

Act No. 111
Public Acts of 1991
Approved by the Governor
October 11, 1991
Filed with the Secretary of State
October 11, 1991

**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1991**

Introduced by Senator Geake

ENROLLED SENATE BILL No. 227

AN ACT to make appropriations for the department of social services and certain state purposes related to public welfare services for the fiscal year ending September 30, 1992; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of social services and certain state purposes related to public welfare services for the fiscal year ending September 30, 1992, from the following funds:

DEPARTMENT OF SOCIAL SERVICES

APPROPRIATIONS SUMMARY:

Full-time equated classified positions.....	14,105.4	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	14,111.4	
GROSS APPROPRIATION		\$ 5,835,789,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	40,270,300	
ADJUSTED GROSS APPROPRIATION		\$ 5,795,519,100
Federal revenues:		
Total federal	3,018,580,000	
Special revenue funds:		
Total private	614,508,100	
Total local	52,189,600	
Total other state restricted	16,212,300	
State general fund/general purpose		\$ 2,094,029,100

For Fiscal Year
Ending Sept. 30,
1992

EXECUTIVE OPERATIONS

Total full-time equated positions	1,141.5	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	1,135.5	
Director.....	\$	86,000
Unclassified FTE positions	1.0	
Unclassified salaries		320,500
Unclassified FTE positions	5.0	
Demonstration projects—25.1 FTE positions		2,906,600
Adult home help.....		88,660,700
Social services to the physically disabled		1,344,900
Operations—1,135.5 FTE positions.....		85,028,700
GROSS APPROPRIATION	\$	178,347,400
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grants - automated data processing user fees		371,900
ADJUSTED GROSS APPROPRIATION	\$	177,975,500
Appropriated from:		
Federal revenues:		
Total federal		112,150,800
Special revenue funds:		
Private funds		796,300
Local funds		200,000
Licensing fees.....		1,012,300
State general fund/general purpose	\$	63,816,100

CENTRAL SUPPORT ACCOUNTS

Operations.....	\$	195,786,400
GROSS APPROPRIATION	\$	195,786,400
Appropriated from:		
Federal revenues:		
Total federal		93,579,000
State general fund/general purpose	\$	102,207,400

FIELD POLICY AND OPERATIONS ADMINISTRATION

Full-time equated classified positions.....	706.8	
Child support enforcement system—2.0 FTE positions.....	\$	12,000,000
Child support incentive payments.....		27,055,200
Legal support contracts.....		38,739,500
State incentive payments		3,323,700
Michigan opportunity and skills training program		62,472,300
FTE positions in above line.....	413.0	
High school completion project		258,900
FTE positions in above line.....	4.7	
Adult education initiative		39,500,000
Operations—287.1 FTE positions.....		29,390,100
GROSS APPROPRIATION	\$	212,739,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from school aid act	\$	39,500,000
ADJUSTED GROSS APPROPRIATION	\$	173,239,700
Appropriated from:		
Federal revenues:		
Total federal		149,282,300
Special revenue funds:		
Local funds		3,300,000
State general fund/general purpose	\$	20,657,400

For Fiscal Year
Ending Sept. 30,
1992

OFFICE OF CHILDREN AND YOUTH SERVICES

Full-time equated classified positions.....	1,940.7	
Advisory commissions		\$ 2,000
Delinquency prevention and treatment projects—1.8 FTE positions		5,529,900
Intercountry adoptions contracts		754,300
Delinquency project improvement.....		102,900
Foster care payments		196,161,900
Foster care payments billing system—0.0 FTE position.....		220,000
Adoption subsidies		39,867,800
Child care fund.....		32,735,500
Children's benefit fund donations		21,000
Domestic violence prevention and treatment.....		2,919,400
Day care payments		28,697,400
Coordinated child care council's purchased day care services.....		771,500
Teenage parent counseling		403,500
Family preservation services.....		5,654,800
Interstate compact.....		113,500
Child abuse and neglect programming		5,282,700
Privately funded activities.....		2,706,400
Dependent care grant.....		232,000
Black child and family institute.....		100,000
Rape prevention and services		191,000
Intensive community supervision—95.6 FTE positions.....		3,524,000
Child care program—0.0 FTE position		24,964,000
Operations—1,843.3 FTE positions.....		68,656,000
GROSS APPROPRIATION		\$ 419,611,500
Appropriated from:		
Federal revenues:		
Total federal		215,433,000
Special revenue funds:		
Private-children's benefit fund donations		21,000
Private-intercountry adoption agency contribution.....		559,200
Private-collections.....		5,696,200
Private- foundation funds		1,509,000
Local funds - county payback		13,635,800
State general fund/general purpose		\$ 182,757,300

RESIDENTIAL CARE DIVISION

Full-time equated classified positions.....	1,260.1	
Federally funded activities—28.0 FTE positions		\$ 1,726,100
W.J. Maxey memorial fund		45,000
Training schools/detention centers construction		200
Operations—1,232.1 FTE positions.....		66,061,700
GROSS APPROPRIATION		\$ 67,833,000
Appropriated from:		
Federal revenues:		
Total federal		\$ 2,956,100
Special revenue funds:		
Private funds.....		45,000
Local funds - county payback		31,996,000
State general fund/general purpose		\$ 32,835,900

ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD

STAFF

Full-time equated classified positions.....	8,545.5	
Error and fraud reduction project—350.0 FTE positions.....		\$ 14,133,300
Volunteer reimbursement.....		1,877,000
Supplemental security income advocacy for mental health—39.0 FTE positions.....		2,007,900
Training and staff development—52.0 FTE positions		3,858,200

		For Fiscal Year Ending Sept. 30, 1992
Operations—8,104.5 FTE positions.....	\$	269,047,200
GROSS APPROPRIATION	\$	290,923,600
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from mental health		398,400
ADJUSTED GROSS APPROPRIATION	\$	290,525,200
Appropriated from:		
Federal revenues:		
Total federal		145,668,900
Special revenue funds:		
Local funds - donated funds		193,100
State general fund/general purpose	\$	144,663,200
PUBLIC ASSISTANCE		
Aid to families with dependent children	\$	1,208,314,100
Family assistance payments		42,192,000
State disability assistance payments		36,000,000
State supplementation		58,152,400
Personal care services		18,960,800
Low income energy assistance program		51,500,000
County emergency and medical care block grant		43,102,400
GROSS APPROPRIATION	\$	1,458,221,700
Appropriated from:		
Federal revenues:		
Total federal revenues		636,432,300
Special revenue funds:		
Child support collections		152,000,000
Supplemental security income recoveries		4,800,000
State general fund/general purpose	\$	664,989,400
MEDICAL SERVICES		
Full-time equated classified positions.....	516.8	
Hospital services and therapy	\$	1,096,486,800
Hospital disproportionate share payments		489,081,400
Physician services		337,633,300
Medicare premium payments		50,714,500
Pharmaceutical services		245,572,100
Home health services		16,266,700
Transportation		4,878,800
Auxiliary medical services		25,873,800
Nursing home services		417,696,200
Chronic care units and county medical care facilities		102,521,400
Health maintenance organizations		172,986,400
Early periodic screening, diagnosis, and treatment contract		4,181,900
Early periodic screening, diagnosis and treatment - department of social services		756,600
Caring program for children		4,546,400
Maternal and child health services		6,424,500
Operations—516.8 FTE positions		36,705,300
GROSS APPROPRIATION	\$	3,012,326,100
Appropriated from:		
Federal revenues:		
Total federal		1,663,077,600
Special revenue funds:		
Health care provider contributions	\$	451,581,400
Local funds		2,864,700
Private contributions		2,300,000
Special purpose-public act 219 of 1987		10,400,000
State general fund/general purpose	\$	882,102,400

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this act is \$2,110,241,400.00 and state spending to be paid to local units of government is as follows:

OFFICE OF CHILDREN AND YOUTH SERVICES

Child care fund.....	\$	32,735,500
County juvenile officers.....		3,139,400
Adoption subsidies.....		21,196,900

PUBLIC ASSISTANCE

County emergency and medical care block.....		40,468,600
Supplementary security income.....		8,969,900

MEDICAL SERVICES

Medicaid to community mental health clients.....		22,204,700
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FIELD POLICY AND OPERATIONS ADMINISTRATION

Adult education initiative.....		39,500,000
TOTAL.....	\$	168,215,000

Sec. 203. The department of social services may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department of social services for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

Sec. 204. The director of the department of social services may transfer county matching revenues among the county revenue accounts established in section 101. Transfers may be made to correct for discrepancies between appropriated and actual county matching revenues. At least 10 days prior to making such a transfer, the department of social services shall report to the department of management and budget as to the amounts and reason for the transfer.

Sec. 205. From the funds appropriated in section 101 for training and staff development, the department of social services may divert up to \$250,000.00 to fund a partial tuition refund program.

Sec. 206. When a recipient of assistance funded under this act is paid more than the amount to which the recipient is legally entitled, the department of social services shall institute procedures to recover the overpayment. The department may reduce subsequent grants in an amount that will ensure repayment of the overpayment. The director of social services shall establish reasonable limits on the proportion of the payments that may be deducted, so as not to cause undue hardship on recipients.

Sec. 207. The department shall not establish a new program or expand a current program above the level approved in the enacted budget, unless the proposal for the new or expanded program is submitted to the state budget director for recommendations and funding for the new or expanded program is enacted by the Legislature.

Sec. 208. In addition to funds appropriated in section 101 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and disallowances an amount equal to total write-offs to be expended from an equal appropriation in prior year revenues.

Sec. 209. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 210. The department of social services may retain all of the state's share of food stamp overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against

federal funds deducts in all appropriation units where department costs related to the investigation and recoupment of food stamp overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deduct in the executive operations appropriation unit.

EXECUTIVE OPERATIONS

Sec. 301. From the funds appropriated in section 101 for adult home help services, the department may spend up to \$250,000.00 to purchase vocational rehabilitation services from Michigan rehabilitation services, department of education. These funds shall be used by the department of education as the local match necessary to gain federal funds.

Sec. 302. The department may receive local funds to be applied toward the purchase of local office automation equipment. Such equipment shall only be purchased through appropriate departmentwide automated data processing equipment contracts, and shall be the property of the department.

FIELD POLICY AND OPERATION ADMINISTRATION

Sec. 401. The funds appropriated in section 101 for employment and training programs shall be expended for purposes of employment, education, training, and associated costs.

Sec. 402. (1) All recipients who are required to participate shall participate in the employment, educational, or job training programs unless the recipient shows good cause why he or she should not participate.

(2) A recipient who is required to participate but who refuses to participate without good cause shall initially have his or her needs removed from the family assistance or aid to families with dependent children grant until he or she elects to participate. If a recipient refuses to participate a second time without good cause after an earlier refusal to participate without good cause, the recipient's needs will be removed from the aid to families with dependent children or family assistance grant for 3 months or until the recipient agrees to participate, whichever is longer. All further refusals to participate without good cause will result in the removal of a recipient's needs from the aid to families with dependent children or family assistance grant for 6 months or until the recipient agrees to participate, whichever is longer.

Sec. 403. The department of social services shall cooperate with other state and local governmental agencies and county social services boards in developing employment, educational, and job training programs and in placing recipients who are required to participate and volunteers in these programs. If possible, these programs shall utilize existing available funds from the federal government for education and training and shall prioritize assignment of employable recipients in an order that most effectively reduces the cost to the state general fund for public assistance programs.

Sec. 404. From funds allocated in section 101, the department shall make available to recipients funds for transportation. The department may also make available funds for minor car repair, tool purchases, clothing, medical and dental care, and other supportive services if these funds will assist recipients in seeking, obtaining, and retaining unsubsidized employment.

Sec. 405. (1) From the federal money received for child support incentive payments, up to \$6,954,900.00 shall be retained by the state and expended for legal support contracts, state incentive payments, and salaries and wages for office of child support staff in the income and supportive services administration.

(2) At the end of the 1991-92 fiscal year, the department may, when it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

Sec. 406. The funds appropriated in section 101 for the immigration legalization assistance shall be for the use of the departments of social services, education, and public health. The distribution of funds among the 3 departments shall be determined under the terms of an interdepartmental agreement, consistent with the

requirements of federal regulations. The department of social services shall be the single point of contact with the department of health and human services regarding the program and shall claim and receive all applicable federal funds. The departments of public health and education shall receive their shares based on presentation of an interaccount bill which states the services provided and the cost to the state of those services.

Sec. 407. From the funds appropriated in section 101, the department shall continue funding the wage reporting project.

Sec. 408. (1) From the funds appropriated in section 101 for legal support contracts, the department shall allocate \$300,000.00 to the Wayne county friend of the court for the sole purpose of acquiring staff to support the office of the friend of the court in their collection efforts.

(2) The primary emphasis of these staff shall be in the area of child support collections and enforcement for public assistance recipients.

(3) It is estimated that aid to families with dependent children related child support collections will increase as a result of the efforts of these staff to at least cover their costs of employment.

Sec. 409. The department of social services shall offset the JOBS federal money going to the Michigan school districts in connection with the education designed for gainful employment program with the amount the local school district owes the Michigan department of social services for the staff hired for the program. The offset revenue shall be recorded in the local funds-county payback deduct established for the education designed for gainful employment program in section 101.

OFFICE OF CHILDREN AND YOUTH SERVICES

Sec. 501. In accordance with section 471(a)(14) of part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 671, the following goal is established by state law. During the fiscal year ending September 30, 1992, not more than 3,000 children supervised by the department of social services shall remain in foster care longer than 24 months. The department shall continue to report to the senate and house appropriations subcommittees on social services on the number of children supervised by the department who remain in foster care in excess of 12 months and in excess of 24 months.

Sec. 502. From the funds appropriated in section 101 for foster care, the department of social services shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing. Foster care of American Indian children who are under state court jurisdiction, but whose placement and supervision is with an Indian child placing agency, shall be fully reimbursed if such care is not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department of social services shall charge or cause to be charged a fee for intercountry adoption services. These fees shall be based on the cost of providing the services, with reduced fees for low-income families. These fees shall be used to pay for or contract for personnel and related activities. If it becomes apparent that the fees will not generate sufficient income to support the program, the director of social services shall adjust or cause an adjustment of the fees to permit the program to be self-supporting.

Sec. 504. To achieve the reduction of costs in the adoption subsidy program, the office of children and youth services shall do all of the following:

(a) Screen all residential placements which are subsidized by an adoption medical subsidy to assure the placement and treatment are needed and are in the best interest of the child.

(b) Establish a utilization review procedure for cases in which extensive outpatient therapy for severe emotional problems is subsidized by an adoption medical subsidy.

(c) In conjunction with professional provider groups, establish fee schedules for treatment of emotional problems subsidized with an adoption medical subsidy.

(d) In cooperation with the department of mental health, develop a model for postplacement adoption services, including the screening and monitoring of placements in child caring institutions and psychiatric hospitals.

(e) Limit payment for out-of-home placements in child caring institutions and psychiatric hospitals to short-term crisis placements unless the local community mental health board has determined that a long-term placement is needed. Payments for long-term placements shall be limited to a maximum of 6 months.

(f) The monthly support subsidy received by a parent subject to an adoption subsidy agreement entered into after October 1, 1991, will not include the special rate portion of the foster care rate previously paid for that child prior to the subsidized adoption.

Sec. 505. From the funds appropriated in section 101 for foster care, the office of children and youth services may use funds for programs to serve children in their own homes or in community-based services, if the service is in lieu of the children being placed in foster care.

Sec. 506. The department of social services' ability to satisfy appropriation deductions in section 101 for foster care private collections shall not be limited to collections and accruals pertaining to services provided in fiscal year 1990-91 as specified in section 101 but shall include revenues collected in excess of the amount specified in section 101.

Sec. 507. The office of children and youth services shall compile information on the status of the implementation of section 18(2) of chapter XIIA of Act No. 288 of the Public Acts of 1939, being section 712A.18 of the Michigan Compiled Laws, by counties. The information shall include at a minimum, the amount of money collected from parents by each county for the care of their children and efforts by the office to encourage full compliance with the act, including any adjustments made, if any, to a county's child care fund allocation based on that county's failure to fully implement the act.

Sec. 508. Notwithstanding section 117a or 117c of the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.117a and 400.117c of the Michigan Compiled Laws, the distribution of collections made to counties by child, parent, guardian, or custodian, on behalf of children in foster care who are wards of the county, shall be made pursuant to section 18(2) of chapter XIIA of Act No. 288 of the Public Acts of 1939, being section 712A.18 of the Michigan Compiled Laws.

Sec. 509. (1) From the funds appropriated in section 101 for children's services, the office of children and youth services may establish demonstration projects to improve the coordination of and demonstrate whether or not there are benefits of consolidating children and family services.

(2) If the office establishes demonstrations, it shall report on April 1, 1992 to the house and senate appropriations subcommittees on the cost of the demonstration projects, locations, and descriptions of each.

RESIDENTIAL CARE DIVISION

Sec. 601. The amounts appropriated for utilities and that portion of contractual services, supplies, and materials used to pay for utility service to state facilities in section 101 may be expended in a manner consistent with section 253 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1253 of the Michigan Compiled Laws.

Sec. 602. The appropriation in section 101 for the residential care division for construction shall be subject to the capital outlay planning process provided in the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

ASSISTANCE PAYMENTS, SERVICES AND CLERICAL FIELD STAFF

Sec. 701. From the funds appropriated in section 101, the department of social services may base assistance payments workers in hospitals agreeing to pay the state portion of the workers' salaries and related personnel costs. Hospital payments to the department shall be credited to a revenue account established for that sole purpose, and shall be applied against the local funds-donated funds deduct in the assistance payments, services and clerical field staff appropriation unit.

PUBLIC ASSISTANCE

Sec. 801. The department shall expand its absence policy to provide for the retention of children in the aid to families with dependent children grant for up to 12 months after placement when the child is absent from the home for the purpose of mental health treatment, if the case plan is to return the child to his or her home.

Sec. 802. (1) When a recipient or landlord requests that the department of social services make a vendor payment for shelter, that payment shall be withheld from the landlord and payment continued to the recipient if the rental unit is not in compliance with applicable local housing codes. Compliance shall be considered to be met if the department of social services receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes, and that statement is not contradicted by the recipient and the local housing authority. The landlord also shall provide to the department a signed statement indicating who currently owns the property and whether any delinquent taxes are owed.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units which the local authority indicates in writing do not meet local housing codes, until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by an energy provider participating in an agreement with the department pursuant to section 810, the department, or the department of labor when the landlord's property has been identified as needing services.

Sec. 803. From the funds appropriated in section 101 for aid to families with dependent children payments and medical services, the mother of an unborn child shall be eligible to receive aid to families with dependent children and medical services benefits for herself and her child if all other eligibility factors are met. To be eligible for these benefits, the applicant shall provide medical evidence of her pregnancy. If she is unable to provide the documentation, payment for the examination may be at state expense. The department of social services shall undertake such measures as may be necessary to ensure that necessary prenatal care is provided to medicaid-eligible recipients.

Sec. 804. The department, together with other agencies, may establish special projects to provide special needs shelter payment levels for the program of aid to families with dependent children that will support the development of transitional shelter facilities for homeless families. These facilities are to provide supportive services to families and to support the development of permanent low-income housing. The department shall report to the house and senate appropriations subcommittees on social services the number of families served by these transitional shelter facilities and the effectiveness of the special projects in providing additional low-income housing.

Sec. 805. (1) The department of social services shall operate a state disability assistance program. Persons eligible for this program shall include needy persons 18 years of age or older, or emancipated minors, who meet 1 or more of the following requirements:

- (a) A recipient of supplemental security income, social security, or medical assistance due to disability.
- (b) A person who is medically diagnosed as incapacitated and unavailable for work for at least 90 days.
- (c) A resident of adult foster care, home for the aged, county infirmary or substance abuse treatment center.
- (d) A person receiving 30-day postresidential substance abuse treatment.
- (e) A person diagnosed as having acquired immune-deficiency syndrome or acquired immune-deficiency syndrome related complex.
- (f) A person receiving special education services through the local intermediate school district.
- (g) A pregnant woman.
- (h) A caretaker of a disabled person as defined in subsections (a), (b), (e), or (f) above.

(2) Applicants for the state disability assistance program shall be considered needy if they:

- (a) Possess liquid assets of \$250.00 or less.
- (b) Own 1 automobile with an equity value of \$1,500.00 or less.
- (c) Earn a monthly income that is less than the payment standards established in section (3).

(3) Payment standards for the state disability assistance program shall be those that were in effect for the general assistance program on January 1, 1991.

Sec. 806. State disability assistance recipients living in the household of another shall be presumed by the department of social services to have no shelter costs and shall therefore be eligible for a personal needs allowance only. Recipients shall be allowed the opportunity to rebut this presumption before any reduction in benefits takes place. All related persons living in a common dwelling unit shall be considered a single household for purposes of eligibility for state disability assistance.

Sec. 807. The department of social services shall implement a shelter exception policy for homeowners under the state disability assistance program. To protect equity in a homestead, state disability assistance homeowners may receive up to \$100.00 per month above the regular state disability assistance shelter maximum, but not to exceed the aid to families with dependent children shelter maximum for a family of 6.

Sec. 808. The department of social services shall reimburse all substance abuse programs which are licensed by the office of substance abuse services and which have a contract with a local substance abuse coordinating agency at a rate equivalent to that paid by the department to adult foster care providers. Joint commission accredited programs shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 809. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 810. County departments of social services shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the general assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 811. The nonexempt resource limitation for both state disability assistance applicants and recipients shall be \$250.00.

Sec. 812. The department of social services' ability to satisfy appropriation deductions in section 101 for state disability assistance/supplemental security income recoveries shall not be limited to recoveries and accruals pertaining to state disability assistance grant payments provided in fiscal year 1991-92, but shall include all net general assistance/supplemental security income recoveries during fiscal year 1991-92 regardless of the year.

Sec. 813. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized.

Sec. 814. An adult foster care facility regulated by the department of social services division of adult foster care licensing shall report any incident which a resident of an adult foster care home is arrested or found guilty of an index category offense as defined by Act No. 319 of the Public Acts of 1968, being sections 28.251 to 28.258 of the Michigan Compiled Laws. The division of adult foster care licensing shall maintain these records and make the statistics available on request.

Sec. 815. Block grants to counties are authorized for the purpose of assisting poor persons to meet emergency needs and providing medical care to recipients of state disability assistance, indigents, or uninsured persons. The funds shall be provided in a single block grant and will be allocated to counties based on a measurement of poverty or need. Counties wishing to receive a block grant shall issue payments in accordance with guidelines established by the county board of commissioners. These payments may be made directly to individuals in need, to medical care providers, public health, medical care facilities, clinics, hospitals, health maintenance organizations, other entities that provide direct medical care, or to local agencies acting as administrative agents for the program. County offices of the department of social services may act as administrative agents. A county may participate in a consortium of counties to provide emergency assistance or medical care. Acceptance of these funds by a county does not imply additional legal or fiscal responsibilities for care of indigent or uninsured persons beyond those which can be supported by the funds. No more than 10% of the block grant may be used for administration.

Sec. 816. Family assistance shall be provided in instances where aid to families with dependent children eligibility could be met. The eligibility policies and payment standards in effect January 1, 1991 for general assistance families shall be utilized for determining family assistance eligibility and payments.

Sec. 817. The department shall implement an energy program to be funded from the funds appropriated in section 101 for the purposes of energy cost assistance.

Sec. 818. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient of all heat and electric allowances, and payments in excess of the allowances up to caps as described in subsection (2).

(2) Assuming available fiscal year 1991-92 federal LIEAP funds of \$77.7 million plus carryforward, the energy caps shall be \$160.00 for natural gas, wood, and electric heat service, \$300.00 for deliverable fuel heat services, and \$250.00 for electric service. If a smaller federal LIEAP award is available, the caps shall be adjusted downward to insure that energy expenditures do not exceed available appropriations. If a larger federal LIEAP award is available, the caps shall be adjusted upward to reflect available revenue.

Sec. 819. If fiscal year 1991-92 federal LIEAP funds available to Michigan exceed \$51.5 million, a portion of the additional amount will be used in support of the Michigan department of treasury's home heating credit program. The aid to families with dependent children authorization will be increased by a like amount of general fund/general purpose dollars, along with the associated earnable federal funds.

Sec. 820. A provider utility shall be entitled to recover in its rates all qualifying costs incurred pursuant to an agreement between the provider utility and the department for the payment of all or part of assisted households' heating and electric service bills. Qualifying costs shall include prudently incurred costs for incentives, forgiveness, and energy conservation program development and operation costs and the cost of capital incurred for assisted household arrearages held by the provider utility. All such qualifying costs incurred from program years beginning after October 1, 1991 shall be subject to deferred accounting and recovery through a general rate case application or shall be subject to timely recovery through separate limited purpose rate proceedings.

MEDICAL SERVICES

Sec. 901. The department of social services shall provide an administrative procedure for the review of grievances by medical assistance providers with regard to reimbursement under the medical assistance program.

Sec. 902. An institutional provider that is required to submit a cost report under the medicaid program shall submit cost reports completed in full within 90 days after the end of its fiscal year.

Sec. 903. The department of social services shall continue to implement the physician primary sponsor plan and shall require aid to families with dependent children recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference shall be randomly assigned to a managed care program.

Sec. 904. No funds are appropriated in section 101 to reimburse long-term care facilities for hospital leave days.

Sec. 905. Medicaid reimbursement for medicaid services shall not exceed, solely or in combination with other resources, including medicare, those amounts established for medicaid-only patients. The medicaid payment rate shall be accepted as payment in full. Other than an approved medicaid copayment, no portion of a provider's charge may be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be deemed to affect the level of payment from a third party source other than medicaid.

Sec. 906. From the funds appropriated in section 101 for medical services payments, the department of social services shall provide for an expanded inpatient hospital prior authorization and on-site review system.

Sec. 907. The department of social services shall fund a program to appeal medicare denials of nursing home coverage.

Sec. 908. The pharmaceutical dispensing fee shall be a maximum of \$3.72, effective October 1, 1991. If a recipient is 21 years of age or older, and is not in an institutional setting, or is not enrolled in the physician primary sponsor plan, the department of social services shall require a \$1.00 per prescription client copayment, except for products on the maximum allowable cost limit list or pregnancy-related products.

Sec. 909. From the funds appropriated in section 101, the department of social services may continue to conduct demonstration pilot projects on preadmission screening for nursing homes.

Sec. 910. The medicaid program shall contract with a mail order pharmacy for maintenance drugs for medicaid recipients. Participation in the program shall be voluntary. The department shall develop policies and procedures to implement this section.

Sec. 911. The medicaid program shall increase prior authorization for prescribed drugs. The department shall develop policies and procedures to implement this section.

Sec. 912. The medicaid program shall reimburse county medical care facility and hospital long term care units at nursing home rates. The department shall develop policies and procedures to implement this section.

Sec. 914. The department shall reimburse title V qualified local public health departments for maternal and child health related services at an enhanced rate using local expenditures as state match to earn federal funds. The department will not require that local funds flow through the state unless required to do so by federal law or regulation.

Sec. 915. The medicaid program shall utilize up to \$10 million for demonstration projects that examine the effectiveness of new services, financing methods, service delivery methods, administration, or other relevant adjustments to delivery of medical care to poor persons. As part of this review, the department may implement projects designed to control utilization of psychiatric services and increase the use of low cost hospitals.

Sec. 916. The department shall utilize not more than \$56,066,400.00 to increase outpatient hospital fees, physician fees, and associated health maintenance organization reimbursements effective December 1, 1991.

Sec. 917. (1) The funds appropriated for hospital disproportionate share payments in section 101 are for a special 1-time payment and shall not affect the payments made to hospitals under the regular disproportionate share adjustor to medicaid prices per case (DRG or per diem).

(2) Contributions to the general fund will be used to support the medicaid program. Payments to an eligible hospital under this provision will be made in accordance with medicaid policy and will not be dependent upon, or in return for, a contribution from the eligible hospital.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved

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Governor.