

HOUSE BILL No. 4578

EXECUTIVE BUDGET BILL

March 18, 1991, Introduced by Reps. Ostling, Johnson and Bender and referred to the Committee on Appropriations.

A bill 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; to provide for the powers and duties of certain state departments, agencies, and officers; and to repeal certain acts and parts of acts.

1 THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

2 Sec. 101. There is appropriated for the department of social

1 services and certain state purposes related to public welfare services
2 for the fiscal year ending September 30, 1992, from the following funds:

3 DEPARTMENT OF SOCIAL SERVICES

4 APPROPRIATIONS SUMMARY:

5 Full-time equated classified positions.....14,015.4

6 Full-time equated unclassified positions.....6.0

7 Total full-time equated positions.....14,021.4

8 GROSS APPROPRIATION.....\$ 5,060,637,200

9 Interdepartmental grant revenues:

10 Total interdepartmental grants and intradepartmental

11 transfers..... 40,270,300

12 ADJUSTED GROSS APPROPRIATION.....\$ 5,020,366,900

13 Federal revenues:

14 Total federal..... 2,578,405,700

15 Special revenue funds:

16 Total private..... 230,626,700

17 Total local..... 78,203,800

18 Total other state restricted..... 16,212,300

19 State general fund/general purpose.....\$ 2,116,918,400

20 EXECUTIVE OPERATIONS

21 Total full-time equated positions.....1,141.5

22 Full-time equated unclassified positions.....6.0

23 Full-time equated classified positions.....1,135.5

24 Director.....\$ 86,000

25 Unclassified FTE positions.....1.0

26 Unclassified salaries..... 320,500

27 Unclassified FTE positions.....5.0

1	Operations--1,135.5 FTE positions.....	\$ 85,028,700
2	Services.....	92,912,200
3	GROSS APPROPRIATION.....	\$ 178,347,400
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG-ADP user fees.....	371,900
7	ADJUSTED GROSS APPROPRIATION.....	\$ 177,975,500
8	Special revenue funds:	
9	Total federal.....	112,150,800
10	Private funds.....	796,300
11	Local funds.....	200,000
12	Licensing fees.....	1,012,300
13	State general fund/general purpose.....	\$ 63,816,100
14	CENTRAL SUPPORT ACCOUNTS	
15	Operations.....	\$ 195,786,400
16	GROSS APPROPRIATION.....	\$ 195,786,400
17	Total federal.....	93,579,000
18	Special revenue funds:	
19	State general fund/general purpose.....	\$ 102,207,400
20	FIELD POLICY AND OPERATIONS ADMINISTRATION	
21	Full-time equated classified positions.....	636.8
22	Operations-287.1 positions.....	\$ 29,390,100
23	Child support services--2.0 FTE positions.....	81,118,400
24	Employment and training services--347.7	
25	FTE positions.....	134,410,100
26	GROSS APPROPRIATION.....	\$ 244,918,600
27	IDG from school aid act.....	39,500,000

1	ADJUSTED GROSS APPROPRIATION.....	\$ 205,418,600
2	Federal revenues:	
3	Total federal.....	152,582,300
4	Local funds.....	32,178,900
5	State general fund/general purpose.....	\$ 20,657,400
6	OFFICE OF CHILDREN AND YOUTH SERVICES	
7	Full-time equated classified positions.....	1,940.7
8	Operations--1,843.3 FTE positions.....	\$ 68,656,000
9	Services--1.8 FTE positions.....	17,592,300
10	Out of home care.....	229,651,700
11	Day care services.....	54,664,900
12	In home care--95.6 FTE positions.....	49,046,600
13	GROSS APPROPRIATION.....	\$ 419,611,500
14	Appropriated from:	
15	Federal revenues:	
16	Total federal.....	215,433,000
17	Special revenue funds:	
18	Private-children's benefit fund donations.....	21,000
19	Private-intercountry adoption agency contribution....	559,200
20	Private-collections.....	5,696,200
21	Private-foundation funds.....	1,509,000
22	Local funds - county payback.....	13,635,800
23	State general fund/general purpose.....	\$ 182,757,300
24	RESIDENTIAL CARE DIVISION	
25	Full-time equated classified positions.....	1,260.1
26	Operations--1,232.1 FTE positions.....	\$ 66,061,700
27	Federal/private/services--28.0 FTE positions.....	1,771,100

1	Training schools/detention centers construction.....	200
2	GROSS APPROPRIATION.....	\$ 67,833,000
3	Appropriated from:	
4	Federal revenues:	
5	Total federal.....	2,956,100
6	Special revenue funds:	
7	Private funds.....	45,000
8	Local funds - county payback.....	31,996,000
9	State general fund/general purpose.....	\$ 32,835,900
10	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD STAFF	
11	Full-time equated classified positions.....	8,545.5
12	Operations--8,104.5 FTE positions.....	\$ 269,047,200
13	Services--441.0 FTE positions.....	21,876,400
14	GROSS APPROPRIATION.....	\$ 290,923,600
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	IDG from mental health.....	398,400
18	ADJUSTED GROSS APPROPRIATION.....	\$ 290,525,200
19	Federal revenues:	
20	Total federal.....	145,668,900
21	Special revenue funds:	
22	Local funds - donated funds.....	193,100
23	State general fund/general purpose.....	\$ 144,663,200
24	PUBLIC ASSISTANCE	
25	Aid to families with dependent children payments....	\$ 1,208,314,100
26	Family assistance payments.....	42,192,000
27	State disability assistance payments.....	36,000,000

1	State supplementation.....	58,152,400
2	Personal care services.....	18,960,800
3	Low Income energy assistance program.....	51,500,000
4	County emergency and medical care block grant.....	43,102,400
5	GROSS APPROPRIATION.....	\$ 1,458,221,700

6 Appropriated from:

7 Federal revenues:

8	Total federal.....	636,432,300
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9 Special revenue funds:

10	Child support collections.....	152,000,000
11	Supplemental security income recoveries.....	4,800,000
12	State general fund/general purpose.....	\$ 664,989,400

13 MEDICAL SERVICES

14 Full-time equated classified positions.....496.8

15	Operations--496.8 FTE positions.....	\$ 25,705,300
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16	Medicaid payments.....	2,179,289,700
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17	GROSS APPROPRIATION.....	\$ 2,204,995,000
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18 Appropriated from:

19 Federal revenues:

20	Total federal.....	1,219,603,300
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21 Special revenue funds:

22	Special purpose-public act 219 of 1987.....	10,400,000
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23	Hospital contributions.....	\$ 70,000,000
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24	State general fund/general purpose.....	\$ 904,991,700
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25 GENERAL SECTIONS

26 Sec. 201. (1) In accordance with the provisions of section 30 of
27 article IX of the state constitution of 1963, total state spending in

1 this act is \$2,133,130,700.00 and state spending to be paid to local
2 units of government is as follows:

3 OFFICE OF CHILDREN AND YOUTH SERVICES

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

7 PUBLIC ASSISTANCE

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

10 MEDICAL SERVICES

11	Medicaid to community mental health clients.....	20,204,700
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12 FIELD POLICY AND OPERATIONS ADMINISTRATION

13	Adult Education Initiative.....	39,500,000
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14	TOTAL.....	\$166,215,000
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15 Sec. 202. (1) It is the intent of the legislature that the funds
16 appropriated in section 101 to the department and the funds otherwise
17 appropriated as provided by law to the department for the fiscal year
18 ending September 30, 1992 will permit the department to carry out each
19 program for the entire fiscal year, unless a shorter period is
20 provided in law.

21 (2) The department shall not make or authorize an expenditure or
22 incur an obligation that exceeds or results in spending that will
23 exceed the amount appropriated in section 101 or as otherwise provided
24 by law.

25 (3) In consultation with the department of management and budget,
26 the department shall, for each appropriation, develop a spending plan
27 allotting the amount appropriated over the full 12 months of the 1991-

1 92 fiscal year.

2 (4) The department director shall advise the director of the
3 department of management and budget if an appropriation in section 101
4 or as otherwise provided by law will not permit the department to
5 carry out the program specified by line item mandated by the
6 legislature for the entire fiscal year. The department director shall
7 consider both the amount appropriated for each line item and the
8 sufficiency of projected sources of financing when deciding whether
9 the appropriation will last the entire fiscal year. If the director
10 of the department of management and budget concurs with the
11 projections of the department, the directors shall advise the
12 chairpersons of the senate and house appropriations committees, and
13 the chairpersons of the appropriate appropriations subcommittees that
14 an amount appropriated in section 101 or as otherwise provided by law
15 will not permit the department to carry out the program mandated by
16 the legislature for the entire fiscal year.

17 (5) If both of the appropriation committees disagree with the
18 conclusion of the directors within 10 days, the house fiscal agency
19 and senate fiscal agency shall immediately publish estimates of
20 whether the amount appropriated, including all sources of financing
21 assumed in the appropriation, will permit the department to carry out
22 the program mandated by the legislature for the entire fiscal year.

23 (6) If the legislature does not act within 30 days after the
24 notice from the directors provided in subsection (4) to reduce the
25 mandated level of service, authorize the program to end before the
26 fiscal year is completed, or increase the amount of the appropriation,

1 the department shall reduce the rate of spending in order to carry out
2 the legislature's intent that the program be carried out for the full
3 fiscal year.

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

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

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

21 Sec. 206. When a recipient of assistance funded under this act
22 is paid more than the amount to which the recipient is legally
23 entitled, the department of social services shall institute procedures
24 to recover the overpayment. The department may reduce subsequent
25 grants in an amount that will ensure repayment of the overpayment. The
26 director of social services shall establish reasonable limits on the

1 proportion of the payments that may be deducted, so as not to cause
2 undue hardship on recipients.

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

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

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

19 EXECUTIVE OPERATIONS

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

26 Sec. 302. The department may receive local funds to be applied

1 toward the purchase of local office automation equipment. Such
2 equipment shall only be purchased through appropriate departmentwide
3 automated data processing equipment contracts, and shall be the
4 property of the department.

5 Sec. 303. The department of social services may retain a portion
6 of the state's share of food stamp overissuance collections to offset
7 the state share of the costs of department collection activity. The
8 department may retain the lesser of total collected or an amount equal
9 to the state share, after application of all federal matching
10 revenues, of the department's costs incurred in the investigation and
11 recoupment of food stamp overissuances. Retained collections shall be
12 applied against federal funds deducts in all appropriation units where
13 such costs are incurred.

14 FIELD POLICY AND OPERATION ADMINISTRATION

15 Sec. 401. The funds appropriated in section 101 for the
16 employment and training program shall be expended for purposes of
17 employment, education, training, and associated costs.

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

22 (2) A recipient who is required to participate but who refuses
23 to participate without good cause shall initially have his or her
24 needs removed from the family assistance or aid to families with
25 dependent children grant until he or she elects to participate. If a
26 recipient refuses to participate a second time without good cause

1 after an earlier refusal to participate without good cause, the
2 recipient's needs will be removed from the aid to families with
3 dependent children or family assistance grant for 3 months or until
4 the recipient agrees to participate, whichever is longer. All further
5 refusals to participate without good cause will result in the removal
6 of a recipient's needs from the aid to families with dependent
7 children or family assistance grant for 6 months or until the
8 recipient agrees to participate, whichever is longer.

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

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

24 Sec. 405. (1) From the federal money received for child support
25 incentive payments, up to \$6,954,900.00 shall be retained by the state
26 and expended for legal support contracts, state incentive payments,

1 and salaries and wages for office of child support staff in the income
2 and supportive services administration.

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

13 Sec. 406. The funds appropriated in section 101 for the
14 immigration legalization assistance shall be for the use of the
15 departments of social services, education, and public health. The
16 distribution of funds among the 3 departments shall be determined
17 under the terms of an interdepartmental agreement, consistent with the
18 requirements of federal regulations. The department of social services
19 shall be the single point of contact with the department of health and
20 human services regarding the program and shall claim and receive all
21 applicable federal funds. The departments of public health and
22 education shall receive their shares based on presentation of an
23 interaccount bill which states the services provided and the cost to
24 the state of those services.

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

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

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

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

12 OFFICE OF CHILDREN AND YOUTH SERVICES

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

23 Sec. 502. From the funds appropriated in section 101 for foster
24 care, the department of social services shall provide 50%
25 reimbursement to Indian tribal governments for foster care
26 expenditures for children who are under the jurisdiction of Indian

1 tribal courts and who are not otherwise eligible for federal foster
2 care cost sharing. Foster care of American Indian children who are
3 under state court jurisdiction, but whose placement and supervision
4 is with an Indian child placing agency, shall be fully reimbursed if
5 such care is not otherwise eligible for federal foster care cost
6 sharing.

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

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

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

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

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

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

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

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

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

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

25 Sec. 507. The office of children and youth services shall compile
26 information on the status of the implementation of section 18(2) of

1 chapter XIIIA of Act No. 288 of the Public Acts of 1939, being section
2 712A.18 of the Michigan Compiled Laws, by counties. The information
3 shall include at a minimum, the amount of money collected from parents
4 by each county for the care of their children and efforts by the
5 office to encourage full compliance with the act, including any
6 adjustments made, if any, to a county's child care fund allocation
7 based on that county's failure to fully implement the act.

8 Sec. 508. Notwithstanding section 117a or 117c of the social
9 welfare act, Act No. 280 of the Public Acts of 1939, being sections
10 400.117a and 400.117c of the Michigan Compiled Laws, the distribution
11 of collections made to counties by child, parent, guardian, or
12 custodian, on behalf of children in foster care who are wards of the
13 county, shall be made pursuant to section 18(2) of chapter XIIIA of Act
14 No. 288 of the Public Acts of 1939, being section 712A.18 of the
15 Michigan Compiled Laws.

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

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

25 RESIDENTIAL CARE DIVISION

26 Sec. 601. The amounts appropriated for utilities and that portion

1 of contractual services, supplies, and materials used to pay for
2 utility service to state facilities in section 101 may be expended in
3 a manner consistent with section 253 of the management and budget act,
4 Act No. 431 of the Public Acts of 1984, being section 18.1253 of the
5 Michigan Compiled Laws.

6 Sec. 602. The appropriation in section 101 for the residential
7 care division for construction shall be subject to the capital outlay
8 planning process provided in the management and budget act, Act No.
9 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of
10 the Michigan Compiled Laws.

11 ASSISTANCE PAYMENTS, SERVICES AND CLERICAL FIELD STAFF

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

20 PUBLIC ASSISTANCE

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

26 Sec. 802. (1) When a recipient or landlord requests that the

1 department of social services make a vendor payment for shelter, that
2 payment shall be withheld from the landlord and payment continued to
3 the recipient if the rental unit is not in compliance with applicable
4 local housing codes. Compliance shall be considered to be met if the
5 department of social services receives from the landlord a signed
6 statement stating that the rental unit is in compliance with local
7 housing codes, and that statement is not contradicted by the recipient
8 and the local housing authority. The landlord also shall provide to
9 the department a signed statement indicating who currently owns the
10 property and whether any delinquent taxes are owed.

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

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

25 Sec. 803. From the funds appropriated in section 101 for aid to
26 families with dependent children payments and medical services, the

1 mother of an unborn child shall be eligible to receive aid to families
2 with dependent children and medical services benefits for herself and
3 her child if all other eligibility factors are met. To be eligible for
4 these benefits, the applicant shall provide medical evidence of her
5 pregnancy. If she is unable to provide the documentation, payment for
6 the examination may be at state expense. The department of social
7 services shall undertake such measures as may be necessary to ensure
8 that necessary prenatal care is provided to medicaid-eligible
9 recipients.

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

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

25 (a) a recipient of supplemental security income, social security,
26 or medical assistance due to disability;

1 (b) a person who is medically diagnosed as incapacitated and
2 unavailable for work for at least 90 days;

3 (c) a resident of adult foster care, home for the aged, county
4 infirmary or substance abuse treatment center;

5 (d) a person receiving 30-day postresidential substance abuse
6 treatment;

7 (e) a person diagnosed as having acquired immune-deficiency
8 syndrome or acquired immune-deficiency syndrome related complex;

9 (f) a person receiving special education services through the
10 local intermediate school district;

11 (g) a pregnant woman;

12 (h) a caretaker of a disabled person as defined in subsections
13 (a), (b), (e), or (f) above.

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

16 (a) possess liquid assets of \$250 or less;

17 (b) Own one automobile with an equity value of \$1,500 or less;

18 and

19 (c) earn a monthly income that is less than the payment standards
20 established in section (3).

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

24 Sec. 806. State disability assistance recipients living in the
25 household of another shall be presumed by the department of social
26 services to have no shelter costs and shall therefore be eligible for

1 a personal needs allowance only. Recipients shall be allowed the
2 opportunity to rebut this presumption before any reduction in benefits
3 takes place. All related persons living in a common dwelling unit
4 shall be considered a single household for purposes of eligibility for
5 state disability assistance.

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

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

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

25 Sec. 810. County departments of social services shall require
26 each recipient of state disability assistance who has applied with the

1 social security administration for supplemental security income to
2 sign a contract to repay any assistance rendered through the general
3 assistance program upon receipt of retroactive supplemental security
4 income benefits.

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

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

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

20 Sec. 814. An adult foster care facility regulated by the
21 department of social services division of adult foster care licensing
22 shall report any incident which a resident of an adult foster care
23 home is arrested or found guilty of an index category offense as
24 defined by Act No. 319 of the Public Acts of 1968, being sections
25 28.251 to 28.258 of the Michigan Compiled Laws. The division of adult
26 foster care licensing shall maintain these records and make the

1 statistics available on request.

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

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

26 MEDICAL SERVICES

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

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

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

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

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

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

1 system.

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

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

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

14 Sec. 910. The medicaid program shall direct patients to low cost
15 hospitals. The department shall develop policies and procedures to
16 implement this section.

17 Sec. 911. The medicaid program shall contract with a mail order
18 pharmacy for maintenance drugs for medicaid recipients. Participation
19 in the program shall be voluntary. The department shall develop
20 policies and procedures to implement this section.

21 Sec. 912. The medicaid program shall increase prior authorization
22 for prescribed drugs. The department shall develop policies and
23 procedures to implement this section.

24 Sec. 913. The medicaid program shall reimburse county medical
25 care facility and hospital long term care units at nursing home rates.
26 The department shall develop policies and procedures to implement this

1 section.

2 Sec. 914. The medicaid program shall establish psychiatric
3 hospital pay limits. The department shall develop policies and
4 procedures to implement this section.

5 Sec. 915. The medicaid program shall seek to obtain voluntary
6 contributions from hospitals. The contributions shall be adequate to
7 reduce fiscal year 1991-92 general fund-general purpose expenditures
8 by \$70,000,000.