
8 shall request from the local housing authority information
9 regarding whether the housing unit for which vendoring has been
10 requested meets applicable local housing codes. Vendoring shall be
11 terminated for those units that the local authority indicates in
12 writing do not meet local housing codes until such time as the
13 local authority indicates in writing that local housing codes have
14 been met.

15 Sec. 602. The department shall conduct a full evaluation of an
16 individual's assistance needs if the individual has applied for
17 disability more than 1 time within a 1-year period.

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

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

27 (b) A person with a physical or mental impairment that meets
28 federal supplemental security income disability standards, except
29 that the minimum duration of the disability shall be 90 days.



1 Substance use disorder alone is not defined as a basis for
2 eligibility.

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

6 (d) A person receiving 30-day postresidential substance use
7 disorder treatment.

8 (e) A person diagnosed as having acquired immunodeficiency
9 syndrome.

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

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

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

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

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

20 (3) Except for a person described in subsection (1)(c) or (d),
21 a person is not disabled for purposes of this section if his or her
22 drug addiction or alcoholism is a contributing factor material to
23 the determination of disability. "Material to the determination of
24 disability" means that, if the person stopped using drugs or
25 alcohol, his or her remaining physical or mental limitations would
26 not be disabling. If his or her remaining physical or mental
27 limitations would be disabling, then the drug addiction or
28 alcoholism is not material to the determination of disability and
29 the person may receive state disability assistance. Such a person



1 must actively participate in a substance abuse treatment program,
2 and the assistance must be paid to a third party or through vendor
3 payments. For purposes of this section, substance abuse treatment
4 includes receipt of inpatient or outpatient services or
5 participation in alcoholics anonymous or a similar program.

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

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

17 Sec. 607. (1) The department's ability to satisfy
18 appropriation deductions in part 1 for state disability
19 assistance/supplemental security income recoveries and public
20 assistance recoupment revenues shall not be limited to recoveries
21 and accruals pertaining to state disability assistance, or family
22 independence assistance grant payments provided only in the current
23 fiscal year, but may include revenues collected during the current
24 year that are prior year related and not a part of the department's
25 accrued entries.

26 (2) The department may use supplemental security income
27 recoveries to satisfy the deduct in any line in which the revenues
28 are appropriated, regardless of the source from which the revenue
29 is recovered.



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

13 Sec. 609. The state supplementation level under the
14 supplemental security income program for the personal care/adult
15 foster care and home for the aged categories shall not be reduced
16 during the current fiscal year. The legislature shall be notified
17 not less than 30 days before any proposed reduction in the state
18 supplementation level.

19 Sec. 610. (1) In developing good cause criteria for the state
20 emergency relief program, the department shall grant exemptions if
21 the emergency resulted from unexpected expenses related to
22 maintaining or securing employment.

23 (2) For purposes of determining housing affordability
24 eligibility for state emergency relief, a group is considered to
25 have sufficient income to meet ongoing housing expenses if their
26 total housing obligation does not exceed 75% of their total net
27 income.

28 (3) State emergency relief payments shall not be made to
29 individuals who have been found guilty of fraud in regard to



1 obtaining public assistance.

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

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

8 Sec. 611. The state supplementation level under the
9 supplemental security income program for the living independently
10 or living in the household of another categories shall not exceed
11 the minimum state supplementation level as required under federal
12 law or regulations.

13 Sec. 613. (1) The department shall provide reimbursements for
14 the final disposition of indigent persons. The reimbursements shall
15 include the following:

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

18 (b) The adult burial with services allowance is \$725.00.

19 (c) The adult burial without services allowance is \$490.00.

20 (d) The infant burial allowance is \$170.00.

21 (2) Reimbursement for a cremation permit fee of up to \$75.00
22 and for mileage at the standard rate will be made available for an
23 eligible cremation. The reimbursements under this section shall
24 take into consideration religious preferences that prohibit
25 cremation.

26 Sec. 614. The department shall report to the senate and house
27 of representatives appropriations subcommittees on the department
28 budget, the senate and house fiscal agencies, and the senate and
29 house policy offices by January 15 of the current fiscal year on



1 the number and percentage of state disability assistance recipients
2 who were determined to be eligible for federal supplemental
3 security income benefits in the previous fiscal year.

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

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

15 Sec. 618. By March 1 of the current fiscal year, the
16 department shall report to the senate and house appropriations
17 subcommittees on the department budget, the senate and house fiscal
18 agencies, the senate and house policy offices, and the state budget
19 office the quarterly number of supervised individuals who have
20 absconded from supervision and whom a law enforcement agency, the
21 department of corrections, or the department is actively seeking
22 according to section 84 of the corrections code of 1953, 1953 PA
23 232, MCL 791.284.

24 Sec. 619. (1) Subject to subsection (2), the department shall
25 not deny title IV-A assistance and food assistance benefits under
26 21 USC 862a to any individual who has been convicted of a single
27 felony that included the possession, use, or distribution of a
28 controlled substance, for which the act that resulted in the
29 conviction occurred after August 22, 1996, if the individual is not



1 in violation of his or her probation or parole requirements.
2 Benefits shall be provided to an individual, if the individual is
3 the grantee (head of household), as follows:

4 (a) Family independence program benefits must be paid in the
5 form of restricted payments when the grantee has been convicted,
6 for conduct occurring after August 22, 1996, of a felony for the
7 use, possession, or distribution of a controlled substance.

8 (b) An authorized representative shall be required for food
9 assistance receipt. If the individual with the conviction is not
10 the grantee, the food assistance shall be provided to the grantee.

11 (2) Subject to federal approval, an individual is not entitled
12 to the exemption in this section if the individual was convicted of
13 2 or more separate felony acts that included the possession, use,
14 or distribution of a controlled substance and both acts occurred
15 after August 22, 1996.

16 Sec. 620. (1) The department shall make a determination of
17 Medicaid eligibility not later than 90 days if disability is an
18 eligibility factor. For all other Medicaid applicants, including
19 patients of a nursing home, the department shall make a
20 determination of Medicaid eligibility within 45 days of
21 application.

22 (2) The department shall provide quarterly reports to the
23 senate and house appropriations subcommittees on the department
24 budget, the senate and house standing committees on families and
25 human services, the senate and house fiscal agencies, the senate
26 and house policy offices, and the state budget office on the
27 average Medicaid eligibility standard of promptness for each of the
28 required standards of promptness under subsection (1) and for
29 medical review team reviews achieved statewide and at each local



1 office.

2 Sec. 625. From the funds appropriated in part 1 for SSI
3 advocacy legal services grant, the department shall allocate
4 \$250,000.00 as a grant to the Legal Services Association of
5 Michigan (LSAM). The purpose of the grant is to assist current or
6 potential recipients of state disability assistance who have
7 applied for or wish to apply for SSI or other federal disability
8 benefits. LSAM shall provide a list of new recipients to the
9 department to verify services provided to department referrals. The
10 department shall distribute informational materials or literature
11 provided by LSAM to clients who have been referred to LSAM for
12 assistance under this section. LSAM and the department shall
13 develop release forms to share information in appropriate cases.
14 LSAM shall provide quarterly reports indicating cases opened, cases
15 closed, level of services provided on closed cases, and case
16 outcomes on closed cases.

17 Sec. 645. An individual or family is considered homeless, for
18 purposes of eligibility for state emergency relief, if living
19 temporarily with others in order to escape domestic violence. For
20 purposes of this section, domestic violence is defined and verified
21 in the same manner as in the department's policies on good cause
22 for not cooperating with child support and paternity requirements.

23 Sec. 653. From the funds appropriated in part 1 for food
24 assistance, an individual who is the victim of domestic violence
25 and does not qualify for any other exemption may be exempt from the
26 3-month in 36-month limit on receiving food assistance under 7 USC
27 2015. This exemption can be extended an additional 3 months upon
28 demonstration of continuing need.

29 Sec. 654. The department shall notify recipients of food



1 assistance program benefits that their benefits can be spent with
2 their bridge cards at many farmers' markets in the state. The
3 department shall also notify recipients about the Double Up Food
4 Bucks program that is administered by the Fair Food Network.
5 Recipients shall receive information about the Double Up Food Bucks
6 program, including information that when the recipient spends
7 \$20.00 at participating farmers' markets through the program, the
8 recipient can receive an additional \$20.00 to buy Michigan produce.

9 Sec. 655. Within 14 days after the spending plan for low-
10 income home energy assistance program is approved by the state
11 budget office, the department shall provide the spending plan,
12 including itemized projected expenditures, to the chairpersons of
13 the senate and house appropriations subcommittees on the department
14 budget, the senate and house fiscal agencies, the senate and house
15 policy offices, and the state budget office.

16 Sec. 660. From the funds appropriated in part 1 for Food Bank
17 Council of Michigan, the department is authorized to make
18 allocations of TANF funds only to the agencies that report
19 necessary data to the department for the purpose of meeting TANF
20 eligibility reporting requirements. The agencies that do not report
21 necessary data to the department for the purpose of meeting TANF
22 eligibility reporting requirements will not receive allocations in
23 excess of those received in fiscal year 2000. The use of TANF funds
24 under this section is not an ongoing commitment of funding.

25 Sec. 669. The department shall allocate \$7,230,000.00 for the
26 annual clothing allowance. The allowance shall be granted to all
27 eligible children in a family independence program group.

28 Sec. 672. (1) The department's office of inspector general
29 shall report to the senate and house of representatives



1 appropriations subcommittees on the department budget, the senate
2 and house fiscal agencies, and the senate and house policy offices
3 by February 15 of the current fiscal year on department efforts to
4 reduce inappropriate use of Michigan bridge cards. The department
5 shall provide information on the number of recipients of services
6 who used their electronic benefit transfer card inappropriately and
7 the current status of each case, the number of recipients whose
8 benefits were revoked, whether permanently or temporarily, as a
9 result of inappropriate use, and the number of retailers that were
10 fined or removed from the electronic benefit transfer program for
11 permitting inappropriate use of the cards. The report shall
12 distinguish between savings and cost avoidance. Savings include
13 receivables established from instances of fraud committed. Cost
14 avoidance includes expenditures avoided due to front-end
15 eligibility investigations and other preemptive actions undertaken
16 in the prevention of fraud.

17 (2) It shall be the policy of the department that the
18 department shall require an explanation from a recipient if a
19 bridge card is replaced more than 2 times over any 3-month period.

20 (3) As used in this section, "inappropriate use" means not
21 used to meet a family's ongoing basic needs, including food,
22 clothing, shelter, utilities, household goods, personal care items,
23 and general incidentals.

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

29 (2) The department shall provide quarterly reports to the



1 senate and house appropriations subcommittees on the department
2 budget, the senate and house fiscal agencies and policy offices,
3 and the state budget director on the number of cases referred to
4 Partnership. Accountability. Training. Hope. (PATH), the current
5 percentage of family independence program cases involved in PATH
6 employment activities, an estimate of the current percentage of
7 family independence program cases that meet federal work
8 participation requirements on the whole, and an estimate of the
9 current percentage of the family independence program cases that
10 meet federal work participation requirements for those cases
11 referred to PATH.

12 (3) The department shall submit to the senate and house
13 appropriations subcommittees on the department budget, the senate
14 and house fiscal agencies, the senate and house policy offices, and
15 the state budget office quarterly reports that include all of the
16 following:

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

19 (b) The average and range of wages of employed family
20 independence program recipients.

21 (c) The number and percentage of employed family independence
22 program recipients who remain employed for 6 months or more.

23 Sec. 686. (1) The department shall ensure that program policy
24 requires caseworkers to confirm that individuals presenting
25 personal identification issued by another state seeking assistance
26 through the family independence program, food assistance program,
27 state disability assistance program, or medical assistance program
28 are not receiving benefits from any other state.

29 (2) The department shall require caseworkers to confirm the



1 address provided by any individual seeking family independence
2 program benefits or state disability assistance benefits.

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

7 (4) The department shall require caseworkers to obtain an up-
8 to-date telephone number during the eligibility determination or
9 redetermination process for individuals seeking medical assistance
10 benefits.

11 Sec. 687. (1) The department shall, in quarterly reports,
12 compile and make available on its website all of the following
13 information about the family independence program, state disability
14 assistance, the food assistance program, Medicaid, and state
15 emergency relief:

16 (a) The number of applications received.

17 (b) The number of applications approved.

18 (c) The number of applications denied.

19 (d) The number of applications pending and neither approved
20 nor denied.

21 (e) The number of cases opened.

22 (f) The number of cases closed.

23 (g) The number of cases at the beginning of the quarter and
24 the number of cases at the end of the quarter.

25 (2) The information provided under subsection (1) shall be
26 compiled and made available for the state as a whole and for each
27 county and reported separately for each program listed in
28 subsection (1).

29 (3) The department shall, in quarterly reports, compile and



1 make available on its website the family independence program
2 information listed as follows:

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

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

7 (c) The number of cases sanctioned because of the school
8 truancy policy.

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

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

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

14 Sec. 688. From the funds appropriated in part 1 for the low-
15 income home energy assistance program, the department shall make an
16 additional \$20.01 payment to each food assistance program case that
17 is not currently eligible for the standard utility allowance to
18 enable each case to receive expanded food assistance benefits
19 through the program commonly known as the heat and eat program.

20

21 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE**

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

27 Sec. 706. Counties shall be subject to 50% chargeback for the
28 use of alternative regional detention services, if those detention
29 services do not fall under the basic provision of section 117e of



1 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county
2 operates those detention services programs primarily with
3 professional rather than volunteer staff.

4 Sec. 707. In order to be reimbursed for child care fund
5 expenditures, counties are required to submit department-developed
6 reports to enable the department to document potential federally
7 claimable expenditures. This requirement is in accordance with the
8 reporting requirements specified in section 117a(11) of the social
9 welfare act, 1939 PA 280, MCL 400.117a.

10 Sec. 708. (1) As a condition of receiving funds appropriated
11 in part 1 for the child care fund line item, by October 15 of the
12 current fiscal year, counties shall have an approved service
13 spending plan for the current fiscal year. Counties must submit the
14 service spending plan for the following fiscal year to the
15 department by August 15 of the current fiscal year for approval.
16 Upon submission of the county service spending plan, the department
17 shall approve within 30 calendar days after receipt of a properly
18 completed service plan that complies with the requirements of the
19 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The
20 department shall notify and submit county service spending plan
21 revisions to any county whose county service spending plan is not
22 accepted upon initial submission. The department shall not request
23 any additional revisions to a county service spending plan outside
24 of the requested revision notification submitted to the county by
25 the department. The department shall notify a county within 30 days
26 after approval that its service plan was approved.

27 (2) Counties must submit amendments to current fiscal year
28 county service plans no later than August 30. Counties must submit
29 current fiscal year payable estimates to the department no later



1 than September 15.

2 (3) The department shall submit a report to the house and
 3 senate appropriations subcommittees on the department budget, the
 4 house and senate fiscal agencies, the house and senate policy
 5 offices, and the state budget office by February 15 of the current
 6 fiscal year on the number of counties that fail to submit a service
 7 spending plan by August 15 of the previous fiscal year and the
 8 number of service spending plans not approved by October 15. The
 9 report shall include the number of county service spending plans
 10 that were not approved as first submitted by the counties, as well
 11 as the number of plans that were not approved by the department
 12 after being resubmitted by the county with the first revisions that
 13 were requested by the department.

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

25

26 **FIELD OPERATIONS AND SUPPORT SERVICES**

27 Sec. 807. From the funds appropriated in part 1 for Elder Law
 28 of Michigan MiCAFE contract, the department shall allocate not less
 29 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this



1 state's elderly population in participating in the food assistance
2 program. Of the \$350,000.00 allocated under this section, the
3 department shall use \$175,000.00, which are general fund/general
4 purpose funds, as state matching funds for not less than
5 \$175,000.00 in United States Department of Agriculture funding to
6 provide outreach program activities, such as eligibility screening
7 and information services, as part of a statewide food assistance
8 hotline.

9 Sec. 808. By March 1 of the current fiscal year, the
10 department shall provide a report to the senate and house
11 appropriations subcommittees on the department budget, the senate
12 and house fiscal agencies, the senate and house policy offices, and
13 the state budget office on the nutrition education program. The
14 report shall include requirements made by the agriculture
15 improvement act of 2018, Public Law 115-334, such as how the
16 department shall use an electronic reporting system to evaluate
17 projects, an accounting for allowable state agency administrative
18 costs. The report shall also include documentation of the steps the
19 department shall take to ensure that projects and subgrantee
20 programs are evidence-based, appropriated for, and meet the
21 criteria for eligible individuals as defined in section 2036a(a) of
22 the food and nutrition act, 7 USC 2036, and quantitative evidence
23 that the programs contribute to a reduction in obesity or an
24 increase in the consumption of healthy foods. Additionally, the
25 report shall include planned allocation and actual expenditures for
26 the supplemental nutrition assistance program education funding,
27 planned and actual grant amounts for the supplemental nutrition
28 assistance program education funding, the total amount of expected
29 carryforward balance at the end of the current fiscal year for the



1 supplemental nutrition assistance program education funding and for
2 each subgrantee program, a list of all supplemental nutrition
3 assistance program education funding programs by implementing
4 agency, and the stated purpose of each of the programs and each of
5 the subgrantee programs.

6 Sec. 809. (1) The purpose of the pathways to potential program
7 is to reduce chronic absenteeism, decrease the number of students
8 who repeat grades, decrease the rate of dropouts, and increase
9 student graduation rates for schools that are current or future
10 participants in the pathways to potential program. Before any
11 deployment of resources into a participant school, the department
12 and the participant school shall establish performance objectives
13 for each participant school based on a 2-year baseline prior to
14 pathways to potential being established in the participant school
15 and shall evaluate the progress made in the above categories from
16 the established baseline. By March 1 of the current fiscal year,
17 the 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 a report listing
20 all participant schools, the funding allocation by participant
21 school, the number of staff assigned to each school by participant
22 school, and the percentage of participating schools that achieved
23 improved performance in each of the 4 outcomes listed above
24 compared to the previous year, by each individual outcome. It is
25 the intent of the legislature that after a 2-year period without
26 attaining an increase in success in meeting the 4 listed outcomes
27 from the established baseline, the department shall work with the
28 participant school to examine the cause of the lack of progress and
29 shall seek to implement a plan to increase success in meeting the



1 identified outcomes. It is the intent of the legislature that
 2 progress or the lack of progress made in meeting the performance
 3 objectives shall be used as a determinant in future pathways to
 4 potential resource allocation decisions.

5 (2) As used in this section, "baseline" means the initial set
 6 of data from the center for educational performance and information
 7 in the department of technology, management, and budget of the 4
 8 measured outcomes as described in subsection (1).

9 Sec. 810. From funds appropriated in part 1 for public
 10 assistance field staff, the department shall allocate \$100.00 as a
 11 grant, to implement a pilot program that will provide wrap-around
 12 services during out-of-school periods. The funds shall be available
 13 to schools, school districts, and public school academies. To be
 14 eligible for the grants, the school, school district, or public
 15 school academy shall have at least 67% of the population with an
 16 income of less than 185% of the federal poverty level. Priority for
 17 selection shall be given to schools, school districts, and public
 18 school academies that have signed agreements, signed contracts, or
 19 signed memorandums with nonprofit, community-based organizations
 20 organized under the laws of this state that are exempt from federal
 21 income tax under section 501(c) (3) of the internal revenue code of
 22 1986, 26 USC 501. The pilot program shall include the following
 23 program elements:

24 (a) Schools, school districts, and public school academies are
 25 encouraged to offer educational awareness programs such as wrap-
 26 around programs and integrated student supports that promote
 27 academic achievement through overcoming academic and nonacademic
 28 barriers to learning.

29 (b) Activities of an integrated student supports program



1 funded under this subsection may include, but are not limited to,
2 tutoring, dental and health screenings, social-emotional, health,
3 meals, and exercise.

4 (c) Schools, school districts, and public school academies are
5 encouraged to facilitate coordination to ensure the integrated
6 student supports program supplements the services currently
7 available to students and families.

8 (d) Schools, school districts, and public school academies
9 that are selected for participation under this section shall
10 provide a plan to transition the cost of the program to existing
11 funds or private funds raised over 5 years, by providing increasing
12 matching funds throughout the pilot program.

13 (e) Participating schools, school districts, and public school
14 academies shall track academic and nonacademic indicators of
15 student progress.

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

23 Sec. 850. (1) The department shall maintain out-stationed
24 eligibility specialists in community-based organizations, community
25 mental health agencies, nursing homes, adult placement and
26 independent living settings, federally qualified health centers,
27 and hospitals unless a community-based organization, community
28 mental health agency, nursing home, adult placement and independent
29 living setting, federally qualified health centers, or hospital



1 requests that the program be discontinued at its facility.

2 (2) From the funds appropriated in part 1 for donated funds
3 positions, the department shall enter into contracts with agencies
4 that are able and eligible under federal law to provide the
5 required matching funds for federal funding, as determined by
6 federal statute and regulations.

7 (3) A contract for an assistance payments donated funds
8 position must include, but not be limited to, the following
9 performance metrics:

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

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

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

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

22 (6) By March 1 of the current fiscal year, the department
23 shall submit a report to the senate and house appropriations
24 subcommittees on the department budget, the senate and house fiscal
25 agencies and policy offices, and the state budget office detailing
26 information on the donated funds positions, including the total
27 number of occupied positions, the total private contribution of the
28 positions, and the total cost to the state for any nonsalary
29 expenditure for the donated funds position employees.



1 Sec. 851. From the funds appropriated in part 1 for adult
 2 services field staff, the department shall seek to reduce the
 3 number of older adults who are victims of crime and fraud by
 4 increasing the standard of promptness in every county. By March 1
 5 of the current fiscal year, the department shall report to the
 6 senate and house appropriations subcommittees on the department
 7 budget, the senate and house fiscal agencies, and policy offices,
 8 the following, by county: the percentage of investigations
 9 commenced within 24 hours, the number of face-to-face contacts
 10 established with the client within 72 hours, and the number of
 11 investigations completed within 30 days.

12
 13 **DISABILITY DETERMINATION SERVICES**

14 Sec. 890. From the funds appropriated in part 1 for disability
 15 determination services, the department shall maintain the unit
 16 rates in effect on September 30, 2018 for medical consultants
 17 performing disability determination services, including physicians,
 18 psychologists, and speech-language pathologists.

19
 20 **BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS**

21 Sec. 901. Except for the pilot projects and demonstration
 22 models described in section 298 of this part, the funds
 23 appropriated in part 1 are intended to support a system of
 24 comprehensive community mental health services under the full
 25 authority and responsibility of local CMHSPs or PIHPs in accordance
 26 with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106,
 27 the Medicaid provider manual, federal Medicaid waivers, and all
 28 other applicable federal and state laws.

29 Sec. 902. (1) Except for the pilot projects and demonstration



1 models described in section 298 of this part, from the funds
2 appropriated in part 1, final authorizations to CMHSPs or PIHPs
3 shall be made upon the execution of contracts between the
4 department and CMHSPs or PIHPs. The contracts shall contain an
5 approved plan and budget as well as policies and procedures
6 governing the obligations and responsibilities of both parties to
7 the contracts. Each contract with a CMHSP or PIHP that the
8 department is authorized to enter into under this subsection shall
9 include a provision that the contract is not valid unless the total
10 dollar obligation for all of the contracts between the department
11 and the CMHSPs or PIHPs entered into under this subsection for the
12 current fiscal year does not exceed the amount of money
13 appropriated in part 1 for the contracts authorized under this
14 subsection.

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

19 (a) Any new contracts the department has entered into with
20 CMHSPs or PIHPs that would affect rates or expenditures.

21 (b) Any amendments to contracts the department has entered
22 into with CMHSPs or PIHPs that would affect rates or expenditures.

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

26 Sec. 904. (1) By May 31 of the current fiscal year, the
27 department shall provide a report on the CMHSPs, PIHPs, and
28 designated regional entities for substance use disorder prevention
29 and treatment to the members of the house and senate appropriations



1 subcommittees on the department budget, the house and senate fiscal
2 agencies, and the state budget director that includes the
3 information required by this section.

4 (2) The report shall contain information for each CMHSP, PIHP,
5 and designated regional entity for substance use disorder
6 prevention and treatment, and a statewide summary, each of which
7 shall include at least the following information:

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

11 (b) Per capita expenditures in total and by client population
12 group and cultural and ethnic groups of the services area,
13 including the deaf and hard of hearing population.

14 (c) Financial information that, minimally, includes a
15 description of funding authorized; expenditures by diagnosis group,
16 service category, and reimbursement eligibility; and cost
17 information by Medicaid, Healthy Michigan plan, state appropriated
18 non-Medicaid mental health services, local funding, and other fund
19 sources, including administration and funds specified for all
20 outside contracts for services and products. Financial information
21 must include the amount of funding, from each fund source, used to
22 cover clinical services and supports. Service category includes all
23 department-approved services.

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

28 (e) Information about access to CMHSPs and designated regional
29 entities for substance use disorder prevention and treatment that



1 includes, but is not limited to, the following:

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

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

5 (f) The number of second opinions requested under the mental
6 health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the
7 determination of any appeals.

8 (g) Lapses and carryforwards during the previous fiscal year
9 for CMHSPs, PIHPs, and designated regional entities for substance
10 use disorder prevention and treatment.

11 (h) Performance indicator information required to be submitted
12 to the department in the contracts with CMHSPs, PIHPs, and
13 designated regional entities for substance use disorder prevention
14 and treatment.

15 (i) Administrative expenditures of each CMHSP, PIHP, and
16 designated regional entity for substance use disorder prevention
17 and treatment that include a breakout of the salary, benefits, and
18 pension of each executive-level staff and shall include the
19 director, chief executive, and chief operating officers and other
20 members identified as executive staff.

21 (3) The report shall contain the following information from
22 the previous fiscal year on substance use disorder prevention,
23 education, and treatment programs:

24 (a) Expenditures stratified by department-designated community
25 mental health entity, by central diagnosis and referral agency, by
26 fund source, by subcontractor, by population served, and by service
27 type.

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



1 (c) Number of services provided by central diagnosis and
2 referral agency, by subcontractor, and by service type.
3 Additionally, data on length of stay, referral source, and
4 participation in other state programs.

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

9 (4) The department shall include data reporting requirements
10 listed in subsections (2) and (3) in the annual contract with each
11 individual CMHSP, PIHP, and designated regional entity for
12 substance use disorder treatment and prevention.

13 (5) The department shall take all reasonable actions to ensure
14 that the data required are complete and consistent among all
15 CMHSPs, PIHPs, and designated regional entities for substance use
16 disorder prevention and treatment.

17 Sec. 905. (1) From the funds appropriated in part 1 for
18 behavioral health program administration, the department shall
19 maintain a psychiatric transitional unit and children's behavioral
20 action team. These services will augment the continuum of
21 behavioral health services for high-need youth and provide
22 additional continuity of care and transition into supportive
23 community-based services.

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

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

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



1 Sec. 906. (1) The funds appropriated in part 1 for the state
2 disability assistance substance use disorder services program shall
3 be used to support per diem room and board payments in substance
4 use disorder residential facilities. Eligibility of clients for the
5 state disability assistance substance use disorder services program
6 shall include needy persons 18 years of age or older, or
7 emancipated minors, who reside in a substance use disorder
8 treatment center.

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

16 Sec. 907. (1) The amount appropriated in part 1 for community
17 substance use disorder prevention, education, and treatment shall
18 be expended to coordinate care and services provided to individuals
19 with severe and persistent mental illness and substance use
20 disorder diagnoses.

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

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

28 Sec. 908. The department shall work with an actuarial firm to
29 reexamine Medicaid mental health, Medicaid autism, and Healthy



1 Michigan plan mental health rates in the PIHP contract in order to
2 develop rates that reflect the actual and projected growth in
3 demand for and the real costs of providing the services associated
4 with those benefits.

5 Sec. 909. From the funds appropriated in part 1 for community
6 substance use disorder prevention, education, and treatment, the
7 department shall use available revenue from the marihuana
8 regulatory fund established in section 604 of the medical marihuana
9 facilities licensing act, 2016 PA 281, MCL 333.27604, to improve
10 physical health; expand access to substance use disorder prevention
11 and treatment services; and strengthen the existing prevention,
12 treatment, and recovery systems.

13 Sec. 910. The department shall ensure that substance use
14 disorder treatment is provided to applicants and recipients of
15 public assistance through the department who are required to obtain
16 substance use disorder treatment as a condition of eligibility for
17 public assistance.

18 Sec. 911. (1) The department shall ensure that each contract
19 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
20 programs to encourage diversion of individuals with serious mental
21 illness, serious emotional disturbance, or developmental disability
22 from possible jail incarceration when appropriate.

23 (2) Each CMHSP or PIHP shall have jail diversion services and
24 shall work toward establishing working relationships with
25 representative staff of local law enforcement agencies, including
26 county prosecutors' offices, county sheriffs' offices, county
27 jails, municipal police agencies, municipal detention facilities,
28 and the courts. Written interagency agreements describing what
29 services each participating agency is prepared to commit to the



1 local jail diversion effort and the procedures to be used by local
2 law enforcement agencies to access mental health jail diversion
3 services are strongly encouraged.

4 Sec. 912. The department shall contract directly with the
5 Salvation Army Harbor Light program to provide non-Medicaid
6 substance use disorder services if the local coordinating agency or
7 the department confirms the Salvation Army Harbor Light program
8 meets the standard of care. The standard of care shall include, but
9 is not limited to, utilization of the medication assisted treatment
10 option.

11 Sec. 915. (1) By March 1 of the current fiscal year, the
12 department shall report the following information on the mental
13 health and wellness commission to the house and senate
14 appropriations subcommittees on the department budget, the house
15 and senate fiscal agencies, the house and senate policy offices,
16 and the state budget office:

17 (a) Previous fiscal year expenditures by actionable
18 recommendation of the mental health and wellness commission.

19 (b) Programs utilized during the previous fiscal year to
20 address each actionable recommendation of the mental health and
21 wellness commission.

22 (c) Outcomes and performance measures achieved during the
23 previous fiscal year by actionable recommendation of the mental
24 health and wellness commission.

25 (d) Current fiscal year funding by actionable recommendation
26 of the mental health and wellness commission.

27 (e) Current fiscal year funding by program utilized to address
28 each actionable recommendation of the mental health and wellness
29 commission.



1 (2) By April 1 of the current fiscal year, the department
 2 shall report on funding within the executive budget proposal for
 3 the fiscal year ending September 30, 2021, by actionable
 4 recommendation of the mental health and wellness commission to the
 5 same report recipients listed in subsection (1).

6 Sec. 918. On or before the twenty-fifth of each month, the
 7 department shall report to the senate and house appropriations
 8 subcommittees on the department budget, the senate and house fiscal
 9 agencies, and the state budget director on the amount of funding
 10 paid to PIHPs to support the Medicaid managed mental health care
 11 program in the preceding month. The information shall include the
 12 total paid to each PIHP, per capita rate paid for each eligibility
 13 group for each PIHP, and number of cases in each eligibility group
 14 for each PIHP, and year-to-date summary of eligibles and
 15 expenditures for the Medicaid managed mental health care program.

16 Sec. 920. (1) As part of the Medicaid rate-setting process for
 17 behavioral health services, the department shall work with PIHP
 18 network providers and actuaries to include any state and federal
 19 wage and compensation increases that directly impact staff who
 20 provide Medicaid-funded community living supports, personal care
 21 services, respite services, skill-building services, and other
 22 similar supports and services as part of the Medicaid rate.

23 (2) It is the intent of the legislature that any increased
 24 Medicaid rate related to state minimum wage increases shall also be
 25 distributed to direct care employees.

26 Sec. 924. From the funds appropriated in part 1 for autism
 27 services, for the purposes of actuarially sound rate certification
 28 and approval for Medicaid behavioral health managed care programs,
 29 the department shall establish and implement a fee schedule for



1 autism services reimbursement rates for direct services by October
 2 1 of the current fiscal year. Expenditures used for rate setting
 3 shall not exceed those identified in the fee schedule. The rates
 4 for behavioral technicians shall be reduced by 10% of the 2017
 5 autism fee schedule, but shall not be less than \$50.00 per hour.

6 Sec. 926. From the funds appropriated in part 1 for community
 7 substance use disorder prevention, education, and treatment, the
 8 department shall appropriate up to \$1,000,000.00 to implement 2
 9 specialized substance use disorder detoxification pilot programs.
 10 For a hospital to be eligible to participate in the pilot program,
 11 the hospital must have a wing with at least 3 beds dedicated to
 12 stabilizing patients suffering from addiction by providing a
 13 specialized trauma therapist as well as a peer support specialist
 14 to assist with treatment and counseling. The substance use and case
 15 management provider shall collect and submit to the department data
 16 on the outcomes of the pilot program throughout the duration of the
 17 pilot program and shall provide a report on the pilot program's
 18 outcomes to the senate and house appropriations subcommittees on
 19 the department budget, the senate and house fiscal agencies, the
 20 senate and house policy offices, and the state budget office. In
 21 order to receive funding under this section, the substance use and
 22 case management provider must meet 1 of the following conditions:

23 (a) Be located at a nonprofit hospital in a city with a
 24 population between 195,000 and 210,000 within a county with a
 25 population of at least 645,000.

26 (b) Be located at a homeland security hospital in a city with
 27 a population between 15,000 and 17,000 within a county with a
 28 population of at least 850,000.

29 Sec. 927. The department shall determine what steps are



1 necessary to allow a behavioral health services provider operating
2 in multiple counties to utilize a single audit or consolidate
3 audits, in whole or in part, in order to reduce the administrative
4 and financial burden on both the service provider and the
5 department. The department shall submit a report identifying
6 potential barriers and solutions to the senate and house
7 appropriations subcommittees on the department budget, the senate
8 and house fiscal agencies, the senate and house policy offices, and
9 the state budget office by December 31 of the current fiscal year.

10 Sec. 928. (1) Each PIHP shall provide, from internal
11 resources, local funds to be used as a part of the state match
12 required under the Medicaid program in order to increase capitation
13 rates for PIHPs. These funds shall not include either state funds
14 received by a CMHSP for services provided to non-Medicaid
15 recipients or the state matching portion of the Medicaid capitation
16 payments made to a PIHP. Total local fund revenue received from
17 PIHPs for the purpose of this section shall not exceed
18 \$25,475,700.00.

19 (2) It is the intent of the legislature that any funds that
20 lapse from the funds appropriated in part 1 for Medicaid mental
21 health services shall be redistributed to individual CMHSPs as a
22 reimbursement of local funds on a proportional basis to those
23 CMHSPs whose local funds were used as state Medicaid match. By
24 April 1 of the current fiscal year, the department shall report to
25 the senate and house appropriations subcommittees on the department
26 budget, the senate and house fiscal agencies, the senate and house
27 policy offices, and the state budget office on the lapse by PIHP
28 from the previous fiscal year and the projected lapse by PIHP in
29 the current fiscal year.



1 Sec. 929. From the funds appropriated in part 1 for behavioral
2 health program administration, the department shall allocate
3 \$100.00 by December 1 of the current fiscal year as a grant to the
4 Conductive Learning Center located at Aquinas College. The purpose
5 of this grant is to support the operational costs of the conductive
6 education model taught at the Conductive Learning Center to
7 maximize the independence and mobility of children and adults with
8 neuromotor disabilities. The conductive education model funded
9 under this section must be based on the concept of neuroplasticity
10 and the ability of people to learn and improve when they are
11 motivated, regardless of the severity of their disability.

12 Sec. 935. A county required under the provisions of the mental
13 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
14 matching funds to a CMHSP for mental health services rendered to
15 residents in its jurisdiction shall pay the matching funds in equal
16 installments on not less than a quarterly basis throughout the
17 fiscal year, with the first payment being made by October 1 of the
18 current fiscal year.

19 Sec. 940. (1) According to section 236 of the mental health
20 code, 1974 PA 258, MCL 330.1236, the department shall do both of
21 the following:

22 (a) Review expenditures for each CMHSP to identify CMHSPs with
23 projected allocation surpluses and to identify CMHSPs with
24 projected allocation shortfalls. The department shall encourage the
25 board of a CMHSP with a projected allocation surplus to concur with
26 the department's recommendation to reallocate those funds to CMHSPs
27 with projected allocation shortfalls.

28 (b) Withdraw unspent funds that have been allocated to a CMHSP
29 if other reallocated funds were expended in a manner not provided



1 for in the approved contract, including expending funds on services
2 and programs provided to individuals residing outside of the
3 CMHSP's geographic region.

4 (2) A CMHSP that has its funding allocation transferred out or
5 withdrawn during the current fiscal year as described in subsection
6 (1) is not eligible for any additional funding reallocations during
7 the remainder of the current fiscal year, unless that CMHSP is
8 responding to a public health emergency as determined by the
9 department.

10 (3) CMHSPs shall report to the department on any proposed
11 reallocations described in this section at least 30 days before any
12 reallocations take effect.

13 (4) The department shall notify the chairs of the
14 appropriation subcommittees on the department budget when a request
15 is made and when the department grants approval for reallocation or
16 withdraw as described in subsection (1). By September 30 of the
17 current fiscal year, the department shall provide a report on the
18 amount of funding reallocated or withdrawn 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.

22 Sec. 942. A CMHSP shall provide at least 30 days' notice
23 before reducing, terminating, or suspending services provided by a
24 CMHSP to CMHSP clients, with the exception of services authorized
25 by a physician that no longer meet established criteria for medical
26 necessity.

27 Sec. 950. From the funds appropriated in part 1 for court-
28 appointed guardian and conservator reimbursements, the department
29 shall allocate not more than \$100.00 to reimburse counties for 50%



1 of the cost to reimburse court-appointed public guardians and
 2 conservators for recipients who also receive CMHSP services. The
 3 department shall only reimburse for 50% of the cost for
 4 reimbursement up to \$83.00 per month per court-appointed public
 5 guardian and conservator. By September 15 of the current fiscal
 6 year, the department shall provide a report to the house and senate
 7 appropriations subcommittees on the department budget, the house
 8 and senate fiscal agencies, the house and senate policy offices,
 9 and the state budget office on the number of counties that received
 10 these funds, the number of court-appointed public guardians and
 11 conservators who were reimbursed by the counties that received
 12 these funds, and the per-month reimbursement rates provided by the
 13 counties that received these funds.

14 Sec. 959. (1) From the funds appropriated in part 1 for autism
 15 services, the department shall continue to cover all Medicaid
 16 autism services to Medicaid enrollees eligible for the services
 17 that were covered on January 1, 2018.

18 (2) To restrain cost increases in the autism services line
 19 item, the department shall do all of the following:

20 (a) Require consultation with the client's diagnostician and
 21 CMHSP to approve the client's ongoing therapy every 6 months if the
 22 initial treatment would cost more than a monthly threshold amount
 23 to be specified by the department.

24 (b) Limit the authority to perform a diagnostic evaluation for
 25 Medicaid autism services to qualified licensed practitioners.
 26 Qualified licensed practitioners shall be limited to the following:

27 (i) A physician with a specialty in psychiatry or neurology.

28 (ii) A physician with a subspecialty in developmental
 29 pediatrics, development-behavioral pediatrics, or a related



1 discipline.

2 (iii) A physician with a specialty in pediatrics or other
3 appropriate specialty with training, experience, or expertise in
4 autism spectrum disorders or behavioral health.

5 (iv) A psychologist.

6 (v) A clinical social worker working within his or her scope
7 of practice who is qualified and experienced in diagnosing autism
8 spectrum disorders.

9 (c) Require that diagnoses made by a clinical social worker
10 must be approved by another qualified licensed practitioner who is
11 not a clinical social worker.

12 (d) Require that a client whose initial diagnosis was
13 performed by a nurse practitioner or a clinical social worker and
14 who requires at least 20 hours a week of therapy must go through a
15 re-diagnosis by a multi-disciplinary team.

16 (e) Prohibit CMHSPs from allowing specific providers to
17 provide both diagnosis and treatment services to individual
18 clients.

19 Sec. 962. For the purposes of special projects involving high-
20 need children or adults, including the not guilty by reason of
21 insanity population, the department may contract directly with
22 providers of services to these identified populations.

23 Sec. 963. From the funds appropriated in part 1 for behavioral
24 health program administration, up to \$2,000,000.00 shall be
25 allocated to address the implementation of court-ordered assisted
26 outpatient treatment as provided under chapter 4 of the mental
27 health code, 1974 PA 258, MCL 330.1400 to 330.1490.

28 Sec. 964. The department shall develop and implement a
29 standardized fee schedule for all required Medicaid behavioral



1 health services by January 1 of the current fiscal year. The
2 department shall also develop and implement necessary adequacy
3 standards for use in all contracts with PIHPs and CMHSPs.

4 Sec. 965. The department shall explore requiring that CMHSPs
5 reimburse medication assisted treatment providers no less than
6 \$12.00 per dose, and reimburse drug screen collection at no less
7 than \$12.00 per manual screen.

8 Sec. 970. The department shall maintain the policies in effect
9 on October 1, 2018 for the federal home and community-based
10 services rule as it relates to skill building assistance services.
11 The skill building assistance services shall remain eligible for
12 federal match until March 17, 2022 as stated in the CMS
13 informational bulletin dated May 9, 2017. From the funds
14 appropriated in part 1, the department shall continue to seek
15 federal matching funds for skill building assistance services.

16 Sec. 994. (1) By January 1 of the current fiscal year, the
17 department shall seek, if necessary, federal approval through
18 either a waiver request or state plan amendment to allow a CMHSP,
19 PIHP, or subcontracting provider agency that is reviewed and
20 accredited by a national accrediting entity for behavioral health
21 care services to be considered in compliance with state program
22 review and audit requirements that are addressed and reviewed by
23 that national accrediting entity.

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

28 (a) The status of the federal approval process required in
29 subsection (1).



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

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

6 (i) The state program review and audit requirements that the
 7 CMHSP, PIHP, or subcontracting provider agency is considered to be
 8 in 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. Any cost savings attributed to this
 14 action shall be reinvested back into services.

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

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

26 Sec. 996. From the funds appropriated in part 1 for family
 27 support subsidy, the department shall make monthly payments of
 28 \$229.31 to the parents or legal guardians of children approved for
 29 the family support subsidy by a CMHSP.



1 Sec. 997. The population data used in determining the
2 distribution of substance use disorder block grant funds shall be
3 from the most recent federal census.

4 Sec. 998. For distribution of state general funds to CMHSPs,
5 if the department decides to use census data, the department shall
6 use the most recent federal census data available.

7 Sec. 999. Within 30 days after the completion of a statewide
8 PIHP reimbursement audit, the department shall provide the audit
9 report to the house and senate appropriations subcommittees on the
10 department budget, the house and senate fiscal agencies, the house
11 and senate policy offices, and the state budget office.

12
13 **BEHAVIORAL HEALTH SERVICES**

14 Sec. 1001. By December 31 of the current fiscal year, each
15 CMHSP shall submit a report to the department that identifies
16 populations being served by the CMHSP broken down by program
17 eligibility category. The report shall also include the percentage
18 of the operational budget that is related to program eligibility
19 enrollment. By January 15 of the current fiscal year, the
20 department shall submit the report described in this section to the
21 senate and house appropriations subcommittees on the department
22 budget, the senate and house fiscal agencies, the senate and house
23 policy offices, and the state budget office.

24 Sec. 1003. The department shall notify the Community Mental
25 Health Association of Michigan when developing policies and
26 procedures that will impact PIHPs or CMHSPs.

27 Sec. 1004. The department shall provide the senate and house
28 appropriations subcommittees on the department budget, the senate
29 and house fiscal agencies, and the state budget office any rebased



1 formula changes to either Medicaid behavioral health services or
2 non-Medicaid mental health services 90 days before implementation.
3 The notification shall include a table showing the changes in
4 funding allocation by PIHP for Medicaid behavioral health services
5 or by CMHSP for non-Medicaid mental health services.

6 Sec. 1008. PIHPs and CMHSPs shall do all of the following:

7 (a) Work to reduce administration costs by ensuring that PIHP
8 and CMHSP responsible functions are efficient in allowing optimal
9 transition of dollars to those direct services considered most
10 effective in assisting individuals served. Any consolidation of
11 administrative functions must demonstrate, by independent analysis,
12 a reduction in dollars spent on administration resulting in greater
13 dollars spent on direct services. Savings resulting from increased
14 efficiencies shall not be applied to PIHP and CMHSP net assets,
15 internal service fund increases, building costs, increases in the
16 number of PIHP and CMHSP personnel, or other areas not directly
17 related to the delivery of improved services.

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

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

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

27 Sec. 1009. (1) From the funds appropriated in part 1 for
28 Medicaid mental health services and Healthy Michigan plan -
29 behavioral health, the department shall maintain the hourly wage



1 for direct care workers from the previous fiscal year. Funds
 2 provided in this section must be utilized by a PIHP to maintain the
 3 wage increase for direct care worker wages, for the employer's
 4 share of federal insurance contributions act costs, purchasing
 5 worker's compensation insurance, or the employer's share of
 6 unemployment costs.

7 (2) Each PIHP shall report to the department by February 1 of
 8 the current fiscal year the range of wages paid to direct care
 9 workers, including information on the number of direct care workers
 10 at each wage level.

11 (3) The department shall report the information required to be
 12 reported according to subsection (2) to the senate and house
 13 appropriations subcommittees on the department budget, the senate
 14 and house fiscal agencies, the senate and house policy offices, and
 15 the state budget office by March 1 of the current fiscal year.
 16

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

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

25 Sec. 1052. The purpose of gifts and bequests for patient
 26 living and treatment environments is to use additional private
 27 funds to provide specific enhancements for individuals residing at
 28 state-operated facilities. Use of the gifts and bequests shall be
 29 consistent with the stipulation of the donor. The expected



1 completion date for the use of gifts and bequests donations is
2 within 3 years unless otherwise stipulated by the donor.

3 Sec. 1053. The funds appropriated in part 1 for behavioral
4 health facility contingency are not available for expenditure until
5 they have been transferred to another line item in part 1 under
6 section 393(2) of the management and budget act, 1984 PA 431, MCL
7 18.1393.

8 Sec. 1055. (1) The department shall not implement any closures
9 or consolidations of state hospitals, centers, or agencies until
10 CMHSPs or PIHPs have programs and services in place for those
11 individuals currently in those facilities and a plan for service
12 provision for those individuals who would have been admitted to
13 those facilities.

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

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

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



1 Sec. 1056. The department may collect revenue for patient
2 reimbursement from first- and third-party payers, including
3 Medicaid and local county CMHSP payers, to cover the cost of
4 placement in state hospitals and centers. The department is
5 authorized to adjust financing sources for patient reimbursement
6 based on actual revenues earned. If the revenue collected exceeds
7 current year expenditures, the revenue may be carried forward with
8 approval of the state budget director. The revenue carried forward
9 shall be used as a first source of funds in the subsequent year.

10 Sec. 1057. From the funds appropriated in part 1 for Kalamazoo
11 Psychiatric Hospital, the department shall appropriate \$100.00 to
12 hire additional staff at the Kalamazoo psychiatric hospital.

13 Sec. 1058. Effective October 1 of the current fiscal year, the
14 department, in consultation with the department of technology,
15 management, and budget, may maintain a bid process to identify 1 or
16 more private contractors to provide food service and custodial
17 services for the administrative areas at any state hospital
18 identified by the department as capable of generating savings
19 through the outsourcing of such services.

20 Sec. 1059. The department shall identify specific outcomes and
21 performance measures for state-operated hospitals and centers,
22 including, but not limited to, the following:

23 (a) The average wait time for persons determined incompetent
24 to stand trial before admission to the center for forensic
25 psychiatry.

26 (b) The average wait time for persons determined incompetent
27 to stand trial before admission to other state-operated psychiatric
28 facilities.

29 (c) The number of persons waiting to receive services at the



1 center for forensic psychiatry.

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

4 (e) The number of persons determined not guilty by reason of
5 insanity or incompetent to stand trial through an order by the
6 probate court that have been determined to be ready for discharge
7 to the community, and the average wait time between being
8 determined to be ready for discharge to the community and actual
9 community placement.

10 (f) The number of persons denied services at the center for
11 forensic psychiatry.

12 (g) The number of persons denied services at other state-
13 operated hospitals and centers.

14 Sec. 1060. (1) The department shall continue to convene a
15 workgroup that meets at least quarterly in collaboration with the
16 chairs of the house and senate appropriations subcommittees on the
17 department budget or their designees, labor union representation,
18 civil service, and any other appropriate parties to recommend
19 solutions to address mandatory overtime, staff turnover, and staff
20 retention at the state psychiatric hospitals and centers,
21 including, but not limited to, permitting retired workers to return
22 and permitting hiring of part-time workers.

23 (2) By March 1 of the current fiscal year, the department
24 shall provide a status update on the implementation of the
25 workgroup's recommendations to the senate and house appropriations
26 subcommittees on the department budget, the senate and house fiscal
27 agencies, and the state budget office.

28 Sec. 1061. The funds appropriated in part 1 for Caro Regional
29 Mental Health Center shall only be utilized to support a



1 psychiatric hospital located at its current location. It is the
 2 intent of the legislature that the Caro Regional Mental Health
 3 Center shall remain open and operational at its current location on
 4 an ongoing basis. Capital outlay funding shall be utilized for
 5 planning and construction of a new or updated facility at the
 6 current location instead of at a new location.

7 Sec. 1062. The department shall continue to identify and
 8 implement efforts to address staffing shortages in the state
 9 psychiatric hospital system. By March 1 of the current fiscal year,
 10 the department shall provide a report to the senate and house
 11 appropriations subcommittees on the department budget, the senate
 12 and house fiscal agencies, and the senate and house policy offices
 13 on all of the following:

14 (a) The measures being implemented to hire qualified trained
 15 staff, address staff overtime and staff turnover, and improve staff
 16 retention.

17 (b) The number of direct care and clinical staff positions
 18 that are currently vacant.

19 (c) The range of wages paid by position broken down by state-
 20 operated hospital or center.

21

22 **HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES**

23 Sec. 1140. From the funds appropriated in part 1 for primary
 24 care services, \$250,000.00 shall be allocated to free health
 25 clinics operating in the state. The department shall distribute the
 26 funds equally to each free health clinic. For the purpose of this
 27 appropriation, "free health clinics" means nonprofit organizations
 28 that use volunteer health professionals to provide care to
 29 uninsured individuals.



1 Sec. 1141. From the funds appropriated in part 1 for Michigan
2 essential health provider, \$100.00 shall be appropriated to assist
3 in the repayment of medical education loans. A participating
4 physician shall enter into a contract to work with an employer for
5 no less than 2 years in a federally designated health provider
6 shortage area with a population no greater than 40,000 according to
7 the most recent federal decennial census.

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

14 Sec. 1144. (1) From the funds appropriated in part 1 for
15 health policy administration, the department shall allocate the
16 federal state innovation model grant funding that supports
17 implementation of the health delivery system innovations detailed
18 in this state's "Reinventing Michigan's Health Care System:
19 Blueprint for Health Innovation" document. This initiative will
20 test new payment methodologies, support improved population health
21 outcomes, and support improved infrastructure for technology and
22 data sharing and reporting. The funds will be used to provide
23 financial support directly to regions participating in the model
24 test and to support statewide stakeholder guidance and technical
25 support.

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

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



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

5 (3) On a semiannual basis, the department shall submit a
6 written report to the house and senate appropriations subcommittees
7 on the department budget, the house and senate fiscal agencies, and
8 the state budget office on the status of the program and progress
9 made since the prior report.

10 (4) From the funds appropriated in part 1 for health policy
11 administration, any data aggregator created as part of the
12 allocation of the federal state innovation model grant funds must
13 meet the following standards:

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

17 (b) The data aggregator must be governed by a nonprofit
18 entity.

19 (c) All decisions regarding the establishment, administration,
20 and modification of the database must be made by an advisory board.
21 The membership of the advisory board must include the director of
22 the department or a designee of the director and representatives of
23 health carriers, consumers, and purchasers.

24 (d) The Michigan Data Collaborative shall be the data
25 aggregator to receive health care claims information from, without
26 limitation, commercial health carriers, nonprofit health care
27 corporations, health maintenance organizations, and third party
28 administrators that process claims under a service contract.

29 (e) The data aggregator must use existing data sources and



1 technological infrastructure, to the extent possible.

2 Sec. 1145. The department will take steps necessary to work
3 with Indian Health Service, tribal health program facilities, or
4 Urban Indian Health Program facilities that provide services under
5 a contract with a Medicaid managed care entity to ensure that those
6 facilities receive the maximum amount allowable under federal law
7 for Medicaid services.

8 Sec. 1150. The department shall coordinate with the department
9 of licensing and regulatory affairs, the department of the attorney
10 general, all appropriate law enforcement agencies, and the Medicaid
11 health plans to reduce fraud related to opioid prescribing within
12 Medicaid, and to address other appropriate recommendations of the
13 prescription drug and opioid abuse task force outlined in its
14 report of October 2015. By October 1 of the current fiscal year,
15 the department shall submit a report to the senate and house
16 appropriations subcommittees on the department budget, the senate
17 and house fiscal agencies, the senate and house policy offices, and
18 the state budget office on steps the department has taken to
19 coordinate with the entities listed in this section and other
20 stakeholders to reduce fraud related to opioid prescribing, and to
21 address other appropriate recommendations of the task force.

22 Sec. 1151. The department shall coordinate with the department
23 of licensing and regulatory affairs, the department of the attorney
24 general, all appropriate law enforcement agencies, and the Medicaid
25 health plans to work with local substance use disorder agencies and
26 addiction treatment providers to help inform Medicaid beneficiaries
27 of all medically appropriate treatment options for opioid addiction
28 when their treating physician stops prescribing prescription opioid
29 medication for pain, and to address other appropriate



1 recommendations of the prescription drug and opioid abuse task
2 force outlined in its report of October 2015. By October 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, the senate and house
6 policy offices, and the state budget office on how the department
7 is working with local substance use disorder agencies and addiction
8 treatment providers to ensure that Medicaid beneficiaries are
9 informed of all available and medically appropriate treatment
10 options for opioid addiction when their treating physician stops
11 prescribing prescription opioid medication for pain, and to address
12 other appropriate recommendations of the task force. The report
13 shall include any potential barriers to medication-assisted
14 treatment, as recommended by the Michigan medication-assisted
15 treatment guidelines, for Medicaid beneficiaries in both office-
16 based opioid treatment and opioid treatment program facility
17 settings.

18 Sec. 1152. The Michigan rehabilitation services shall work
19 collaboratively with the bureau of services for blind persons,
20 service organizations, and government entities to identify
21 qualified match dollars to maximize use of available federal
22 vocational rehabilitation funds.

23 Sec. 1153. The department shall provide an annual report by
24 February 1 to the house and senate appropriations subcommittees on
25 the department budget, the house and senate fiscal agencies, the
26 house and senate policy offices, and the state budget office on
27 efforts taken to improve the Michigan rehabilitation services. The
28 report shall include all of the following items:

29 (a) Reductions and changes in administration costs and



1 staffing.

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

3 (c) Reorganization plans and implementation steps achieved.

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

6 (e) Quarterly expenditures by major spending category.

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

9 (g) Success rate of each district in achieving the program
10 goals.

11 Sec. 1154. (1) From the funds appropriated in part 1 for
12 Michigan rehabilitation services, the department shall allocate
13 \$50,000.00 along with available federal match to support the
14 provision of vocational rehabilitation services to eligible
15 agricultural workers with disabilities. Authorized services shall
16 assist agricultural workers with disabilities in acquiring or
17 maintaining quality employment and independence.

18 (2) By March 1 of the current fiscal year, the department
19 shall report to the senate and house appropriations subcommittees
20 on the department budget, the senate and house fiscal agencies, the
21 senate and house policy offices, and the state budget office on the
22 total number of clients served and the total amount of federal
23 matching funds obtained throughout the duration of the program.

24 Sec. 1155. It is the intent of the legislature that Michigan
25 rehabilitation services shall not implement an order of selection
26 for vocational and rehabilitative services. If the department is at
27 risk of entering into an order of selection for services, the
28 department shall notify the chairs of the senate and house
29 appropriations subcommittees on the department budget and the



1 senate and house fiscal agencies and policy offices within 2 weeks
2 of receiving notification.

3 Sec. 1156. From the funds appropriated in part 1 for Michigan
4 rehabilitation services, the department shall allocate
5 \$6,100,300.00, including federal matching funds, to service
6 authorizations with community-based rehabilitation organizations
7 for an array of needed services throughout the rehabilitation
8 process.

9 Sec. 1158. (1) Funds appropriated in part 1 for independent
10 living shall be used to support the general operations of centers
11 for independent living in delivering mandated independent living
12 services in compliance with federal rules and regulations for the
13 centers, by existing centers for independent living to serve
14 underserved areas, and for projects to build the capacity of
15 centers for independent living to deliver independent living
16 services. Applications for the funds shall be reviewed in
17 accordance with criteria and procedures established by the
18 department. The funds appropriated in part 1 may be used to
19 leverage federal vocational rehabilitation funds up to
20 \$5,543,000.00, if available. If the possibility of matching federal
21 funds exists, the centers for independent living network will
22 negotiate a mutually beneficial cooperative agreement with Michigan
23 rehabilitation services. Funds shall be used in a manner consistent
24 with the state plan for independent living. Services provided
25 should assist people with disabilities to move toward self-
26 sufficiency, including support for accessing transportation and
27 health care, obtaining employment, community living, nursing home
28 transition, information and referral services, education, youth
29 transition services, veterans, and stigma reduction activities and



1 community education. This includes the independent living guide
 2 services that specifically focus on economic self-sufficiency.

3 (2) The Michigan centers for independent living shall provide
 4 a report by March 1 of the current fiscal year to the house and
 5 senate appropriations subcommittees on the department budget, the
 6 house and senate fiscal agencies, the house and senate policy
 7 offices, and the state budget office on direct customer and system
 8 outcomes and performance measures.

9
 10 **EPIDEMIOLOGY AND POPULATION HEALTH**

11 Sec. 1180. From the funds appropriated in part 1 for
 12 epidemiology administration and for childhood lead program, the
 13 department shall maintain a public health drinking water unit and
 14 maintain enhanced efforts to monitor child blood lead levels. The
 15 public health drinking water unit shall ensure that appropriate
 16 investigations of potential health hazards occur for all community
 17 and noncommunity drinking water supplies where chemical exceedances
 18 of action levels, health advisory levels, or maximum contaminant
 19 limits are identified. The goals of the childhood lead program
 20 shall include improving the identification of affected children,
 21 the timeliness of case follow-up, and attainment of nurse care
 22 management for children with lead exposure, and to achieve a long-
 23 term reduction in the percentage of children in this state with
 24 elevated blood lead levels.

25 Sec. 1181. From the funds appropriated in part 1 for
 26 epidemiology administration, the department shall maintain a vapor
 27 intrusion response unit. The vapor intrusion response unit shall
 28 assess risks to public health at vapor intrusion sites and respond
 29 to vapor intrusion risks where appropriate. The goals of the vapor



1 intrusion response unit shall include reducing the number of
 2 residents of this state exposed to toxic substances through vapor
 3 intrusion and improving health outcomes for individuals that are
 4 identified as having been exposed to vapor intrusion.

5 Sec. 1182. (1) From the funds appropriated in part 1 for the
 6 healthy homes program, no less than \$1,750,000.00 of general
 7 fund/general purpose funds and \$23,480,000.00 of federal funds
 8 shall be allocated for lead abatement of homes.

9 (2) By January 1 of the current fiscal year, the department
 10 shall provide a report to the house and senate appropriations
 11 subcommittees on the department budget, the house and senate fiscal
 12 agencies, and the state budget office on the expenditures and
 13 activities undertaken by the lead abatement program in the previous
 14 fiscal year from the funds appropriated in part 1 for the healthy
 15 homes program. The report shall include, but is not limited to, a
 16 funding allocation schedule, expenditures by category of
 17 expenditure and by subcontractor, revenues received, description of
 18 program elements, and description of program accomplishments and
 19 progress.

20

21 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

22 Sec. 1220. The amount appropriated in part 1 for
 23 implementation of the 1993 additions of or amendments to sections
 24 9161, 16221, 16226, 17014, 17015, and 17515 of the public health
 25 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,
 26 333.17015, and 333.17515, shall be used to reimburse local health
 27 departments for costs incurred related to implementation of section
 28 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

29 Sec. 1221. If a county that has participated in a district



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

10 Sec. 1222. (1) Funds appropriated in part 1 for essential
11 local public health services shall be prospectively allocated to
12 local health departments to support immunizations, infectious
13 disease control, sexually transmitted disease control and
14 prevention, hearing screening, vision services, food protection,
15 public water supply, private groundwater supply, and on-site sewage
16 management. Food protection shall be provided in consultation with
17 the department of agriculture and rural development. Public water
18 supply, private groundwater supply, and on-site sewage management
19 shall be provided in consultation with the department of
20 environment, great lakes, and energy.

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

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

27 (4) By December 1 of the current fiscal year, the department
28 shall provide a report to the house and senate appropriations
29 subcommittees on the department budget, the house and senate fiscal



1 agencies, and the state budget director on the planned allocation
2 of the funds appropriated for essential local public health
3 services.

4 Sec. 1225. The department shall work with the Michigan health
5 endowment fund corporation established under section 653 of the
6 nonprofit health care corporation reform act, 1980 PA 350, MCL
7 550.1653, to explore ways to fund and evaluate current and future
8 policies and programs.

9 Sec. 1226. From the funds appropriated in part 1 for chronic
10 disease control and health promotion administration, \$100.00 shall
11 be allocated for a school children's healthy exercise program to
12 promote and advance physical health for school children in
13 kindergarten through grade 8. The department shall recommend model
14 programs for sites to implement that incorporate evidence-based
15 best practices. The department shall grant no less than 1/2 of the
16 funds appropriated in part 1 for before- and after-school programs.
17 The department shall establish guidelines for program sites, which
18 may include schools, community-based organizations, private
19 facilities, recreation centers, or other similar sites. The program
20 format shall encourage local determination of site activities and
21 shall encourage local inclusion of youth in the decision-making
22 regarding site activities. Program goals shall include children
23 experiencing improved physical health and access to physical
24 activity opportunities, the reduction of obesity, providing a safe
25 place to play and exercise, and nutrition education. To be eligible
26 to participate, program sites shall provide a 20% match to the
27 state funding, which may be provided in full, or in part, by a
28 corporation, foundation, or private partner. The department shall
29 seek financial support from corporate, foundation, or other private



1 partners for the program or for individual program sites.

2 Sec. 1227. The department shall establish criteria for all
3 funds allocated for health and wellness initiatives. The criteria
4 must include a requirement that all programs funded be evidence-
5 based and supported by research, include interventions that have
6 been shown to demonstrate outcomes that lower cost and improve
7 quality, and be designed for statewide impact. Preference must be
8 given to programs that utilize the funding as match for additional
9 resources, including, but not limited to, federal sources.

10 Sec. 1228. (1) From the funds appropriated in part 1 for
11 injury control intervention project, \$100.00 shall be allocated for
12 implementation of evidence-based, real-time, quality assurance
13 decision support software in the treatment of pediatric traumatic
14 brain injury and for protocols that are to be available to all
15 hospitals providing those trauma services. The funds shall be used
16 to purchase statewide licenses for pediatric traumatic brain injury
17 treatment software and related software services and to offset
18 hospital software integration costs. The department shall seek
19 federal matching funds that may be available for implementation of
20 this section.

21 (2) By March 1 of the current fiscal year, the department
22 shall report to the senate and house appropriations subcommittees
23 on the department budget, the senate and house fiscal agencies, the
24 senate and house policy offices, and the state budget office on
25 both of the following:

26 (a) Expenditures broken down by purpose of expenditure.

27 (b) Expenditures broken down by hospital.

28 Sec. 1231. From the funds appropriated for local health
29 services, up to \$4,750,000.00 shall be allocated for grants to



1 local public health departments to support PFAS response and
2 emerging public health threat activities. A portion of the funding
3 shall be allocated by the department in a collaborative fashion
4 with local public health departments in jurisdictions experiencing
5 PFAS contamination. The remainder of the funding shall be allocated
6 to address infectious and vector-borne disease threats, and other
7 environmental contamination issues such as vapor intrusion,
8 drinking water contamination, and lead exposure. The funding shall
9 be allocated to address issues including, but not limited to,
10 staffing, planning and response, and creation and dissemination of
11 materials related to PFAS contamination issues and other emerging
12 public health issues and threats.

13 Sec. 1232. It is the intent of the legislature that the United
14 States Department of Defense shall reimburse the state for costs
15 associated with PFAS and environmental contamination response at
16 military training sites and support facilities.

17 Sec. 1233. General fund and state restricted fund
18 appropriations in part 1 shall not be expended for PFAS and
19 environmental contamination response where federal funding or
20 private grant funding is available for the same expenditures.

21 Sec. 1234. (1) By October 1 of the current fiscal year, the
22 department shall implement the distribution formula for the
23 allocation of essential local public health services funding to
24 local health departments as specified by section 1234 of article X
25 of 2018 PA 207.

26 (2) From the funds appropriated in part 1 for essential local
27 public health services, each local public health department is
28 allocated not less than the amount allocated to that local public
29 health department during the previous fiscal year.



1

2 **FAMILY HEALTH SERVICES**

3 Sec. 1301. (1) Before April 1 of the current fiscal year, the
4 department shall submit a report to the house and senate fiscal
5 agencies and the state budget director on planned allocations from
6 the amounts appropriated in part 1 for local MCH services, prenatal
7 care outreach and service delivery support, family planning local
8 agreements, and pregnancy prevention programs. Using applicable
9 federal definitions, the report shall include information on all of
10 the following:

11 (a) Funding allocations.

12 (b) Actual number of women, children, and adolescents served
13 and amounts expended for each group for the immediately preceding
14 fiscal year.

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

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

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

24 Sec. 1302. Each family planning program receiving federal
25 title X family planning funds under 42 USC 300 to 300a-8 shall be
26 in compliance with all performance and quality assurance indicators
27 that the office of population affairs within the United States
28 Department of Health and Human Services specifies in the program
29 guidelines for project grants for family planning services. The



1 department shall monitor all title X family planning programs
2 including subgrantees and subcontractors to ensure compliance with
3 all quality assurance indicators. An agency not in compliance with
4 the indicators shall not receive supplemental or reallocated funds.

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

14 Sec. 1304. The department shall not use state restricted funds
15 or state general funds, or allow grantees or subcontractors to use
16 funds, appropriated in part 1 in the pregnancy prevention program
17 or family planning local agreements appropriation line items for
18 abortion counseling, referrals, or services.

19 Sec. 1305. (1) From the funds appropriated in part 1 for
20 family planning local agreements, the pregnancy prevention program,
21 Michigan essential health providers, essential local public health
22 services, and maternal and child health, the department shall not
23 contract with or award grants to an entity that engages in 1 or
24 more of the activities described in section 1(2) of 2002 PA 360,
25 MCL 333.1091, if the entity is located in a county or health
26 district where family planning or pregnancy prevention services are
27 provided by the county, the health district, or a qualified entity
28 that does not engage in any of the activities described in section
29 1(2) of 2002 PA 360, MCL 333.1091.



1 (2) The department shall give priority to counties or health
2 districts where no contracts or grants currently exist for family
3 planning local agreements, or the pregnancy prevention program,
4 Michigan essential health providers, essential local public health
5 services, and maternal and child health, before contracting with or
6 awarding grants to an entity that engages in 1 or more of the
7 activities described in section 1(2) of 2002 PA 360, MCL 333.1091,
8 if that entity is located in a county where family planning
9 programs, pregnancy prevention programs, Michigan essential health
10 providers, essential local public health services, and maternal and
11 child health, are provided by the county, the health district, or
12 another qualified entity that does not engage in the activities
13 described in section 1(2) of 2002 PA 360, MCL 333.1091.

14 Sec. 1307. From the funds appropriated in part 1 for prenatal
15 care outreach and service delivery support, \$750,000.00 of TANF
16 revenue shall be allocated for a pregnancy and parenting support
17 services program, which must promote childbirth, alternatives to
18 abortion, and grief counseling. The department shall establish a
19 program with a qualified contractor that will contract with
20 qualified service providers to provide free counseling, support,
21 and referral services to eligible women during pregnancy through 12
22 months after birth. As appropriate, the goals for client outcomes
23 shall include an increase in client support, an increase in
24 childbirth choice, an increase in adoption knowledge, an
25 improvement in parenting skills, and improved reproductive health
26 through abstinence education. The contractor of the program shall
27 provide for program training, client educational material, program
28 marketing, and annual service provider site monitoring. The
29 department shall submit a report to the house and senate



1 appropriations subcommittees on the department budget and the house
2 and senate fiscal agencies by April 1 of the current fiscal year on
3 the number of clients served.

4 Sec. 1308. From the funds appropriated in part 1 for prenatal
5 care outreach and service delivery support, not less than
6 \$500,000.00 of funding shall be allocated for evidence-based
7 programs to reduce infant mortality including nurse family
8 partnership programs. The funds shall be used for enhanced support
9 and education to nursing teams or other teams of qualified health
10 professionals, client recruitment in areas designated as
11 underserved for obstetrical and gynecological services and other
12 high-need communities, strategic planning to expand and sustain
13 programs, and marketing and communications of programs to raise
14 awareness, engage stakeholders, and recruit nurses.

15 Sec. 1309. The department shall allocate funds appropriated in
16 section 117 of part 1 for family, maternal, and child health
17 according to section 1 of 2002 PA 360, MCL 333.1091.

18 Sec. 1310. Each family planning program receiving federal
19 title X family planning funds under 42 USC 300 to 300a-8 must be in
20 compliance with all title X rules established by the Office of
21 Population Affairs within the United States Department of Health
22 and Human Services. The department shall monitor all title X family
23 planning programs to ensure compliance with all federal title X
24 rules. An agency not in compliance with the rules shall not receive
25 supplemental or reallocated funds.

26 Sec. 1311. From the funds appropriated in part 1 for prenatal
27 care outreach and service delivery support, not less than
28 \$2,750,000.00 state general fund/general purpose funds shall be
29 allocated for a rural home visit program. Equal consideration shall



1 be given to all eligible evidence-based providers in all regions in
2 contracting for rural home visitation services.

3 Sec. 1312. From the funds appropriated in part 1 for prenatal
4 care and premature birth avoidance grant, the department shall
5 allocate \$1,000,000.00 as a grant to help fulfill contract
6 obligations between the department and a federal Healthy Start
7 Program located in a county with a population between 600,000 and
8 610,000 according to the most recent decennial census. To be
9 eligible to receive funding, the organization must be a partnership
10 between various health agencies, and utilize a social impact
11 bonding strategy approved by the department to enhance support to
12 underserved populations for prenatal care and premature birth
13 avoidance.

14 Sec. 1313. (1) The department shall continue developing an
15 outreach program on fetal alcohol syndrome services, targeting
16 health promotion, prevention, and intervention as described in the
17 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

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

21 Sec. 1314. The department shall seek to enhance education and
22 outreach efforts that encourage women of childbearing age to seek
23 confirmation at the earliest indication of possible pregnancy and
24 initiate continuous and routine prenatal care upon confirmation of
25 pregnancy. The department shall seek to ensure that department
26 programs, policies, and practices promote prenatal and obstetrical
27 care by doing the following:

28 (a) Supporting access to care.

29 (b) Reducing and eliminating barriers to care.



1 (c) Supporting recommendations for best practices.

2 (d) Encouraging optimal prenatal habits such as prenatal
3 medical visits, use of prenatal vitamins, and cessation of use of
4 tobacco, alcohol, or drugs.

5 (e) Tracking of birth outcomes to study improvements in
6 prevalence of fetal drug addiction, fetal alcohol syndrome, and
7 other preventable neonatal disease.

8 (f) Tracking of maternal increase in healthy behaviors
9 following childbirth.

10 Sec. 1315. (1) From the funds appropriated in part 1 for
11 dental programs, \$150,000.00 shall be allocated to the Michigan
12 Dental Association for the administration of a volunteer dental
13 program that provides dental services to the uninsured.

14 (2) By December 1 of the current fiscal year, the department
15 shall report to the senate and house appropriations subcommittees
16 on the department budget, the senate and house standing committees
17 on health policy, the senate and house fiscal agencies, and the
18 state budget office the number of individual patients treated,
19 number of procedures performed, and approximate total market value
20 of those procedures from the previous fiscal year.

21 Sec. 1316. The department shall use revenue from mobile
22 dentistry facility permit fees received under section 21605 of the
23 public health code, 1978 PA 368, MCL 333.21605, to offset the cost
24 of the permit program.

25 Sec. 1317. (1) From the funds appropriated in part 1 for
26 dental programs, \$550,100.00 shall be distributed to local health
27 departments who partner with a qualified nonprofit provider of
28 dental services for the purpose of providing high-quality dental
29 homes for seniors, children, and adults enrolled in Medicaid, and



1 low-income uninsured.

2 (2) In order to be considered a qualified nonprofit provider
3 of dental services, the provider must demonstrate an effective
4 health insurance enrollment process for uninsured patients and
5 demonstrate to the department an effective process of charging
6 patients on a sliding scale based on the patient's ability to pay.

7 (3) Providers shall report to the department by September 30
8 of the current fiscal year on outcomes and performance measures for
9 the program under this section including, but not limited to, the
10 following:

11 (a) The number of uninsured patients who visited a
12 participating dentist over the previous year, broken down between
13 adults and children.

14 (b) The number of patients assisted with health insurance
15 enrollment, broken down between adults and children.

16 (c) A 5-year trend of the number of uninsured patients being
17 served, broken down between adults and children.

18 (d) The number of unique patient visits by center.

19 (e) The number of unique Medicaid or Healthy Michigan plan
20 patients served broken down by center.

21 (f) The number of children, seniors, and veterans served
22 broken down by center.

23 (g) The total value of services rendered by the organization
24 broken down by center.

25 (4) Within 15 days after receipt of the report required in
26 subsection (3), the department shall provide a copy of the report
27 to the senate and house appropriations subcommittees on the
28 department budget, the senate and house fiscal agencies, the senate
29 and house policy offices, and the state budget office.



1 Sec. 1319. From the funds appropriated in part 1 for prenatal
 2 care outreach and service delivery support, \$50.00 shall be
 3 allocated to a nurse family partnership program in a county with a
 4 population between 600,000 and 610,000 and \$50.00 shall be
 5 allocated to a nurse family partnership program in a county with a
 6 population between 270,000 and 290,000. Population data shall be
 7 according to the most recent federal decennial census.

8 Sec. 1340. The department shall include national brand options
 9 on the list of approved women, infants, and children special
 10 supplemental nutrition program basket items for all categories.

11 Sec. 1341. The department shall utilize income eligibility and
 12 verification guidelines established by the Food and Nutrition
 13 Service agency of the United States Department of Agriculture in
 14 determining eligibility of individuals for the special supplemental
 15 nutrition program for women, infants, and children (WIC) as stated
 16 in current WIC policy.

17

18 **EMERGENCY MEDICAL SERVICES, TRAUMA AND PREPAREDNESS**

19 Sec. 1350. The department shall not require a life support
 20 agency that does not charge for its services to submit data to the
 21 Michigan emergency medical services information system or any other
 22 quality improvement program.

23

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

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

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

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



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

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

5 Sec. 1361. From the funds appropriated in part 1 for medical
 6 care and treatment, the department may spend those funds for the
 7 continued development and expansion of telemedicine capacity to
 8 allow families with children in the children's special health care
 9 services program to access specialty providers more readily and in
 10 a more timely manner. The department may spend funds to support
 11 chronic complex care management of children enrolled in the
 12 children's special health care services program to minimize
 13 hospitalizations and reduce costs to the program while improving
 14 outcomes and quality of life.

15
 16 **AGING AND ADULT SERVICES AGENCY**

17 Sec. 1402. The department may encourage the Food Bank Council
 18 of Michigan to collaborate directly with each area agency on aging
 19 and any other organizations that provide senior nutrition services
 20 to secure the food access of vulnerable seniors.

21 Sec. 1403. (1) By February 1 of the current fiscal year, the
 22 aging and adult services agency shall require each region to report
 23 to the aging and adult services agency and to the legislature home-
 24 delivered meals waiting lists based upon standard criteria.
 25 Determining criteria shall include all of the following:

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

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

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



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

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

7 Sec. 1417. The department shall provide to the senate and
8 house appropriations subcommittees on the department budget, senate
9 and house fiscal agencies, and state budget director a report by
10 March 30 of the current fiscal year that contains all of the
11 following:

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

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

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

20 Sec. 1422. (1) From the funds appropriated in part 1 for aging
21 and adult services administration, not less than \$300,000.00 shall
22 be allocated for the department to contract with the Prosecuting
23 Attorneys Association of Michigan to provide the support and
24 services necessary to increase the capability of the state's
25 prosecutors, adult protective service system, and criminal justice
26 system to effectively identify, investigate, and prosecute elder
27 abuse and financial exploitation.

28 (2) By March 1 of the current fiscal year, the Prosecuting
29 Attorneys Association of Michigan shall provide a report on the



1 efficacy of the contract to the state budget office, the house and
2 senate appropriations subcommittees on the department budget, the
3 house and senate fiscal agencies, and the house and senate policy
4 offices.

5 Sec. 1425. The department shall coordinate with the department
6 of licensing and regulatory affairs to ensure that, upon receipt of
7 the order of suspension of a licensed adult foster care home, home
8 for the aged, or nursing home, the department of licensing and
9 regulatory affairs shall provide notice to the department, to the
10 house and senate appropriations subcommittees on the department
11 budget, and to the members of the house and senate that represent
12 the legislative districts of the county in which the facility lies.
13

14 **MEDICAL SERVICES ADMINISTRATION**

15 Sec. 1501. The unexpended funds appropriated in part 1 for the
16 electronic health records incentive program are designated as a
17 work project appropriation, and any unencumbered or unallotted
18 funds shall not lapse at the end of the fiscal year and shall be
19 available for expenditures for projects under this section until
20 the projects have been completed. The following is in compliance
21 with section 451a(1) of the management and budget act, 1984 PA 431,
22 MCL 18.1451a:

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

28 (b) The projects will be accomplished by utilizing state
29 employees or contracts with service providers, or both, and



1 according to the approved federal advanced planning document.

2 (c) The total estimated cost of the work project is
3 \$37,501,000.00.

4 (d) The tentative completion date is September 30, 2024.

5 Sec. 1502. If the department issues a new interpretation of
6 existing Medicaid provider policy directly effecting nursing
7 facility Medicaid cost reports, that change in policy must have a
8 prospective effective date. A policy may have a retrospective
9 effective date as part of a state plan amendment approval or waiver
10 approval, or if required by state law, federal law, or judicial
11 ruling.

12 Sec. 1503. It is the intent of the legislature that all funds
13 appropriated for information technology under this part shall
14 prioritize projects directly dedicated to protecting the public
15 health and safety through disease surveillance, cancer support,
16 vital records, chronic disease, newborn screenings, public health
17 registries, and associated training or technical assistance.

18 Sec. 1504. (1) From the funds appropriated in part 1 for
19 medical services administration, the department shall allocate
20 \$100.00 of general fund/general purpose revenue and any associated
21 federal match toward the existing cloud-based analytics platform
22 for Medicaid claims to focus on behavioral health services. The
23 vendor shall identify areas of best practice, cost reduction,
24 opportunities for quality improvement, and comparative cost
25 analysis among providers, hospitals, and managed care
26 organizations. Through the existing platform, the vendor shall
27 facilitate specific analysis of the unique behavioral health cohort
28 of patients that compares specific episodic metrics combined with
29 substance use disorder data for the same time period. The data



1 analysis shall include the ability to adjust for variations in
2 patient risk and acuity differences when comparing performance
3 across regions and hospitals. Specific analytics for this cohort
4 shall provide data analysis on, but not be limited to, the
5 following:

6 (a) Readmission rates.

7 (b) Mortality rates and complication rates.

8 (c) Total episode costs, including pre- and post-discharge
9 costs, across high-volume episodes of care.

10 (2) Within 30 days after the end of the previous fiscal
11 quarter, the department shall make available state medical
12 assistance program claims data from the previous quarter, without
13 charge, to the vendor in subsection (1).

14 Sec. 1505. By March 1 of the current fiscal year, the
15 department shall report to the senate and house appropriations
16 subcommittees on the department budget, the senate and house fiscal
17 agencies, and the state budget office the actual increase in
18 reimbursement savings and cost offsets that have resulted from the
19 funds appropriated in part 1 for the office of inspector general
20 and third party liability efforts in the previous fiscal year.

21 Sec. 1506. The department shall submit to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies, the senate and house policy offices, and
24 the state budget office quarterly reports on the implementation
25 status of the public assistance call center that include all of the
26 following information:

27 (a) Call volume during the prior quarter.

28 (b) Percentage of calls resolved through the public assistance
29 call center.



1 (c) Percentage of calls transferred to a local department
2 office or other office for resolution.

3 Sec. 1508. (1) From the funds appropriated in part 1 for
4 medical services administration, \$500,100.00 is appropriated for
5 the operation and maintenance of the Michigan dental registry in
6 support of the enhanced dental benefit for the Healthy Kids Dental
7 program. Additionally, the department shall explore the expansion
8 of the scope of the Michigan dental registry to enhance the
9 Medicaid adult dental benefit for pregnant women.

10 (2) The department shall monitor childhood caries preventative
11 services delivered to pediatric Medicaid recipients in both medical
12 and dental settings. By March 1 of the current fiscal year, the
13 department shall submit a report to the senate and house
14 appropriations subcommittees on the department budget, the senate
15 and house fiscal agencies, the senate and house policy offices, and
16 the state budget office on the results of the program. The report
17 shall include, but not be limited to, all of the following:

18 (a) Comparative data on completed referral rates from
19 pediatric medical providers to dental providers.

20 (b) The reduction of caries in the Medicaid child population.

21 (c) Any associated long-term or short-term cost savings to the
22 Medicaid program.

23 (d) Comparative data on the type of preventative services
24 provided and which outcomes are the most effective to prevent and
25 foster prevention behavior.

26 Sec. 1509. By September 30 of the current fiscal year, the
27 department shall report to the senate and house appropriations
28 subcommittees on the department budget, the senate and house fiscal
29 agencies, the senate and house policy offices, and the state budget



1 office on the implementation of employment-related activity
2 requirements for medical assistance. The report shall include, but
3 is not limited to, the number of recipients who are noncompliant
4 with the required self-sufficiency goals, an explanation of the
5 actions undertaken, and the number of recipients subject to
6 employment-related activity requirements.

7 Sec. 1511. (1) From the funds appropriated in part 1 for
8 Healthy Michigan plan work supports, \$10,000,000.00 shall be
9 appropriated for employment and training-related services and
10 supports to assist Healthy Michigan plan recipients to secure and
11 maintain training and employment. The department shall work with
12 the department of talent and economic development to coordinate
13 with and complement existing employment-related services for the
14 Healthy Michigan plan recipient population.

15 (2) Funds appropriated in part 1 for Healthy Michigan plan
16 work supports may also be used to hire additional department field
17 staff to educate impacted Healthy Michigan plan recipients on
18 requirements and available services, make referrals, assess and
19 address barriers to employment, and manage other caseload-related
20 impacts resulting from the implementation of sections 107a and 107b
21 of the social welfare act, MCL 400.107a and 400.107b.

22 (3) On a monthly basis, the department shall report to the
23 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 on the implementation
26 of work engagement requirement employment supports and services.
27 The report shall include, but not be limited to, all of the
28 following:

29 (a) The number of recipients currently receiving employment



1 supports and services under this section.

2 (b) The total year-to-date number of recipients who have
3 received employment supports and services under this section.

4 (c) The number of recipients who secured employment in this
5 state after receiving employment supports and services under this
6 section.

7 (d) The total year-to-date number of field staff hired to
8 provide supports and services under this section.

9 (e) A summary of employment supports and services provided
10 under this section.

11 Sec. 1512. The department shall update the Medicaid
12 utilization and net cost report to separate nonclinical
13 administrative costs from actual claims and encounters.

14 Sec. 1513. (1) The department shall create and participate in
15 a workgroup to determine an equitable and adequate reimbursement
16 methodology for Medicaid inpatient psychiatric hospital care. The
17 workgroup shall include representatives from the department, the
18 community mental health services programs, the prepaid inpatient
19 health plans, the Michigan Association of Health Plans, the
20 Michigan Health and Hospital Association, inpatient psychiatric
21 facilities, Blue Cross Blue Shield of Michigan, the Michigan
22 Association of Community Mental Health Boards, and other
23 individuals and organizations considered appropriate by the
24 department.

25 (2) By September 30 of the current fiscal year, the workgroup
26 shall report to the senate and house appropriations subcommittees
27 on the department budget, the senate and house fiscal agencies, the
28 senate and house policy offices, and the state budget office on all
29 of the following:



1 (a) Recommended statewide per diem rate covering professional
2 and facility costs.

3 (b) A list of factors, with assigned weights, that impact the
4 provision of care in the inpatient psychiatric hospital care and
5 recommendations for addressing those factors. Factors must include,
6 but are not limited to, the following:

7 (i) Patient severity level, based on APR-DRGs.

8 (ii) Patient acuity level.

9 (iii) Involuntary stay.

10 (iv) Patient violence level.

11 (v) Presence of a developmental disability.

12 (vi) Need for 1-1 care.

13 (vii) State bed transfer for patients awaiting transfer to a
14 state bed.

15 (c) The recommended state funding level for inpatient
16 psychiatric hospital care to ensure inpatient psychiatric hospital
17 reimbursement is equitable across hospitals and adequately covers
18 hospital costs.

19 (d) Recommendations for separate additional reimbursement for
20 the following:

21 (i) High cost capital improvements including nonfunded
22 government mandates.

23 (ii) Costs to bring involuntary patients to court or telecourt.

24 (iii) Costs to cover the required 2 weeks of medications at
25 discharge.

26 (iv) Transitions of care interventions by a hospital social
27 worker when there are additional needs above standard discharge
28 planning.



1 (v) Telehealth services, including pre-admission screening on
 2 inpatient units, assessments by a nonphysician provider, and
 3 ongoing psychiatric care.

4 (vi) Provide funding support for emergency department stays
 5 while patients await appropriate transfer or admission.

6 (vii) Provide reimbursement for mental health evaluation
 7 consultations conducted by specialists in the emergency department.

8 (3) The department shall assist in providing data to inform
 9 the workgroup discussion, assist in modeling appropriate
 10 reimbursement methods, and assist in developing the final report.

11 Sec. 1514. (1) For the purpose of reimbursement for Medicaid
 12 services furnished via a telecommunications system, the department
 13 shall expand the definition of "originating site" to include the
 14 patient's home, or any other established site considered
 15 appropriate by the provider.

16 (2) For the purpose of reimbursement for Medicaid services
 17 furnished via a telecommunications system, the department shall
 18 expand the definition of "distant site" to include the provider's
 19 office, or any established site considered appropriate by the
 20 provider.

21
 22 **MEDICAL SERVICES**

23 Sec. 1601. The cost of remedial services incurred by residents
 24 of licensed adult foster care homes and licensed homes for the aged
 25 shall be used in determining financial eligibility for the
 26 medically needy. Remedial services include basic self-care and
 27 rehabilitation training for a resident.

28 Sec. 1603. (1) The department may establish a program for
 29 individuals to purchase medical coverage at a rate determined by



1 the department.

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

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

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

11 Sec. 1606. For the purpose of guardian and conservator
12 charges, the department may deduct up to \$83.00 per month as an
13 allowable expense against a recipient's income when determining
14 medical services eligibility and patient pay amounts.

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

22 (2) All qualifying applicants shall be entitled to receive all
23 medically necessary obstetrical and prenatal care without
24 preauthorization from a health plan. All claims submitted for
25 payment for obstetrical and prenatal care shall be paid at the
26 Medicaid fee-for-service rate in the event a contract does not
27 exist between the Medicaid participating obstetrical or prenatal
28 care provider and the managed care plan. The applicant shall
29 receive a listing of Medicaid physicians and managed care plans in



1 the immediate vicinity of the applicant's residence.

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

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

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

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

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

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



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

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

14 Sec. 1620. (1) For fee-for-service Medicaid recipients, the
15 professional dispensing fee for drugs indicated as specialty
16 medications on the Michigan pharmaceutical products list is \$20.02
17 or the pharmacy's usual or customary cash charge, whichever is
18 less.

19 (2) For fee-for-service Medicaid recipients, for drugs not
20 indicated as specialty drugs on the Michigan pharmaceutical
21 products list, the professional dispensing fee for medications is
22 as follows:

23 (a) For medications indicated as preferred on the department's
24 preferred drug list, \$10.80 or the pharmacy's usual or customary
25 cash charge, whichever is less.

26 (b) For medications not on the department's preferred drug
27 list, \$10.64 or the pharmacy's usual or customary cash charge,
28 whichever is less.

29 (c) For medications indicated as nonpreferred on the



1 department's preferred drug list, \$9.00 or the pharmacy's usual or
2 customary cash charge, whichever is less.

3 (3) The department shall require a prescription co-payment for
4 Medicaid recipients not enrolled in the Healthy Michigan plan or
5 with an income less than 100% of the federal poverty level of \$1.00
6 for a generic drug indicated as preferred on the department's
7 preferred drug list and \$3.00 for a brand-name drug indicated as
8 nonpreferred on the department's preferred drug list, except as
9 prohibited by federal or state law or regulation.

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

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

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

25 (2) Except as otherwise prohibited by federal or state law or
26 regulation, the department shall require Medicaid recipients not
27 enrolled in the Healthy Michigan plan or with an income less than
28 100% of the federal poverty level to pay not less than the
29 following co-payments:



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

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

3 (c) Fifty dollars for the first day of an inpatient hospital
4 stay.

5 (d) Two dollars for an outpatient hospital visit.

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

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

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

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

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

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

21 Sec. 1644. From the funds appropriated in part 1 for hospital
22 services and therapy, the department shall appropriate \$100.00
23 general fund/general purpose revenue and any associated federal
24 match to a nonprofit Michigan health system organized under the
25 laws of this state that is exempt from federal income tax under
26 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
27 that operates not less than 3 licensed adult psychiatric inpatient
28 programs located in counties with a population not less than
29 1,000,000 and with a planned new hospital dedicated to mental



1 health located in a city with a population between 98,000 and
2 98,500 according to the most recent decennial census for the
3 purpose of supporting a new psychiatric residency training program.

4 Sec. 1645. (1) For the current fiscal year, the department
5 shall establish the class I nursing facility current asset value
6 bed limit based on the rolling 15-year history of new construction.

7 (2) It is the intent of the legislature that, for the fiscal
8 year beginning October 1, 2020, the department shall modify the
9 class I nursing facility current asset value bed limit based on the
10 rolling 15-year history of new construction. The increase in the
11 current asset value bed limit shall not exceed 4% of the limit for
12 the fiscal year beginning October 1, 2019.

13 Sec. 1646. (1) From the funds appropriated in part 1 for long-
14 term care services, the department shall continue to administer a
15 nursing facility quality measure initiative program. The initiative
16 shall be financed through the quality assurance assessment for
17 nursing homes and hospital long-term care units, and the funds
18 shall be distributed according to the following criteria:

19 (a) The department shall award more dollars to nursing
20 facilities that have a higher CMS 5-star quality measure domain
21 rating, then adjusted to account for both positive and negative
22 aspects of a patient satisfaction survey.

23 (b) A nursing facility with a CMS 5-star quality measure
24 domain star rating of 1 or 2 must file an action plan with the
25 department describing how it intends to use funds appropriated
26 under this section to increase quality outcomes before funding
27 shall be released.

28 (c) The total incentive dollars must reflect the following
29 Medicaid utilization scale:



1 (i) For nursing facilities with a Medicaid participation rate
2 of above 63%, the facility shall receive 100% of the incentive
3 payment.

4 (ii) For nursing facilities with a Medicaid participation rate
5 between 50% and 63%, the facility shall receive 75% of the
6 incentive payment.

7 (iii) For nursing facilities with a Medicaid participation rate
8 of less than 50%, the facility shall receive a payment
9 proportionate to their Medicaid participation rate.

10 (iv) For nursing facilities not enrolled in Medicaid, the
11 facility shall not receive an incentive payment.

12 (d) Facilities designated as special focus facilities are not
13 eligible for any payment under this section.

14 (e) Number of licensed beds.

15 (2) The department and nursing facility representatives shall
16 evaluate the program's effectiveness on quality, measured by the
17 change in the CMS 5-star quality measure domain rating since the
18 implementation of this section. By March 1 of the current fiscal
19 year, the department shall report to the senate and house
20 appropriations subcommittees on the department budget, the senate
21 and house fiscal agencies, and the senate and house policy offices
22 on the findings of the evaluation.

23 Sec. 1657. (1) Reimbursement for medical services to screen
24 and stabilize a Medicaid recipient, including stabilization of a
25 psychiatric crisis, in a hospital emergency room shall not be made
26 contingent on obtaining prior authorization from the recipient's
27 HMO. If the recipient is discharged from the emergency room, the
28 hospital shall notify the recipient's HMO within 24 hours of the
29 diagnosis and treatment received.



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

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

9 Sec. 1659. The following sections of this part are the only
 10 ones that shall apply to the following Medicaid managed care
 11 programs, including the comprehensive plan, MIChoice long-term care
 12 plan, and the mental health, substance use disorder, and
 13 developmentally disabled services program: 904, 908, 911, 918, 920,
 14 924, 928, 942, 964, 994, 999, 1008, 1009, 1514, 1607, 1657, 1662,
 15 1670, 1673, 1677, 1696, 1697, 1699, 1700, 1702, 1704, 1757, 1763,
 16 1764, 1775, 1791, 1801, 1806, 1809, 1820, 1850, 1862, 1871, 1874,
 17 1875, 1882, 1888, and 1894.

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

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

27 (3) The department shall provide a copy of the analysis of the
 28 Medicaid HMO annual audited HEDIS reports and the annual external
 29 quality review report to the senate and house of representatives



1 appropriations subcommittees on the department budget, the senate
2 and house fiscal agencies, and the state budget director, within 30
3 days of the department's receipt of the final reports from the
4 contractors.

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

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

21 (3) The department may make payments on behalf of children
22 enrolled in the MIChild program as described in the MIChild state
23 plan approved by the United States Department of Health and Human
24 Services, or from other medical services.

25 Sec. 1673. The department may establish premiums for MIChild
26 eligible individuals in families with income at or below 212% of
27 the federal poverty level. The monthly premiums shall be \$10.00 per
28 month.

29 Sec. 1677. The MIChild program shall provide, at a minimum,



1 all benefits available under the Michigan benchmark plan that are
2 delivered through contracted providers and consistent with federal
3 law, including, but not limited to, the following medically
4 necessary services:

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

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

12 (c) Durable medical equipment and prosthetic and orthotic
13 devices.

14 (d) Dental services as outlined in the approved MICHild state
15 plan.

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

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

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

22 (h) Emergency ambulance services.

23 Sec. 1682. (1) In addition to the appropriations in part 1,
24 the department is authorized to receive and spend penalty money
25 received as the result of noncompliance with medical services
26 certification regulations. Penalty money, characterized as private
27 funds, received by the department shall increase authorizations and
28 allotments in the long-term care accounts.

29 (2) Any unexpended penalty money, at the end of the year,



1 shall carry forward to the following year.

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

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

14 (a) Finance activities within the medical services
15 administration related to this project.

16 (b) Reimburse participating school districts pursuant to the
17 fund-sharing ratios negotiated in the state-local agreements
18 authorized in subsection (1).

19 (c) Offset general fund costs associated with the medical
20 services program.

21 Sec. 1693. The special Medicaid reimbursement appropriation in
22 part 1 may be increased if the department submits a medical
23 services state plan amendment pertaining to this line item at a
24 level higher than the appropriation. The department is authorized
25 to appropriately adjust financing sources in accordance with the
26 increased appropriation.

27 Sec. 1694. From the funds appropriated in part 1 for special
28 Medicaid reimbursement, \$966,700.00 of general fund/general purpose
29 revenue and any associated federal match shall be distributed for



1 poison control services to an academic health care system that has
2 a high indigent care volume.

3 Sec. 1696. If an applicant for Medicaid coverage through the
4 Healthy Michigan plan received medical coverage in the previous
5 fiscal year through traditional Medicaid, and is still eligible for
6 coverage through traditional Medicaid, the applicant is not
7 eligible to receive coverage through the Healthy Michigan plan.

8 Sec. 1697. The department shall require that Medicaid health
9 plans administering Healthy Michigan plan benefits maintain a
10 network of dental providers in sufficient numbers, mix, and
11 geographic locations throughout their respective service areas in
12 order to provide adequate dental care for Healthy Michigan plan
13 enrollees.

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

21 (2) The department shall allocate \$45,000,000.00 in DSH
22 funding using the distribution methodology used in fiscal year
23 2003-2004.

24 Sec. 1700. (1) By December 1 of the current fiscal year, the
25 department shall report to the senate and house appropriations
26 subcommittees on the department budget, the senate and house fiscal
27 agencies, and the state budget office on the distribution of
28 funding provided, and the net benefit if the special hospital
29 payment is not financed with general fund/general purpose revenue,



1 to each eligible hospital during the previous fiscal year from the
2 following special hospital payments:

3 (a) DSH, separated out by unique DSH pool.

4 (b) GME.

5 (c) Special rural hospital payments provided under section
6 1802(2) of this part.

7 (d) Lump-sum payments to rural hospitals for obstetrical care
8 provided under section 1802(1) of this part.

9 (2) By August 1 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 projected distribution of funding,
13 and the projected net benefit if the special hospital payment is
14 not financed with general fund/general purpose revenue, to each
15 eligible hospital from the following special hospital payments:

16 (a) DSH, separated out by unique DSH pool.

17 (b) GME.

18 (c) Special rural hospital payments provided under section
19 1802(2) of this part.

20 (d) Lump-sum payments to rural hospitals for obstetrical care
21 provided under section 1802(1) of this part.

22 Sec. 1702. From the funds appropriated in part 1, the
23 department shall maintain the 15% rate increase provided during the
24 fiscal year ending September 30, 2017 for private duty nursing
25 services for Medicaid beneficiaries under the age of 21. These
26 additional funds must be used to attract and retain highly
27 qualified registered nurses and licensed practical nurses to
28 provide private duty nursing services so that medically frail
29 children can be cared for in the most homelike setting possible.



1 Sec. 1704. (1) From the funds appropriated in part 1 for
2 health plan services, the department shall maintain the Medicaid
3 adult dental benefit for pregnant women enrolled in a Medicaid
4 program.

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

7 (a) The number of pregnant women enrolled in Medicaid who
8 visited a dentist over the prior year.

9 (b) The number of dentists statewide who participate in
10 providing dental services to pregnant women enrolled in Medicaid.

11 Sec. 1730. The department shall continue to maintain enhanced
12 assessment tools established in collaboration with the department
13 of education that promote literacy development of pregnant women
14 and new mothers in the maternal infant health program. When
15 possible, the department shall include new fathers of the infants
16 in the literacy promotion efforts that are included in the
17 assessment tools and in the subsequent services provided. The
18 assessment tools shall expand the assessment of maternal and
19 parental literacy and provide support and referrals to resources to
20 enable program participants to achieve an increase in literacy that
21 may contribute to improvements in family health, economic, and life
22 outcomes.

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

27 Sec. 1763. During the next contract renewal period, the
28 department shall issue an RFP for a 3-year contract for actuarial
29 services, including, but not limited to, capitation rate setting



1 for Medicaid and the Healthy Michigan plan. The department shall
2 notify the senate and house appropriations subcommittees on the
3 department budget, the senate and house fiscal agencies, and the
4 senate and house policy offices on what vendors submitted bids for
5 the contract, which vendor received the contract, the evaluation
6 process, and the criteria used once an award for actuarial services
7 has been made.

8 Sec. 1764. The department shall annually certify whether rates
9 paid to Medicaid health plans and specialty PIHPs are actuarially
10 sound in accordance with federal requirements and shall provide a
11 copy of the rate certification and approval of rates paid to
12 Medicaid health plans and specialty PIHPs within 5 business days
13 after certification or approval to the senate and house
14 appropriations subcommittees on the department budget, the senate
15 and house fiscal agencies, and the state budget office. Following
16 the rate certification, the department shall ensure that no new or
17 revised state Medicaid policy bulletin that is promulgated
18 materially impacts the capitation rates that have been certified in
19 a negative manner.

20 Sec. 1775. (1) By March 1 of the current fiscal year, the
21 department shall report to the senate and house appropriations
22 subcommittees on the department budget, the senate and house fiscal
23 agencies, and the state budget office on progress in implementing
24 the waiver to implement managed care for individuals who are
25 eligible for both Medicare and Medicaid, known as MI Health Link,
26 any problems and potential solutions as identified by the ombudsman
27 described in subsection (2).

28 (2) The department shall ensure the existence of an ombudsman
29 program that is not associated with any project service manager or



1 provider to assist MI Health Link beneficiaries with navigating
2 complaint and dispute resolution mechanisms and to identify
3 problems in the demonstrations and in the complaint and dispute
4 resolution mechanisms.

5 Sec. 1776. By January 1 of the current fiscal year, the
6 department shall explore the optimization and expansion of the MI
7 Health Link demonstration program and report to the senate and
8 house subcommittees on the department budget, the senate and house
9 fiscal agencies, the senate and house policy offices, and the state
10 budget office on all of the following:

11 (a) A proposed program structure for the expansion of the MI
12 Health Link demonstration program.

13 (b) A timeline for expansion of the MI Health Link
14 demonstration program to the entire state.

15 (c) Any barriers or obstacles to the expansion of the MI
16 Health Link demonstration program.

17 Sec. 1782. Subject to federal approval, from the funds
18 appropriated in part 1 for health plan services, the department
19 shall allocate \$740,000.00 general fund/general purpose plus any
20 available work project funds and federal match through an
21 administered contract with oversight from Medical Services
22 Administration and Population Health. The funds shall be used to
23 support a statewide media campaign for improving this state's
24 immunization rates.

25 Sec. 1791. From the funds appropriated in part 1 for health
26 plan services and physician services, the department shall provide
27 Medicaid reimbursement rates for neonatal services at 95% of the
28 Medicare rate received for those services in effect on the date the
29 services are provided to eligible Medicaid recipients. The current



1 procedural terminology (CPT) codes that are eligible for this
2 reimbursement rate increase are 99468, 99469, 99471, 99472, 99475,
3 99476, 99477, 99478, 99479, and 99480.

4 Sec. 1792. By April 30 of the current fiscal year, the
5 department shall evaluate pharmacy encounter data through the first
6 2 quarters of the fiscal year to determine in consultation with the
7 Medicaid health plans if rates must be recertified.

8 Sec. 1800. For the distribution of each of the pools within
9 the \$85,000,000.00 outpatient disproportionate share hospital
10 payment, the department shall maintain a formula for the
11 distribution of each pool based on the quality of care, cost,
12 traditional disproportionate share hospital factors such as
13 Medicaid utilization and uncompensated care, and any other factor
14 that the department determines should be considered.

15 Sec. 1801. From the funds appropriated in part 1 for physician
16 services and health plan services, the department shall continue
17 the increase to Medicaid rates for primary care services provided
18 only by primary care providers. For the purpose of this section, a
19 primary care provider is a physician, or a practitioner working
20 under the personal supervision of a physician, who is either
21 licensed under part 170 or part 175 of the public health code, 1978
22 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to 333.17556, and
23 working as a primary care provider in general practice or board-
24 eligible or certified with a specialty designation of family
25 medicine, general internal medicine, or pediatric medicine, or a
26 provider who provides the department with documentation of
27 equivalency. Providers performing a service and whose primary
28 practice is as a non-primary-care subspecialty is not eligible for
29 the increase. The department shall establish policies that most



1 effectively limit the increase to primary care providers for
 2 primary care services only.

3 Sec. 1802. (1) From the funds appropriated in part 1 for
 4 hospital services and therapy, \$9,178,300.00 in general
 5 fund/general purpose revenue shall be provided as lump-sum payments
 6 to hospitals that qualified for rural hospital access payments in
 7 fiscal year 2013-2014 and that provide obstetrical care in the
 8 current fiscal year. Payment amounts shall be based on the volume
 9 of obstetrical care cases and newborn care cases for all such cases
 10 billed by each qualified hospital in the most recent year for which
 11 data is available. Payments shall be made by January 1 of the
 12 current fiscal year.

13 (2) From the funds appropriated in part 1 for hospital
 14 services and therapy and Healthy Michigan plan, \$19,800,000.00 in
 15 general fund/general purpose revenue and any associated federal
 16 match shall be awarded as rural access payments to hospitals that
 17 meet criteria established by the department for services to low-
 18 income rural residents. One of the reimbursement components of the
 19 distribution formula shall be assistance with labor and delivery
 20 services. The department shall ensure that the rural access
 21 payments described in this subsection shall be distributed in a
 22 manner that ensures both of the following:

23 (a) No hospital or hospital system shall receive more than
 24 10.0% of the total funding referenced in this subsection.

25 (b) To allow hospitals to understand their rural payment
 26 amounts under this subsection, the department shall provide
 27 hospitals with the methodology for distribution under this
 28 subsection and provide each hospital with its applicable data that
 29 are used to determine the payment amounts by August 1 of the



1 current fiscal year. The department shall publish the distribution
2 of payments for the current fiscal year and the immediately
3 preceding fiscal year.

4 (3) From the funds appropriated in part 1 for hospital
5 services and therapy, \$100.00 in general fund/general purpose
6 revenue and any associated federal match shall be provided as
7 critical access payments to critical access hospitals.

8 Sec. 1803. To the extent allowed under federal law or
9 regulation, the department shall establish rules to allow for
10 billing to and reimbursement by the Medicaid program directly for
11 transportation charges related to portable x-ray services rendered
12 to patients residing in a nursing facility or an assisted living
13 facility, or who are otherwise homebound. The corresponding
14 reimbursement policies shall be effective as of October 1 of the
15 current fiscal year.

16 Sec. 1804. (1) The department shall enter into an interagency
17 agreement, in cooperation with the department of military and
18 veterans affairs, in order to work with the federal public
19 assistance reporting information system to identify Medicaid
20 recipients who are veterans and who may be eligible for federal
21 veterans health care benefits or other benefits. The interagency
22 agreement shall include the specific outcome and performance
23 reporting requirements described in this section. The interagency
24 agreement shall require the department of military and veterans
25 affairs to provide all of the following items by January 1 of the
26 current fiscal year to the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal
28 agencies, and the senate and house policy offices:

29 (a) The number of veterans identified by the department



1 through eligibility determinations.

2 (b) The number of veterans referred to the department of
3 military and veterans affairs.

4 (c) The number of referrals made by the department that were
5 contacted by the department of military and veterans affairs.

6 (d) The number of referrals made by the department that were
7 eligible for veterans health care benefits or other benefits.

8 (e) The specific actions and efforts undertaken by the
9 department and the department of military and veterans affairs to
10 identify female veterans who are applying for public assistance
11 benefits, but who are eligible for veterans benefits.

12 (2) By October 1 of the current fiscal year, the department
13 shall change the public assistance application form from asking
14 whether the prospective applicant was a veteran to asking whether
15 the applicant had ever served in the military.

16 Sec. 1805. Acute care hospitals receiving medical services
17 payments for graduate medical education shall submit fully
18 completed quality data to a 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 an organization that uses severity-adjusted risk models and
24 measures that will help patients and payers identify hospital
25 campuses likely to have superior outcomes. The public website shall
26 provide information to allow consumers to compare safe practices by
27 hospital campus, including, but not limited to, perinatal care,
28 hospital-acquired infection, and serious reportable events. Acute
29 care hospitals receiving medical services payments for graduate



1 medical education shall also make their fully completed quality
2 data available on the hospital's website. The department shall
3 withhold 25% of a hospital's graduate medical education payment if
4 the hospital does not submit the data to a qualifying nonprofit
5 organization described in this section by January 1 of the current
6 fiscal year.

7 Sec. 1806. (1) The department shall contractually require the
8 Medicaid health plans to report to the department by February 1 of
9 the current fiscal year on the following:

10 (a) The progress of implementing the Medicaid health plan
11 common formulary.

12 (b) The participation by the Medicaid health plans in the
13 Medicaid health plan common formulary.

14 (c) The timeliness of prior authorization approvals or
15 disapprovals.

16 (2) By March 1 of the current fiscal year, the department
17 shall provide the Medicaid health plan report provided in
18 subsection (1) and identify any areas of inconsistency across the
19 Medicaid health plans' implementation and utilization of the
20 Medicaid health plan common formulary to the house and senate
21 appropriations subcommittees on the department budget, the house
22 and senate fiscal agencies, and the state budget office.

23 (3) The department shall maintain policies and procedures to
24 govern the operations of the Michigan Medicaid health plan common
25 formulary so that the department is able to receive fair and full
26 public participation.

27 Sec. 1809. The department shall establish separate contract
28 performance standards for Medicaid health plans that adhere to the
29 requirements of section 105d of the social welfare act, 1939 PA



1 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation
2 withhold. The determination of the performance of the 0.75%
3 capitation withhold is at the discretion of the department but must
4 include recognized concepts such as 1-year continuous enrollment
5 and the HEDIS audited data. The determination of the performance of
6 the 0.25% capitation withhold is at the discretion of the
7 department but must include the utilization of high-value services
8 and discouraging the utilization of low-value services.

9 Sec. 1810. The department shall enhance encounter data
10 reporting processes and develop rules that would make each health
11 plan's encounter data as complete as possible, provide a fair
12 measure of acuity for each health plan's enrolled population for
13 risk adjustment purposes, capitation rate setting, diagnosis-
14 related group rate setting, and research and analysis of program
15 efficiencies while minimizing health plan administrative expense.
16 In advance of the annual rate setting development, Medicaid health
17 plans shall be given at least 60 days to dispute and correct any
18 discarded encounter data before rates are certified. The department
19 shall notify each contracting Medicaid health plan of any encounter
20 data that have not been accepted for the purposes of rate setting.

21 Sec. 1812. By June 1 of the current fiscal year, and using the
22 most recent available cost reports, the department shall complete a
23 report of all direct and indirect costs associated with residency
24 training programs for each hospital that receives funds
25 appropriated in part 1 for graduate medical education. The report
26 shall be submitted to the house and senate appropriations
27 subcommittees on the department budget, the house and senate fiscal
28 agencies, and the state budget office.

29 Sec. 1820. (1) In order to avoid duplication of efforts, the



1 department shall utilize applicable national accreditation review
2 criteria to determine compliance with corresponding state
3 requirements for Medicaid health plans that have been reviewed and
4 accredited by a national accrediting entity for health care
5 services.

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

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

13 Sec. 1837. The department shall continue, and expand where
14 appropriate, utilization of telemedicine and telepsychiatry as
15 strategies to increase access to services for Medicaid recipients
16 in medically underserved areas.

17 Sec. 1846. From the funds appropriated in part 1 for graduate
18 medical education, the department shall distribute the funds with
19 an emphasis on the following health care workforce goals:

20 (a) The encouragement of the training of physicians in
21 specialties, including primary care, that are necessary to meet the
22 future needs of residents of this state.

23 (b) The training of physicians in settings that include
24 ambulatory sites and rural locations.

25 Sec. 1850. The department may allow Medicaid health plans to
26 assist with the redetermination process through outreach activities
27 to ensure continuation of Medicaid eligibility and enrollment in
28 managed care. This may include mailings, telephone contact, or
29 face-to-face contact with beneficiaries enrolled in the individual



1 Medicaid health plan. Health plans may offer assistance in
2 completing paperwork for beneficiaries enrolled in their plan.

3 Sec. 1851. From the funds appropriated in part 1 for adult
4 home help services, the department shall allocate up to \$150,000.00
5 state general fund/general purpose revenue plus any associated
6 federal match to develop and deploy a mobile electronic visit
7 verification solution to create administrative efficiencies, reduce
8 error, and minimize fraud. The development of the solution shall be
9 predicated on input from the results of the 2017 stakeholder
10 survey.

11 Sec. 1855. From the funds appropriated in part 1 for program
12 of all-inclusive care for the elderly (PACE), to the extent that
13 funding is available in the PACE line item and unused program slots
14 are available, the department may do the following:

15 (a) Increase the number of slots for an already established
16 local PACE program if the local PACE program has provided
17 appropriate documentation to the department indicating its ability
18 to expand capacity to provide services to additional PACE clients.

19 (b) Suspend the 10 member per month individual PACE program
20 enrollment increase cap in order to allow unused and unobligated
21 slots to be allocated to address unmet demand for PACE services.

22 Sec. 1856. (1) From the funds appropriated in part 1 for
23 hospice services, \$100.00 shall be expended to provide room and
24 board for Medicaid recipients who meet hospice eligibility
25 requirements and receive services at Medicaid enrolled hospice
26 residences in this state. The department shall distribute funds
27 through grants based on the total beds located in all eligible
28 residences that have been providing these services as of October 1,
29 2017. Any eligible grant applicant may inform the department of



1 their request to reduce the grant amount allocated for their
2 residence and the funds shall be distributed proportionally to
3 increase the total grant amount of the remaining grant-eligible
4 residences. Grant amounts shall be paid out monthly with 1/12 of
5 the total grant amount distributed each month to the grantees.

6 (2) By September 15 of the current fiscal year, each Medicaid-
7 enrolled hospice with a residence that receives funds under this
8 section shall provide a report to the department on the utilization
9 of the grant funding provided in subsection (1). The report shall
10 be provided in a format prescribed by the department and shall
11 include the following:

12 (a) The number of patients served.

13 (b) The number of days served.

14 (c) The daily room and board rates for the patients served.

15 (d) If there is not sufficient funding to cover the total room
16 and board need, the number of patients who did not receive care due
17 to insufficient grant funding.

18 (3) If there is funding remaining at the end of the current
19 fiscal year, the Medicaid-enrolled hospice with a residence shall
20 return funding to the state.

21 Sec. 1857. By July 1 of the current fiscal year, the
22 department shall explore the implementation of a managed care long-
23 term support service and report to the senate and house
24 subcommittees on the department budget, the senate and house fiscal
25 agencies, the senate and house policy offices, and the state budget
26 office on all of the following:

27 (a) A proposed program structure for the implementation of a
28 statewide managed care long-term support service program.

29 (b) A timeline for expanding the program into the remaining 6



1 prosperity regions within the state.

2 (c) Cost broken down by fund source.

3 (d) Any barriers or obstacles to the implementation of the
4 proposed program.

5 Sec. 1858. By April 1 of the current fiscal year, the
6 department shall report to the senate and house appropriations
7 subcommittees on the department budget and the senate and house
8 fiscal agencies on all of the following elements related to the
9 current Medicaid pharmacy carve-out of pharmaceutical products as
10 provided for in section 109h of the social welfare act, 1939 PA
11 280, MCL 400.109h:

12 (a) The number of prescriptions paid by the department during
13 the previous fiscal year.

14 (b) The total amount of expenditures for prescriptions paid by
15 the department during the previous fiscal year.

16 (c) The number of and total expenditures for prescriptions
17 paid for by the department for generic equivalents during the
18 previous fiscal year.

19 Sec. 1859. The department shall partner with the Michigan
20 Association of Health Plans (MAHP) and Medicaid health plans to
21 develop and implement strategies for the use of information
22 technology services for Medicaid research activities. The
23 department shall make available state medical assistance program
24 data, including Medicaid behavioral data, to MAHP and Medicaid
25 health plans or any vendor considered qualified by the department
26 for the purpose of research activities consistent with this state's
27 goals of improving health; increasing the quality, reliability,
28 availability, and continuity of care; and reducing the cost of care
29 for the eligible population of Medicaid recipients.



1 Sec. 1860. By March 1 of the current fiscal year, the
2 department shall provide a report to the senate and house
3 appropriations subcommittees, the senate and house fiscal agencies,
4 and the state budget office on uncollected co-pays and premiums in
5 the Healthy Michigan plan, the Medicaid managed care program, and
6 the Medicaid fee-for-service program. The report shall include
7 information on the number of participants who have not paid their
8 co-pays and premiums, the total amount of uncollected co-pays and
9 premiums, and steps taken by the department and health plans to
10 ensure greater collection of co-pays and premiums.

11 Sec. 1861. From the funds appropriated in part 1 for
12 transportation, the department shall maintain the previous fiscal
13 year increase in the number of counties in which a local public
14 transportation entity is the primary administrator of the Medicaid
15 nonemergency transportation benefit. The department shall use a
16 nonprofit transportation brokerage already operating in the state
17 to carry out the requirements of this section. The purpose of the
18 program is to improve Medicaid beneficiary access to care, reduce
19 the number of missed physician appointments by Medicaid
20 beneficiaries, and reduce time spent by caseworkers facilitating
21 nonemergency transportation for Medicaid beneficiaries. Performance
22 goals include an increase in utilization of local public
23 transportation, a reduction in the rate of trips reported as missed
24 to no more than 0.5%, and the successful collection of data on
25 program utilization, access, and beneficiary satisfaction.

26 Sec. 1862. From the funds appropriated in part 1, the
27 department shall maintain payment rates for Medicaid obstetrical
28 services at 95% of Medicare levels effective October 1, 2014.

29 Sec. 1870. (1) From the funds appropriated in part 1 for



1 hospital services and therapy, the department shall appropriate
2 \$5,000,000.00 in general fund/general purpose revenue plus any
3 contributions from public entities, up to \$5,000,000.00, and any
4 associated federal match to the MiDocs consortium to create new
5 primary care residency slots in underserved communities. The new
6 primary care residency slots must be in 1 of the following
7 specialties: family medicine, general internal medicine, general
8 pediatrics, general OB-GYN, psychiatry, or general surgery.

9 (2) The department shall seek any necessary approvals from CMS
10 to allow the department to implement the program described in this
11 section.

12 (3) Assistance with repayment of medical education loans, loan
13 interest payments, or scholarships provided by MiDocs shall be
14 contingent upon a minimum 2-year commitment to practice in an
15 underserved community in this state post-residency and an agreement
16 to forego any sub-specialty training for at least 2 years post-
17 residency.

18 (4) The MiDocs shall work with the department to integrate the
19 Michigan inpatient psychiatric admissions discussion (MIPAD)
20 recommendations and, when possible, prioritize training
21 opportunities in state psychiatric hospitals and community mental
22 health organizations.

23 (5) In collaboration with the Michigan Health Council, the
24 MiDocs consortium shall reserve at least 3 residency slots per
25 class to be used for the Michigan early primary care incentive
26 program.

27 (6) The department shall create a MiDocs initiative advisory
28 council to help support implementation of the program described in
29 this section, and provide oversight. The advisory council shall be



1 composed of the MiDocs consortium, the Michigan Area Health
2 Education Centers, the Michigan Primary Care Association, the
3 Michigan Center for Rural Health, the Michigan Academy of Family
4 Physicians, and any other appointees designated by the department.

5 (7) By September 1 of the current fiscal year, MiDocs shall
6 report to the senate and house appropriations subcommittees on the
7 department budget, the senate and house fiscal agencies, the senate
8 and house policy offices, and the state budget office, on the
9 following:

10 (a) Audited financial statement of per-resident costs.

11 (b) Education and clinical quality data.

12 (c) Roster of trainees, including areas of specialty and
13 locations of training.

14 (d) Medicaid revenue by training site.

15 (8) Outcomes and performance measures for this program
16 include, but are not limited to, the following:

17 (a) Increasing this state's ability to recruit, train, and
18 retain primary care physicians and other select specialty
19 physicians in underserved communities.

20 (b) Maximizing training opportunities with community health
21 centers, rural critical access hospitals, solo or group private
22 practice physician practices, schools, and other community-based
23 clinics, in addition to required rotations at inpatient hospitals.

24 (c) Increasing the number of residency slots for family
25 medicine, general internal medicine, general pediatrics, general
26 OB-GYN, psychiatry, and general surgery.

27 (9) Unexpended and unencumbered funds up to a maximum
28 \$5,000,000.00 in general fund/general purpose revenue plus any
29 contributions from public entities, up to \$5,000,000.00, and any



1 associated federal match remaining in accounts appropriated in part
2 1 for hospital services and therapy are designated as work project
3 appropriations, and any unencumbered or unallotted funds shall not
4 lapse at the end of the fiscal year and shall be available for
5 expenditures for the MiDocs consortium to create new primary care
6 residency slots in underserved communities under this section until
7 the work project has been completed. All of the following are in
8 compliance with section 451a(1) of the management and budget act,
9 1984 PA 431, MCL 18.1451a:

10 (a) The purpose of the work project is to fund the cost of the
11 MiDocs consortium to create new primary care residency slots in
12 underserved communities.

13 (b) The work project will be accomplished by contracting with
14 the MiDocs consortium to oversee the creation of new primary care
15 residency slots.

16 (c) The total estimated completion cost of the work project is
17 \$28,129,400.00.

18 (d) The tentative completion date is September 30, 2023.

19 Sec. 1871. The funds appropriated in part 1 for the Healthy
20 Michigan plan healthy behaviors incentives program shall only
21 provide reductions in cost-sharing responsibilities and shall not
22 include other financial rewards such as gift cards.

23 Sec. 1872. From the funds appropriated in part 1 for personal
24 care services, the department shall maintain the monthly Medicaid
25 personal care supplement paid to adult foster care facilities and
26 homes for the aged that provide personal care services to Medicaid
27 recipients in place during the previous fiscal year.

28 Sec. 1873. From the funds appropriated in part 1 for long-term
29 care services, the department may allocate up to \$3,700,000.00 for



1 the purpose of outreach and education to nursing home residents and
2 the coordination of housing in order to move out of the facility.
3 In addition, any funds appropriated shall be used for other quality
4 improvement activities of the program. The department shall
5 consider working with all relevant stakeholders to develop a plan
6 for the ongoing sustainability of the nursing facility transition
7 initiative.

8 Sec. 1874. The department shall ensure, in counties where
9 program of all-inclusive care for the elderly or PACE services are
10 available, that the program of all-inclusive care for the elderly
11 (PACE) is included as an option in all options counseling and
12 enrollment brokering for aging services and managed care programs,
13 including, but not limited to, Area Agencies on Aging, centers for
14 independent living, and the MiChoice home and community-based
15 waiver. Such options counseling must include approved marketing and
16 discussion materials.

17 Sec. 1875. (1) The department and its contractual agents may
18 not subject Medicaid prescriptions to prior authorization
19 procedures during the current fiscal year if that drug is carved
20 out or is not subject to prior authorization procedures as of May
21 9, 2016, and is generally recognized in a standard medical
22 reference or the American Psychiatric Association's Diagnostic and
23 Statistical Manual for the Treatment of a Psychiatric Disorder.

24 (2) The department and its contractual agents may not subject
25 Medicaid prescriptions to prior authorization procedures during the
26 current fiscal year if that drug is carved out or is not subject to
27 prior authorization procedures as of May 9, 2016 and is a
28 prescription drug that is generally recognized in a standard
29 medical reference for the treatment of human immunodeficiency virus



1 or acquired immunodeficiency syndrome, epilepsy or seizure
2 disorder, or organ replacement therapy.

3 (3) As used in this section, "prior authorization" means a
4 process implemented by the department or its contractual agents
5 that conditions, delays, or denies delivery or particular pharmacy
6 services to Medicaid beneficiaries upon application of
7 predetermined criteria by the department or its contractual agents
8 to those pharmacy services. The process of prior authorization
9 often requires that a prescriber do 1 or both of the following:

10 (a) Obtain preapproval from the department or its contractual
11 agents before prescribing a given drug.

12 (b) Verify to the department or its contractual agents that
13 the use of a drug prescribed for an individual meets predetermined
14 criteria from the department or its contractual agents for a
15 prescription drug that is otherwise available under the Medicaid
16 program in this state.

17 Sec. 1878. By March 1 of the current fiscal year, the
18 department shall provide a report 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 on hepatitis C tracking data. At a minimum,
22 the report shall include information on the following for
23 individuals treated with Harvoni or any other treatment used to
24 cure hepatitis C during the current fiscal year or a previous
25 fiscal year:

26 (a) The total number of people treated broken down by those
27 treated through traditional Medicaid and those treated through the
28 Healthy Michigan plan.

29 (b) The total cost of treatment.



1 (c) The total cost of treatment broken down by those treated
2 through traditional Medicaid and those treated through the Healthy
3 Michigan plan.

4 (d) The cure rate broken down by Metavir Score, genotype,
5 Medicaid match rate, and drug used during treatment.

6 (e) The reinfection rate broken down by Metavir Score,
7 genotype, Medicaid match rate, and drug used during treatment.

8 Sec. 1882. By December 31 of the current fiscal year, the
9 department shall report to the senate and house appropriations
10 subcommittees on the department budget, the senate and house fiscal
11 agencies, and the state budget office, documentation of the
12 expenses incurred during the immediate preceding fiscal year by
13 Medicaid health plans and PIHPs for the purpose of meeting the
14 contractual requirements to join the Michigan Health Information
15 Network Shared Services and incentivizing providers to become
16 members of the Health Information Exchange Qualified Organization.
17 The report should also include an estimation of the expenses to be
18 incurred in the current fiscal year by Medicaid health plans and
19 PIHPs for the same purpose of meeting their contractual
20 obligations.

21 Sec. 1888. The department shall establish contract performance
22 standards associated with the capitation withhold provisions for
23 Medicaid health plans at least 3 months in advance of the
24 implementation of those standards. The determination of whether
25 performance standards have been met shall be based primarily on
26 recognized concepts such as 1-year continuous enrollment and the
27 healthcare effectiveness data and information set, HEDIS, audited
28 data.

29 Sec. 1894. By March 1 of the current fiscal year, the



1 department shall report to the senate and house appropriations
 2 subcommittees on the department budget, the senate and house fiscal
 3 agencies, the senate and house policy offices, and the state budget
 4 office on the Healthy Kids Dental program. The report shall
 5 include, but is not limited to, the following:

6 (a) The number of children enrolled in the Healthy Kids Dental
 7 program who visited the dentist during the previous fiscal year
 8 broken down by dental benefit manager.

9 (b) The number of dentists who accept payment from the Healthy
 10 Kids Dental program.

11 (c) The annual change in dental utilization of children
 12 enrolled in the Healthy Kids Dental program broken down by dental
 13 benefit manager.

14 (d) Service expenditures for the Healthy Kids Dental program
 15 broken down by dental benefit manager.

16 (e) Administrative expenditures for the Healthy Kids Dental
 17 program broken down by dental benefit manager.

18

19 **INFORMATION TECHNOLOGY**

20 Sec. 1901. (1) The department shall provide a report on a
 21 semiannual basis to the senate and house appropriations
 22 subcommittees on the department budget, the senate and house fiscal
 23 agencies, the senate and house policy offices, and the state budget
 24 office all of the following information:

25 (a) The process used to define requests for proposals for each
 26 expansion of information technology projects, including timelines,
 27 project milestones, and intended outcomes.

28 (b) If the department decides not to contract the services out
 29 to design and implement each element of the information technology



1 expansion, the department shall submit its own project plan that
2 includes, at a minimum, the requirements in subdivision (a).

3 (c) A recommended project management plan with milestones and
4 time frames.

5 (d) The proposed benefits from implementing the information
6 technology expansion, including customer service improvement, form
7 reductions, potential time savings, caseload reduction, and return
8 on investment.

9 (e) Details on the implementation of the integrated service
10 delivery project, and the progress toward meeting the outcomes and
11 performance measures listed in section 1507(2) of this part.

12 (2) Once an award for an expansion of information technology
13 is made, the department shall report to the senate and house
14 appropriations subcommittees on the department budget, the senate
15 and house fiscal agencies, the senate and house policy offices, and
16 the state budget office a projected cost of the expansion broken
17 down by use and type of expense.

18 Sec. 1902. From the funds appropriated in part 1 for the
19 Michigan Medicaid information system (MMIS) line item, private
20 revenue may be received from and allocated for other states
21 interested in participating as part of the broader MMIS initiative.
22 By March 1 of the current fiscal year, the department shall provide
23 a report on the use of MMIS by other states for the previous fiscal
24 year, including a list of states, type of use, and revenue and
25 expenditures related to the agreements with the other states to use
26 the MMIS. The report shall be provided to the house and senate
27 appropriations subcommittees on the department budget, the house
28 and senate fiscal agencies, and the state budget office.

29 Sec. 1903. (1) The department shall report to the senate and



1 house appropriations subcommittees on the department budget, the
2 senate and house fiscal agencies, the senate and house policy
3 offices, and the state budget office by November 1 of the current
4 fiscal year the status of an implementation plan regarding the
5 appropriation in part 1 to modernize the MiSACWIS. The report shall
6 include, but not be limited to, efforts to bring the system in
7 compliance with the settlement and other federal guidelines set
8 forth by the United States Department of Health and Human Services
9 Administration for Children and Families.

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

- 19 (a) Areas where implementation went as planned.
20 (b) The number of known issues.
21 (c) The average number of help tickets submitted per day.
22 (d) Any additional overtime or other staffing costs to address
23 known issues and volume of help tickets.
24 (e) Any contract revisions to address known issues and volume
25 of help tickets.
26 (f) Other strategies undertaken to improve implementation.
27 (g) Progress developing cross-system trusted data exchange
28 with MiSACWIS.
29 (h) Progress in moving away from a statewide automated child



1 welfare information system (SACWIS) to a comprehensive child
 2 welfare information system (CCWIS).

3 (i) Progress developing and implementing a program to monitor
 4 data quality.

5 (j) Progress developing and implementing custom integrated
 6 systems for private agencies.

7 (k) A list of all change orders, planned or in progress.

8 (l) The status of all change orders, planned or in progress.

9 (m) The estimated costs for all planned change orders.

10 (n) The estimated and actual costs for all change orders in
 11 progress.

12

13 **ONE-TIME APPROPRIATIONS**

14 Sec. 1906. (1) From the funds appropriated in part 1 for
 15 hospital behavioral health pilot program, the department shall
 16 appropriate \$100.00 to McLaren Greater Lansing for a pilot program
 17 located in a county with a population between 280,000 and 281,000
 18 according to the most recent federal decennial census for the
 19 purpose of operating a pilot program to ensure that the behavioral
 20 and physical health needs of Michigan residents are addressed. This
 21 pilot program shall seek to provide additional behavioral health
 22 services in a more efficient manner due to a partnership with
 23 state-based institutions on staffing assistance and shared services
 24 with a Michigan-based health system. The pilot program shall do all
 25 of the following:

26 (a) Connect participants with available benefits.

27 (b) Help participants maintain eligibility.

28 (c) Link participants with necessary health care services.

29 (d) Maintain participants' medication routines.



1 (e) Address participants' barriers to care.

2 (2) For the duration of the pilot program, the department
3 shall allow for the direct referral of patients to the pilot
4 program. It is the intent of the legislature that this pilot
5 program shall be designed to last 3 years and that the pilot
6 program not exceed a maximum bed capacity of 45 beds.

7 (3) By September 30 of the current fiscal year, the managing
8 entity of the pilot program shall submit a report to the
9 department, the senate and house appropriations subcommittees on
10 the department budget, the senate and house fiscal agencies, the
11 senate and house policy offices, and the state budget office. The
12 report shall include, at a minimum, all of the following:

13 (a) The number of patients served by the pilot program.

14 (b) A breakdown of state expenditures for the pilot program.

15 (c) A breakdown of cost savings compared to a facility solely
16 operated by the state.

17 (d) The average length of a patient stay.

18 (e) The number of readmissions of a patient in a 365-day
19 period.

20 (f) Number of staffing hours worked by university students.

21 (g) The number of admitted patients.

22 (h) Distance traveled to reach the facility.

23 (i) Number of patients who had previously been admitted to a
24 mental health facility.

25 (j) Number of patients who were admitted to a mental health
26 facility for the first time.

27 Sec. 1908. From the funds appropriated in part 1 for Asian
28 American health care and wellness initiative, the department shall
29 appropriate \$100.00 to a nonprofit organization organized under the



1 laws of this state that is exempt from federal income tax under
2 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
3 and is located in a county with a population between 602,000 and
4 603,000 according to the most recent decennial census to implement
5 a pilot program to provide health care services in a culturally and
6 linguistically competent manner. To be eligible to receive funding,
7 the organization must have a stated vision of building a
8 collaborative, active, and committed Asian American community in
9 west Michigan with a focus on health care, education, and
10 empowerment.

11 Sec. 1910. From the funds appropriated in part 1 for opioid
12 transitional housing and services grant, the department shall
13 allocate \$750,000.00 to a nonprofit organization organized under
14 the laws of this state that is exempt from federal income tax under
15 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
16 and is located in a county with a population between 160,000 and
17 162,000 according to the most recent decennial census for
18 operational use as it relates to the state's mission regarding
19 substance use disorder and opioid abuse. To be eligible to receive
20 funding, the organization must have a stated mission to educate the
21 community on opiate abuse and provide support for families and
22 those suffering addiction.

23 Sec. 1916. From the funds appropriated in part 1 for refugee
24 assistance grant, the department shall allocate \$100.00 to a
25 nonprofit corporation organized under the laws of this state that
26 is exempt from federal income tax under section 501(c)(3) of the
27 internal revenue code of 1986, 26 USC 501, to operate an initiative
28 to transition low-income refugee families to self-sufficiency. To
29 be eligible to receive funding, the organization must have a stated



1 core purpose of providing programs that guide support, and empower
2 individuals to achieve self-sufficiency with dignity and hope. This
3 initiative must utilize a measurable, evidence-based approach that
4 integrates treatment for poverty across health care, human
5 services, educational, faith-based, and governmental programs. The
6 organization receiving funds under this section must report to the
7 department by September 30 of the current fiscal year on metrics
8 used to measure the success and viability of the initiative.

9 Sec. 1917. (1) From the funds appropriated in part 1 for
10 autism train the trainer grant, the department shall appropriate
11 \$100,000.00 to implement a pilot project to train school employees
12 on the principles and practices of applied behavior analysis and
13 research-based intervention strategies. The pilot project must do
14 both of the following:

15 (a) Train paraprofessionals and teachers in a school district
16 with a headquarters located in a city with a population between
17 6,900 and 7,000 according to the most recent federal decennial
18 census in applied behavior analysis skills that match the national
19 standard for behavior technician-level work and research-based
20 intervention strategies.

21 (b) Train teacher consultants, school social workers, school
22 psychologists, and other school personnel responsible for
23 conducting functional behavioral assessments and the development of
24 behavior support plans in a school district with a headquarters
25 located in a city with a population between 6,900 and 7,000
26 according to the most recent federal decennial census methods for
27 assuring implementation of a behavior plan with fidelity and
28 strategies for sharing understanding of evidence-based behavioral
29 health approaches with other school-based personnel.



1 (2) Outcomes and performance measures for the pilot project
2 funded under this section shall include, but not be limited to, the
3 following:

4 (a) A decrease in the number of center-program and self-
5 contained-classroom referrals.

6 (b) A decrease in the number of suspensions, removals, and
7 expulsions.

8 (c) A decrease in paraprofessional absences.

9 (d) An increase in teacher retention.

10 (e) An increase in safety.

11 (3) By September 1 of the current fiscal year, the department
12 shall report 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 on the
15 information required in subsection (2).

16 Sec. 1918. The department shall spend available work project
17 revenue to continue the implementation of the Michigan medical
18 resident loan repayment program as specified in section 1918 of
19 article X of 2018 PA 207.

20 Sec. 1920. (1) From the funds appropriated in part 1 for
21 autism navigator, the department shall require any contractor
22 receiving funds from this line item to comply with performance-
23 related metrics to maintain eligibility for funding. The
24 organizational metrics shall include, but not be limited to, all of
25 the following:

26 (a) Each contractor shall have accreditations that attest to
27 their competency and effectiveness in providing services.

28 (b) Each contractor shall demonstrate cost-effectiveness.
29



1 (c) Each contractor shall ensure their ability to leverage

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23



p maximize service provision.

r (d) Each contractor shall provide quarterly reports to the
i department regarding the number of clients served, units of service
v provision, and ability to meet their stated goals.

a (2) The department shall require an annual report from any
t contractor receiving funding from the autism navigator line item.
e The annual report, due to the department 60 days following the end
d of the contract period, shall include specific information on
o services and programs provided, the client base to which the
l services and programs were provided, and the expenditures for those
l services. The department shall provide the annual reports to the
a senate and house appropriations subcommittees on the department
r budget, the senate and house fiscal agencies, and the state budget
s office.

t (3) From the funds appropriated in part 1 for autism
o navigator, the department shall fund an independent evaluation of
s the services provided by contractors paid from the autism navigator
t line item in fiscal year 2018-2019. This evaluation, which shall
r examine cost effectiveness of services, avoidance of duplication of
e services, and outcomes, shall be completed by March 1 of the
n current fiscal year and shall be provided to the senate and house
g appropriations subcommittees on the department budget, the senate
t and house fiscal agencies, and the state budget office.

h
e
n
a
n
d

