

HOUSE BILL No. 5514

EXECUTIVE BUDGET BILL

February 18, 1992, 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, 1993; 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.

1 THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

2 Sec. 101. There is appropriated for the department of social
3 services and certain state purposes related to public welfare services
4 for the fiscal year ending September 30, 1993, from the following funds:

1 DEPARTMENT OF SOCIAL SERVICES

2 APPROPRIATIONS SUMMARY:

3 Full-time equated classified positions.....13,456.0

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

5 Total full-time equated positions.....13,462.0

6 GROSS APPROPRIATION.....\$ 6,244,556,300

7 Interdepartmental grant revenues:

8 Total interdepartmental grants and intradepartmental

9 transfers..... 771,100

10 ADJUSTED GROSS APPROPRIATION.....\$ 6,243,785,200

11 Federal revenues:

12 Total federal..... 3,267,437,400

13 Special revenue funds:

14 Total private..... 634,297,500

15 Total local..... 90,865,700

16 Total other state restricted..... 15,639,000

17 State general fund/general purpose.....\$ 2,235,545,600

18 EXECUTIVE OPERATIONS

19 Total full-time equated positions.....1,127.6

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

21 Full-time equated classified positions.....1,121.6

22 Director.....\$ 86,000

23 Unclassified FTE positions.....1.0

24 Unclassified salaries..... 320,500

25 Unclassified FTE positions.....5.0

26 Demonstration projects--25.1 FTE positions..... 7,483,500

27 Operations--1,096.5 FTE positions..... 101,541,400

28 GROSS APPROPRIATION.....\$ 109,431,400

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grants-automated data processing	
4	user fees.....	371,900
5	ADJUSTED GROSS APPROPRIATION.....	\$ 109,059,500
6	Appropriated from:	
7	Federal revenues:	
8	Total federal.....	64,407,800
9	Special revenue funds:	
10	Private funds.....	915,000
11	Local funds.....	200,000
12	State restricted licensing fees.....	439,000
13	State general fund/general purpose.....	\$ 43,097,700
14	CENTRAL SUPPORT ACCOUNTS	
15	Operations.....	\$ 239,693,200
16	GROSS APPROPRIATION.....	\$ 239,693,200
17	Appropriated from:	
18	Federal revenues:	
19	Total federal.....	121,237,800
20	State general fund/general purpose.....	\$ 118,455,400
21	FAMILY SERVICES ADMINISTRATION	
22	Full-time equated classified positions.....	381.4
23	Child support enforcement system--3.0 FTE positions...\$	17,379,700
24	Child support incentive payments.....	27,055,200
25	State incentive payments.....	3,323,700
26	Legal support contracts.....	43,285,300
27	Food stamp issuance.....	5,603,900
28	Wage match contract with MESC.....	1,700,000

1	Supplemental security income advocacy for department	
2	of mental health--37.2 FTE positions.....	2,076,400
3	Training and staff development--58.0 FTE positions.....	4,512,600
4	High school completion project--4.7 FTE positions.....	269,700
5	Operations--278.5 FTE positions.....	16,689,000
6	GROSS APPROPRIATION.....\$	121,895,500
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from department of mental	
10	health.....	399,200
11	ADJUSTED GROSS APPROPRIATION.....\$	121,496,300
12	Appropriated from:	
13	Federal revenues:	
14	Total federal.....	104,018,500
15	State general fund/general purpose.....\$	17,477,800
16	CHILD AND FAMILY SERVICES	
17	Full-time equated classified positions.....	252.6
18	Education designed for gainful employment--70.0 FTE	
19	positions.....\$	18,293,800
20	Michigan opportunity and skills training program--20.0	
21	FTE positions.....	40,145,800
22	Adult home help.....	94,209,500
23	Social services to the physically disabled.....	1,344,900
24	Delinquency prevention and treatment projects--1.8	
25	FTE positions.....	8,189,000
26	Intercountry adoptions contracts.....	754,300
27	Delinquency project improvement.....	102,900
28	County juvenile officers.....	3,180,400

1	Foster care payments.....	208,234,500
2	Adoption subsidies.....	43,829,300
3	Child care fund.....	32,735,500
4	Children's benefit fund donations.....	21,000
5	Domestic violence prevention and treatment--2.0	
6	FTE positions.....	3,764,900
7	Day care services.....	56,748,300
8	Family preservation services--4.0 FTE positions.....	17,822,500
9	Interstate compact.....	113,500
10	Child abuse and neglect programming--3.5 FTE positions.	5,600,700
11	Privately funded activities.....	2,706,400
12	Black child and family institute.....	100,000
13	Rape prevention and services.....	191,000
14	Intensive community supervision--54.0 FTE positions....	3,657,200
15	Attorney general.....	588,000
16	Communities first.....	500,000
17	Operations--97.3 FTE positions.....	13,153,300
18	GROSS APPROPRIATION.....\$	555,986,700
19	Appropriated from:	
20	Federal revenues:	
21	Total federal.....	285,301,000
22	Special revenue funds:	
23	Private-children's benefit fund donations.....	21,000
24	Private-intercountry adoption agency contribution.....	754,900
25	Private-collections.....	3,376,600
26	Private foundation funds.....	1,510,200
27	Local funds county payback.....	21,512,000
28	Local funds.....	3,302,600

1	State general fund/general purpose.....	\$ 240,208,400
2	RESIDENTIAL CARE DIVISION	
3	Full-time equated classified positions.....	1,073.8
4	W.J. Maxey memorial fund.....	\$ 45,000
5	Training schools/detention centers construction.....	200
6	Education services--211.7 FTE positions and 900	
7	students.....	12,021,000
8	Operations--862.1 FTE positions.....	59,014,100
9	GROSS APPROPRIATION.....	\$ 71,080,300
10	Appropriated from:	
11	Federal revenues:	
12	Total federal.....	4,032,100
13	Special revenue funds:	
14	Private funds.....	46,700
15	Local funds county payback.....	32,993,300
16	State general fund/general purpose.....	\$ 34,008,200
17	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD STAFF	
18	Full-time equated classified positions.....	10,094.0
19	Operations--10,094.0 FTE positions.....	362,591,400
20	GROSS APPROPRIATION.....	\$ 362,591,400
21	Appropriated from:	
22	Federal revenues:	
23	Total federal.....	186,727,800
24	Special revenue funds:	
25	Local funds donated funds.....	193,100
26	State general fund/general purpose.....	\$ 175,670,500
27	PUBLIC ASSISTANCE	
28	Full-time equated classified positions.....	35.0

1	Aid to families with dependent children.....	\$1,233,942,400
2	Family assistance payments.....	39,195,400
3	State disability assistance payments.....	36,000,000
4	State supplementation.....	63,262,400
5	Personal care services.....	19,560,800
6	Low income energy assistance program--35.0 FTE	
7	positions.....	78,400,000
8	State emergency relief.....	37,075,500
9	Indigent medical program.....	26,000,000
10	GROSS APPROPRIATION.....	\$1,533,436,500
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	690,057,700
14	Special revenue funds:	
15	Child support collections.....	161,793,500
16	Supplemental security income recoveries.....	4,800,000
17	State general fund/general purpose.....	\$ 676,785,300
18	MEDICAL SERVICES	
19	Hospital services and therapy.....	\$1,198,200,700
20	Hospital disproportionate share payments.....	457,600,000
21	Physician services.....	290,142,000
22	Medicare premium payments.....	45,000,000
23	Pharmaceutical services.....	287,884,300
24	Home health services.....	16,017,500
25	Transportation.....	7,300,000
26	Auxiliary medical services.....	61,373,800
27	Nursing home services.....	493,962,400
28	Chronic care units and county medical care	

1	facilities.....	136,936,700
2	Health maintenance organizations.....	209,361,100
3	Caring program for children.....	4,546,400
4	Maternal and child health services.....	6,424,500
5	GROSS APPROPRIATION.....	\$ 3,214,749,400
6	Appropriated from:	
7	Federal revenues:	
8	Total federal.....	1,790,885,900
9	Special revenue funds:	
10	Health care provider contributions.....	451,581,400
11	County revenue.....	11,164,700
12	Other local revenue.....	21,500,000
13	Special purpose-public act 219 of 1987.....	10,400,000
14	Private contributions.....	14,298,200
15	State general fund/general purpose.....	\$ 914,919,200
16	MEDICAL SERVICES ADMINISTRATION	
17	Full-time equated classified positions.....	497.6
18	Operations—497.6 FTE positions.....	\$ 35,691,900
19	GROSS APPROPRIATION.....	35,691,900
20	Appropriated from:	
21	Federal revenues:	
22	Total federal.....	20,768,800
23	Special revenue funds:	
24	State general fund/general purpose.....	\$ 14,923,100
25	GENERAL SECTIONS	
26	Sec. 201. In accordance with the provisions of section 30 of	
27	article IX of the state constitution of 1963, total state spending in	
28	this act is \$2,251,184,600.00 and state spending to be paid to local	

1 units of government is as follows:

2 DEPARTMENT OF SOCIAL SERVICES

3 Child care fund.....	\$ 32,735,500
4 County juvenile officers.....	447,500
5 Adoption subsidies.....	26,367,800
6 Indigent medical program.....	1,145,700
7 State disability and family assistance program.....	4,653,600
8 Medicaid inpatient and outpatient indigent volume	
9 adjustors.....	27,182,000
10 Medicaid to community mental health clients.....	77,170,300
11 TOTAL.....	\$ 169,702,400

12 Sec. 202. The appropriations made and the expenditures authorized
 13 under this act and the institutions, departments, agencies, commissions,
 14 boards, offices, and programs for which an appropriation is made under
 15 this act are subject to the management and budget act, Act No. 431 of the
 16 Public Acts of 1984, being section 18.1101 to 18.1594 of the Michigan
 17 Compiled Laws.

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

25 Sec. 204. The director of the department of management and budget
 26 may make administrative transfers of appropriations for the department
 27 of social services to adjust amounts between the local funds-county
 28 payback line items in section 101. Such transfers shall be made in
 29 compliance with the procedural requirements for administrative transfers
 30 set forth in section 393(1) of Act. No. 431 of the Public Acts of 1984,

1 as amended.

2 Sec. 205. When a recipient of assistance funded under this act is
3 paid more than the amount to which the recipient is legally entitled, the
4 department of social services shall institute procedures to recover the
5 overpayment. The department may reduce subsequent grants in an amount
6 that will ensure repayment of the overpayment. The director of social
7 services shall establish reasonable limits on the proportion of the
8 payments that may be deducted, so as not to cause undue hardship on
9 recipients. The department shall also pursue recovery of overpayments
10 from recipients and former recipients.

11 Sec. 206. In addition to funds appropriated in section 101 for all
12 programs and services, there is appropriated for write-offs of accounts
13 receivable, deferrals, and disallowances an amount equal to total
14 write-offs to be expended from an equal appropriation in prior year
15 revenues.

16 Sec. 207. The department of social services may retain all of the
17 state's share of food stamp overissuance collections as an offset to
18 general fund/general purpose costs. Retained collections shall be
19 applied against federal funds deducts in all appropriation units where
20 department costs related to the investigation and recoupment of food
21 stamp overissuances are incurred. Retained collections in excess of such
22 costs shall be applied against the federal funds deduct in the executive
23 operations appropriation unit.

24 Sec. 208. (1) Beginning October 1, 1992, there shall be a hiring
25 freeze imposed on the state classified civil service. State departments
26 and agencies shall be prohibited from hiring any new full-time state
27 classified civil service employees or prohibited from filling any vacant
28 state classified civil service positions. This hiring freeze does not
29 apply to internal transfers of classified employees from one position to
30 another within a department.

1 (2) The director of the department of management and budget shall
2 grant exceptions to this hiring freeze when the director believes that
3 such a hiring freeze will result in rendering a state department or
4 agency unable to deliver basic services, cause loss of revenue to the
5 state, result in the inability of the state to receive and expend federal
6 funds, or necessitate additional expenditures that exceed any savings
7 from maintaining a vacancy.

8 Sec. 209. The department is authorized to transfer funds from
9 other accounts in section 101 into the communities first pilot projects
10 line item in order to support any such pilot projects. Such transfers
11 shall be subject to the provisions of Act. No. 431 of the Public Acts of
12 1984.

13 EXECUTIVE OPERATIONS

14 Sec. 301. The department may receive local funds to be applied
15 toward the purchase of local office automation equipment. Such equipment
16 shall only be purchased through appropriate departmentwide automated data
17 processing equipment contracts, and shall be the property of the
18 department.

19 Sec. 302. The department shall assess and collect fees in the
20 licensing and regulation of child care organizations as defined in Act.
21 No. 116 of the Public Act of 1973, being Sections 722.111 to 722.128 of
22 the Michigan Compiled Laws, and adult foster care facilities as defined
23 in the adult foster care facility licensing act, Act. No. 218 of the
24 Public Acts of 1979, being sections 400.701 to 400.737 of the Michigan
25 Compiled Laws. Fees collected by the department shall not exceed the
26 deduct in Section 101 and shall be used exclusively for the purpose of
27 licensing and regulating child care organizations and adult foster care
28 facilities.

29 Sec. 303. Any county office lease may be subject to modification,
30 reduction, or cancellation in order to ensure that expenditures do not

1 exceed the appropriation.

2 FAMILY SERVICES ADMINISTRATION

3 Sec. 401. (1) From the federal money received for child support
4 incentive payments, up to \$7,465,200.00 shall be retained by the state
5 and expended for legal support contracts, state incentive payments, and
6 salaries and wages for office of child support staff. (2) At the end of
7 the current fiscal year, the department may, when it is cost beneficial
8 to the state and counties, withhold from submitting to the federal office
9 of child support administrative expenses eligible for federal financial
10 participation. The department may recoup earned but unclaimed federal
11 funds from the resulting increased federal child support incentive. The
12 recoupment by the department shall be made prior to distribution of the
13 increased incentive to the counties. Any incentive funds retained by the
14 state under this section shall be separate and apart from incentive funds
15 retained in any other section of this act.

16 Sec. 402. The funds appropriated in section 101 for the
17 immigration legalization assistance shall be for the use of the
18 departments of social services, education, and public health. The
19 distribution of funds among the 3 departments shall be determined under
20 the terms of an interdepartmental agreement, consistent with the
21 requirements of federal regulations. The department of social services
22 shall be the single point of contact with the department of health and
23 human services regarding the program and shall claim and receive all
24 applicable federal funds. The departments of public health and education
25 shall receive their shares based on presentation of an interaccount bill
26 which states the services provided and the cost to the state of those
27 services.

28 CHILD AND FAMILY SERVICES

29 Sec. 501. In accordance with section 471(a)(14) of part E of title
30 IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 671,

1 the following goal is established by state law. During the fiscal year
2 ending September 30, 1993, not more than 3,000 children supervised by the
3 department of social services shall remain in foster care longer than 24
4 months.

5 Sec. 502. From the funds appropriated in section 101 for foster
6 care, the department of social services shall provide 50% reimbursement
7 to Indian tribal governments for foster care expenditures for children
8 who are under the jurisdiction of Indian tribal courts and who are not
9 otherwise eligible for federal foster care cost sharing.

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

18 Sec. 504. To achieve a reduction of costs in the adoption subsidy
19 program, the office of children and family services shall do all of the
20 following:

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

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

28 (c) Limit payment for out-of-home placements in child caring
29 institutions and psychiatric hospitals to short-term crisis placements
30 unless the local community mental health board has determined that a

1 long-term placement is needed. Payments for long-term placements shall
2 be limited to a maximum of 6 months.

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

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

13 Sec. 507. Notwithstanding section 117a or 117c of the social
14 welfare act, Act No. 280 of the Public Acts of 1939, being sections
15 400.117a and 400.117c of the Michigan Compiled Laws, the distribution of
16 collections made to counties by child, parent, guardian, or custodian,
17 on behalf of children in foster care who are wards of the county, shall
18 be made pursuant to section 18(2) of chapter XIIIA of Act No. 288 of the
19 Public Acts of 1939, being section 712A.18 of the Michigan Compiled Laws.

20 Sec. 508. The funds appropriated in section 101 for communities
21 first pilot projects are intended to support the inter-agency
22 implementation of communities first pilots in four local sites. Funds
23 may be expended by the departments of social services, public health,
24 mental health and education and the office of services to the aging, as
25 necessary or appropriate for pilot implementation, in accord with
26 interagency agreements negotiated by the affected agencies.

27 Sec. 509. Counties shall be subject to 50% charge back for the use
28 of alternative regional detention services if they do not fall under the
29 basic provision of section 117e of the Social Welfare Act, Act. No. 280
30 of the Public Acts of 1939 being section 400.117e of the Michigan

1 Compiled Laws; or if a county operates these programs primarily with
2 professional rather than volunteer staff.

3 Sec. 510. The department of social services shall offset the JOBS
4 federal money going to the Michigan school districts in connection with
5 the education designed for gainful employment (EDGE) program by the
6 amount necessary for the Michigan department of social services to
7 administer the EDGE program. The offset revenue shall be recorded in the
8 local funds-county payback deduct established for the education designed
9 for gainful employment program in section 101.

10 RESIDENTIAL CARE DIVISION

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

17 ASSISTANCE PAYMENTS, SERVICES AND CLERICAL FIELD STAFF

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

26 PUBLIC ASSISTANCE

27 Sec. 801. (1) The department of social services may terminate a
28 vendor payment for shelter when a recipient's rental unit is not in
29 compliance with applicable local housing codes. Compliance shall be
30 considered to be met if the department of social services receives from

1 the landlord a signed statement stating that the rental unit is in
2 compliance with local housing codes, and that statement is not
3 contradicted by the recipient and the local housing authority. The
4 landlord also shall provide to the department a signed statement
5 indicating who currently owns the property and whether any delinquent
6 taxes are owed.

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

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

21 Sec. 802. The department, together with other agencies, may
22 establish special projects to provide special needs shelter payment
23 levels for the program of aid to families with dependent children that
24 will support the development of transitional shelter facilities for
25 homeless families. These facilities are to provide supportive services
26 to families and to support the development of permanent low-income
27 housing. The department shall report to the house and senate
28 appropriations subcommittees on social services the number of families
29 served by these transitional shelter facilities and the effectiveness of
30 the special projects in providing additional low-income housing.

1 Sec. 803. (1) The department of social services shall operate a
2 state disability and state family assistance program.

3 Sec. 804. County departments of social services shall require each
4 recipient of state disability and state family assistance who has applied
5 with the social security administration for supplemental security income
6 to sign a contract to repay any assistance rendered through the state
7 disability assistance and state family assistance programs upon receipt
8 of retroactive supplemental security income benefits.

9 Sec. 805. The department of social services' ability to satisfy
10 appropriation deductions in section 101 for state disability assistance
11 supplemental security income recoveries shall not be limited to
12 recoveries and accruals pertaining to state disability assistance grant
13 payments provided only in the current fiscal year, but shall include all
14 net state disability assistance supplemental security income recoveries
15 received during the current fiscal year.

16 Sec. 806. Adult foster care facilities providing domiciliary care
17 or personal care to residents receiving supplemental security income or
18 homes for the aged serving residents receiving supplemental security
19 income shall not require those residents to reimburse the home or
20 facility for care at rates in excess of those legislatively authorized.

21 Sec. 807. (1) The department, as it determines is appropriate,
22 shall enter into agreements with energy providers by which cash
23 assistance recipients and the energy providers agree to permit the
24 department to make direct payments to the energy providers on behalf of
25 the recipient. The payments shall include heat and electric payment
26 requirements from recipient grants and amounts in excess of the payment
27 requirements.

28 (2) Assuming available fiscal year 1992-93 federal LIEAP funds of
29 \$77.7 million plus carryforward, the energy caps shall be \$160.00 for
30 natural gas, wood, and electric heat service, \$300.00 for deliverable

1 fuel heat services, and \$250.00 for electric service. If a smaller
2 federal LIEAP award is available, the program will be modified to ensure
3 that expenditures do not exceed the GF-GP energy assistance related
4 appropriations in both the departments of social services and treasury.
5 If a larger federal LIEAP award is available, the caps shall be adjusted
6 upward to reflect available revenue.

7 Sec. 808. Determined pursuant to section 106(1) (b) (iii) of the
8 Social Welfare Act, Act. No. 280 of the Public Acts of 1939, being
9 Section 400.106 of the Michigan Compiled Laws, the protected income level
10 for medicaid coverage shall be 100% of the related public assistance
11 standard for the fiscal year ending September 30, 1993.

12 MEDICAL SERVICES

13 Sec. 901. An institutional provider that is required to submit a
14 cost report under the medicaid program shall submit cost reports
15 completed in full within 90 days after the end of its fiscal year.

16 Sec. 902. The department of social services shall continue to
17 implement the physician sponsor plan and shall require aid to families
18 with dependent children recipients residing in counties offering managed
19 care options to choose the particular managed care plan in which they
20 wish to be enrolled. Persons not expressing a preference shall be
21 randomly assigned to a managed care program.

22 Sec. 903. Medicaid reimbursement for medicaid services shall not
23 exceed, solely or in combination with other resources, including
24 medicare, those amounts established for medicaid-only patients. The
25 medicaid payment rate shall be accepted as payment in full. Other than
26 an approved medicaid copayment, no portion of a provider's charge may be
27 billed to the recipient or any person acting on behalf of the recipient.
28 Nothing in this section shall be deemed to affect the level of payment
29 from a third party source other than medicaid. The department shall
30 require a non-enrolled provider to accept medicaid payment as payment in

1 full.

2 Sec. 904. From the funds appropriated in section 101 for medical
3 services payments, the department of social services shall provide for
4 an inpatient hospital prior authorization and on-site review system.

5 Sec. 905. The pharmaceutical dispensing fee shall be a maximum of
6 \$3.72, effective October 1, 1991.

7 Sec. 906. The medicaid program shall contract with a mail order
8 pharmacy for maintenance drugs for medicaid recipients. Participation
9 in the program shall be voluntary. The department shall develop policies
10 and procedures to implement this section.

11 Sec. 907. The medicaid program shall retain the authority to
12 implement prior authorization controls for multi-source prescription
13 drugs and for selected single-source prescription drugs in a manner
14 compatible with federal rules and regulations.

15 Sec. 908. (1) The funds appropriated for hospital disproportionate
16 share payments in section 101 are for a special 1-time payment and shall
17 not affect the payments made to hospitals under the regular
18 disproportionate share adjustor to medicaid prices per case (DRG or per
19 diem).

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

24 Sec. 909. The maximum limits on payments under the medicaid
25 program, established in conformance with Title XIX of the Social Security
26 Act, Chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g
27 and 1396i to 1396s, shall be disclosed only to persons directly
28 responsible for the administration of the medicaid program, except that
29 persons responsible for establishing individual prices on prior
30 authorized items are allowed to release approved prices to the

1 prospective provider.

2 Sec. 910. The department may require medicaid recipients to
3 receive psychiatric services through a managed care system.

4 Sec. 911. The cost of remedial services incurred by residents of
5 licensed adult foster care homes and licensed homes for the aged shall
6 be used in determining financial eligibility for the medically needy.
7 Remedial services means those services which produce the maximum
8 reduction of physical and mental limitations and restoration of an
9 individual to his or her best functional level. At a minimum, remedial
10 services include basic self-care and rehabilitation training for a
11 resident.