

Act No. 174
Public Acts of 1993
Approved by the Governor
September 22, 1993
Filed with the Secretary of State
September 24, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Reps. Berman, Bankes, Bender, Dolan, Gilmer, Allen, Middleton, Stille, Sikkema,
Johnson, Oxender, DeMars, Scott, Bobler, Jacobetti, Gire, Harrison, Hollister and Kilpatrick

ENROLLED HOUSE BILL No. 4553

AN ACT to make appropriations for the department of public health for the fiscal year ending September 30, 1994; to provide for the expenditure of those appropriations; to provide for reports; to prescribe certain powers and duties of the department of public health; and to provide for the disposition of fees and other income received by the department of public health.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of public health for the fiscal year ending September 30, 1994, from the following funds:

**DEPARTMENT OF PUBLIC HEALTH
APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	1,475.7	
GROSS APPROPRIATION.....		\$ 547,875,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		23,097,200
ADJUSTED GROSS APPROPRIATION.....		\$ 524,778,400
Federal revenues:		
Total federal revenues		300,575,500
Special revenue funds:		
Total local revenues		242,700
Total private revenues.....		36,311,300
Total local and private revenues.....		36,554,000
Total other state restricted revenues		34,576,500
State general fund/general purpose		\$ 153,072,400

EXECUTIVE SERVICES

Full-time equated unclassified positions	6.0	
Total full-time equated positions	312.0	
Director		\$ 87,300
Unclassified positions—5.0 FTE positions.....		265,900
Salaries and wages—78.5 FTE positions		3,230,600
Longevity and insurance		611,600

For Fiscal Year
Ending Sept. 30,
1994

Retirement.....	\$	980,400
Contractual services, supplies, and materials		279,900
Travel.....		43,700
Building occupancy charges		358,200
Equipment		791,200
Rent.....		576,400
Utilities.....		1,159,200
Worker's compensation.....		278,000
Federal contingency funds.....		10,000,000
Health planning—11.8 FTE positions.....		888,900
Joint DNR/DPH laboratory operations—8.0 FTE positions.....		1,035,600
Management information systems—67.9 FTE positions.....		6,760,800
Maternal and infant health data and evaluation—6.5 FTE positions		561,200
Minority health grants and contracts		650,000
Office of general services—61.5 FTE positions		3,452,800
Office of minority health—3.0 FTE positions.....		260,200
Vital records & health statistics—74.8 FTE positions		4,614,400
GROSS APPROPRIATION.....	\$	36,886,300

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from social services.....		50,000
Intradepartmental transfer-automated data processing charges		3,805,900

Federal revenues:

Alcohol, drug abuse, and mental health block grant.....		356,600
Federal grants and contracts		10,568,300
Maternal and child health block grant.....		46,900
Medical assistance program, title XIX		465,700
Medicare, title XVIII.....		187,300
National center for health statistics.....		481,400
Occupational safety and health		176,000
Preventive health and health services block grant.....		650,000
Special supplemental food program for women, infants, and children		482,100

Special revenue funds:

Private funds		70,000
Fees and collections		1,888,600
Michigan health initiative fund		145,000
State general fund/general purpose	\$	17,512,500

INFECTIOUS DISEASE CONTROL ADMINISTRATION

Total full-time equated positions	4.0	
Salaries and wages—4.0 FTE positions	\$	213,600
Longevity and insurance.....		39,800
Retirement.....		59,200
Contractual services, supplies, and materials		22,000
Travel.....		3,700
GROSS APPROPRIATION.....	\$	338,300
Appropriated from:		
State general fund/general purpose	\$	338,300

INFECTIOUS DISEASE CONTROL

Total full-time equated positions	82.3	
AIDS counseling and testing.....	\$	3,467,400
AIDS education and outreach		1,912,600
AIDS program administration—13.0 FTE positions		952,100
AIDS referral and care network grants.....		3,488,100
AIDS surveillance and prevention program—16.0 FTE positions.....		2,757,600
Disease surveillance—4.0 FTE positions		346,600
Division administration—6.0 FTE positions.....		436,700

		For Fiscal Year Ending Sept. 30, 1994
Immunization local agreements	\$	14,904,000
Immunization program management and field support—11.0 FTE positions		1,726,800
Lyme disease grant—0.3 FTE positions		40,000
National vaccine compensation fund		2,457,900
Sexually transmitted disease control local agreements.....		1,949,200
Sexually transmitted disease control management and field support—32.0 FTE positions		2,242,800
Tuberculosis aid		162,000
Tuberculosis control program.....		414,300
GROSS APPROPRIATION	\$	37,258,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from social services.....		1,065,000
Federal revenues:		
Federal grants and contracts		25,226,600
Maternal and child health block grant.....		640,200
Medical assistance program, title XIX		1,347,400
Preventive health and health services block grant		500,000
Special revenue funds:		
Local funds.....		242,700
Private funds		25,000
Michigan health initiative fund		4,457,000
State general fund/general purpose	\$	3,754,200
LABORATORY SERVICES		
Total full-time equated positions	138.6	
Salaries and wages—107.8 FTE positions	\$	3,625,300
Longevity and insurance		751,200
Retirement.....		1,000,900
Contractual services, supplies, and materials		1,357,300
Travel.....		18,600
EPSTD blood lead screening—6.0 FTE positions.....		582,300
Newborn genetic screening—24.8 FTE positions		1,651,400
GROSS APPROPRIATION	\$	8,987,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections		96,200
Interdepartmental grant from social services.....		582,300
Federal revenues:		
Preventive health and health services block grant		150,000
Special revenue funds:		
Fees and collections		2,172,900
State general fund/general purpose	\$	5,985,600
BIOLOGIC PRODUCTS		
Total full-time equated positions	130.5	
Salaries and wages—56.0 FTE positions	\$	2,083,500
Longevity and insurance		421,700
Retirement.....		575,400
Contractual services, supplies, and materials		895,500
Travel.....		10,200
Biologic products processing—67.0 FTE positions		7,836,000
Contracts for projects—7.5 FTE positions		1,002,200
GROSS APPROPRIATION	\$	12,824,500
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from social services.....		55,400
Federal revenues:		
ARMY contract.....		835,300

For Fiscal Year
Ending Sept. 30,
1994

Federal grants and contracts	\$	151,800
Medical assistance program, title XIX		68,900
State and community highway safety		13,300
Special revenue funds:		
Red cross contract and processing revenues		725,000
Biologic products sales and other revenues		7,714,100
State general fund/general purpose	\$	3,260,700

ENVIRONMENTAL HEALTH ADMINISTRATION AND SUPPORT SERVICES

Total full-time equated positions	39.2	
Salaries and wages—5.0 FTE positions	\$	242,000
Longevity and insurance		42,900
Retirement		67,000
Contractual services, supplies, and materials		21,300
Travel		5,000
Health risk assessment—34.2 FTE positions		3,768,400
GROSS APPROPRIATION	\$	4,146,600
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from natural resources		460,000
Federal revenues:		
Environmental protection agency grants		900,000
Federal grants and contracts		931,700
Special revenue funds:		
Fees and collections		55,100
State general fund/general purpose	\$	1,799,800

COMMUNITY ENVIRONMENTAL HEALTH

Total full-time equated positions	113.2	
Salaries and wages—97.2 FTE positions	\$	4,237,300
Longevity and insurance		869,600
Retirement		1,170,400
Contractual services, supplies, and materials		335,000
Travel		258,400
Implementation of environmental response act		10,500,000
Medical waste program—2.0 FTE positions		350,000
Migratory labor housing fund		75,000
Water laboratory certification program		165,000
Water supply program		169,600
Water system monitoring program—14.0 FTE positions		4,683,700
GROSS APPROPRIATION	\$	22,814,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from natural resources		10,500,000
Federal revenues:		
Environmental protection agency grants		2,444,400
Special revenue funds:		
Fees and collections		4,507,500
State general fund/general purpose	\$	5,362,100

OCCUPATIONAL HEALTH

Total full-time equated positions	88.4	
Occupational health standards commission (\$50 per diem and related expenses)	\$	9,300
Salaries and wages—68.4 FTE positions		2,884,300
Longevity and insurance		573,100
Retirement		797,600
Contractual services, supplies, and materials		196,200
Travel		103,600

		For Fiscal Year Ending Sept. 30, 1994
Asbestos abatement program—10.0 FTE positions.....	\$	615,800
Dry cleaning program—5.0 FTE positions		288,300
Employer/employee education and training—5.0 FTE positions		433,100
Occupational risk reporting system		136,800
GROSS APPROPRIATION.....	\$	6,038,100
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from labor		313,600
Federal revenues:		
Federal grants and contracts		136,800
Occupational safety and health		2,567,100
Special revenue funds:		
Fees and collections		904,100
State general fund/general purpose	\$	2,116,500
RADIOLOGICAL HEALTH		
Total full-time equated positions	41.6	
Salaries and wages—33.5 FTE positions	\$	1,217,700
Longevity and insurance		252,500
Retirement.....		337,000
Contractual services, supplies, and materials		126,500
Travel.....		75,800
Radiological health projects—8.1 FTE positions.....		741,500
GROSS APPROPRIATION.....	\$	2,751,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from commerce, public service commission.....		575,400
Federal revenues:		
Environmental protection agency grants.....		212,600
Medicare, title XVIII.....		156,400
Nuclear regulatory commission		9,500
Special revenue funds:		
Fees and collections		1,101,900
Sale of publications.....		4,500
State general fund/general purpose	\$	690,700
HEALTH SYSTEMS ADMINISTRATION		
Total full-time equated positions	234.9	
Salaries and wages—208.7 FTE positions	\$	9,123,300
Longevity and insurance		1,567,300
Retirement.....		2,513,100
Contractual services, supplies, and materials		684,200
Travel.....		825,100
Administrative hearings—2.5 FTE positions.....		197,400
Clinical laboratory improvement—6.0 FTE positions		2,918,000
Emergency medical services program state staff—11.0 FTE positions		820,300
Fire safety inspection		175,000
Health facilities management information system		613,400
Local health services—4.9 FTE positions.....		132,900
Primary care services grant—1.8 FTE positions		162,300
Training and evaluation.....		76,500
GROSS APPROPRIATION.....	\$	19,808,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from treasury, Michigan state hospital finance authority		93,400
Federal revenues:		
Federal grants and contracts		424,500
Medical assistance program, title XIX		4,294,000

For Fiscal Year
Ending Sept. 30,
1994

State health care providers survey certification, title XVIII	\$	7,464,700
Special revenue funds:		
Fees and collections		2,536,000
State general fund/general purpose	\$	4,996,200
HEALTH SYSTEMS LOCAL GRANTS		
Communities first	\$	1,000
Emergency medical services grants and contracts		956,500
Indian health care		309,500
Local public health infrastructure		825,300
Michigan essential health care provider program		229,100
Migrant health care		166,100
Poison control regional center		250,000
Primary care services		1,922,200
Refugee health program		142,300
Rural health grant		168,800
State/local cost sharing		17,079,200
GROSS APPROPRIATION	\$	22,050,000
Appropriated from:		
Federal revenues:		
Federal grants and contracts		270,500
Maternal and child health block grant		55,000
Preventive health and health services block grant		2,552,400
State and community highway safety		83,400
Special revenue funds:		
Private funds		40,000
State general fund/general purpose	\$	19,048,700
CENTER FOR HEALTH PROMOTION		
Total full-time equated positions		56.7
AIDS and risk reduction clearinghouse and media campaign	\$	1,700,000
Alzheimer's disease registry		120,000
Cancer prevention and control program—17.0 FTE positions		5,232,000
Center administration—4.0 FTE positions		302,600
Chronic disease prevention—2.5 FTE positions		1,603,300
Diabetes local agreements		227,400
Employee wellness program grants (includes \$50.00 per diem and expenses for the risk reduction and AIDS policy commission)		2,450,000
Health education, promotion, and research programs—23.0 FTE positions		1,470,200
Health protection fund		100,000
Injury control intervention project—1.0 FTE positions		310,000
Kidney registry		50,000
Public health traffic safety coordination—1.0 FTE positions		149,700
School health curricula		2,000,000
School health education project		80,000
Smoking prevention program—3.2 FTE positions		1,056,000
Spinal cord and traumatic brain injury registry		50,000
Survey and analysis—5.0 FTE positions		443,600
GROSS APPROPRIATION	\$	17,344,800
Appropriated from:		
Federal revenues:		
Diabetes control		202,200
Federal grants and contracts		6,629,400
Medical assistance program, title XIX		69,200
Preventive health and health services block grant		1,527,800
State and community highway safety		135,000
Special revenue funds:		
Private funds		17,500

		For Fiscal Year Ending Sept. 30, 1994
Michigan health initiative fund	\$	4,961,200
Sales of publications		45,000
State general fund/general purpose	\$	3,757,500
BUREAU OF CHILD AND FAMILY SERVICES		
Total full-time equated positions		98.8
Salaries and wages—90.8 FTE positions	\$	3,644,500
Longevity and insurance		590,700
Retirement		993,600
Contractual services, supplies, and materials		1,607,400
Travel		174,500
Automated data processing		2,905,100
Baby your baby campaign		1,000,000
Special projects—8.0 FTE positions		735,800
GROSS APPROPRIATION	\$	11,651,600
Appropriated from:		
Federal revenues:		
Family planning projects, title X		575,900
Federal grants and contracts		735,800
Medical assistance program, title XIX		985,100
Special supplemental food program for women, infants, and children		6,153,200
Special revenue funds:		
Private funds		1,050,000
State general fund/general purpose	\$	2,151,600
CHILD AND FAMILY SERVICES GRANTS		
Adolescent health care services	\$	2,142,300
Dental programs		110,400
Early and periodic screening, diagnosis, and treatment outreach		4,800,000
Family planning local agreements		7,073,400
Lead paint program		491,800
Local MCH services		1,271,200
Maternity, infant, and children's health care local agreements		6,534,700
Pregnancy prevention program		2,793,100
Prenatal care community demonstration projects		58,200
Prenatal care outreach and service delivery support		7,691,400
Sudden infant death syndrome program		121,300
Women, infants, and children program local agreements and food costs		134,991,700
GROSS APPROPRIATION	\$	168,079,500
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from department of social services		4,800,000
Federal revenues:		
Family planning projects, title X		3,627,100
Maternal and child health block grant		9,440,100
Medical assistance program, title XIX		4,637,400
Preventive health and health services block grant		1,164,100
Special supplemental food program for women, infants, and children		101,659,200
Special revenue funds:		
Private funds		405,700
Private-WIC food program formula rebates		33,332,500
State general fund/general purpose	\$	9,013,400
CRIPPLED CHILDREN SERVICES		
Total full-time equated positions		84.5
Salaries and wages—82.5 FTE positions	\$	3,098,700
Longevity and insurance		612,400
Retirement		855,300

For Fiscal Year
Ending Sept. 30,
1994

Contractual services, supplies, and materials	\$	578,900
Travel.....		95,400
Amputee program		184,600
Bequests for care and services—2.0 FTE positions.....		800,000
Case management services		3,615,000
Conveyor contract		489,100
Medical care and treatment		74,008,000
Pediatric AIDS prevention and control.....		450,000
Sickle cell and other genetic services		1,729,400
GROSS APPROPRIATION	\$	86,516,800

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from mental health.....		700,000
---	--	---------

Federal revenues:

Federal grants and contracts		604,400
Maternal and child health block grant.....		10,796,400
Medical assistance program, title XIX.....		31,099,500

Special revenue funds:

Private-bequests		645,600
Fees and collections		2,523,600
State general fund/general purpose	\$	40,147,300

SUBSTANCE ABUSE PROGRAM ADMINISTRATION

Total full-time equated positions	51.0	
Salaries and wages—38.5 FTE positions	\$	1,431,100
Longevity and insurance		253,600
Retirement.....		395,800
Contractual services, supplies, and materials		136,500
Travel.....		72,500
Federal projects—12.5 FTE positions		1,327,900
GROSS APPROPRIATION	\$	3,617,400

Appropriated from:

Federal revenues:

Alcohol, drug abuse, and mental health block grant.....		793,400
Federal grants and contracts		411,600

Special revenue funds:

State license and fine revenues.....		200,000
State general fund/general purpose	\$	2,212,400

SUBSTANCE ABUSE GRANTS AND CONTRACTS

Chemically-dependent pregnant women and children program	\$	1,100,000
Community substance abuse prevention, education, and treatment grants.....		62,629,100
Federal and other special projects		4,461,700
Highway safety projects		337,200
Medicaid reimbursement for substance abuse services.....		10,314,000
Program enhancement, evaluation, and data services.....		1,137,600
State disability assistance program substance abuse services		6,600,000
Substance abuse prevention, education contracts		183,200
GROSS APPROPRIATION	\$	86,762,800

Appropriated from:

Federal revenues:

Alcohol, drug abuse, and mental health block grant.....		44,017,200
Federal grants and contracts		4,446,700
Medical assistance program, title XIX.....		5,814,000
State and community highway safety.....		200,000

Special revenue funds:

State license and fine revenues.....		1,360,000
State general fund/general purpose	\$	30,924,900

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this bill is \$187,648,900.00 and state appropriations to be paid to units of local government in section 101 are as follows:

	For Fiscal Year Ending Sept. 30, 1994
DEPARTMENT OF PUBLIC HEALTH	
Infectious Disease Control	
AIDS local counseling and testing.....	\$ 833,600
Local AIDS referral and care network grants.....	173,000
Immunization program	47,000
Tuberculosis aid	10,000
Sexually transmitted disease project.....	445,700
Community environmental health water system monitoring program	1,500,000
Center for Health Promotion	
Chronic disease projects.....	30,000
Diabetes local agreements	41,600
Employee wellness grants program.....	1,470,700
School health curricula.....	2,000,000
Health Systems Local Grants	
Local public health infrastructure	825,300
State/local cost sharing	17,079,200
Refugee health program.....	30,000
Child and Family Services Grants	
Adolescent health care services.....	1,189,600
Family planning	1,981,600
Maternity, infants, and children health care local agreements	246,100
Pregnancy prevention program	612,300
Prenatal care outreach and service delivery support.....	2,393,500
Substance abuse services	20,053,900
Crippled Children Services	
Case management.....	1,174,400
Total	\$ 52,137,500

(2) When it appears to the principal executive officer of each department that state spending allocated to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. 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. 203. As used in this act:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CHASS" means community health and social services.
- (c) "Department" or "DPH" means the department of public health.
- (d) "DNR" means department of natural resources.
- (e) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (f) "FTE" means full-time equated.
- (g) "Title XVIII" means title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395c to 1395i, 1395i-2 to 1395i-4, 1395j to 1395t, 1395u to 1395w-2, 1395w-4 to 1395zz, and 1395bbb to 1395ccc.
- (h) "Title XIX" means title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g, and 1396i to 1396s.
- (i) "WIC" means women, infants, and children.

Sec. 204. Basic health services for the fiscal year beginning October 1, 1993, for the purpose of part 23 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.2301 to 333.2321 of the Michigan Compiled Laws, are those described by the department in its proposed program statement dated October 16, 1981, and in the "prenatal postpartum care, proposed basic health service program statement" included in the department document entitled "A Study of Prenatal Care as a Basic Service," dated March 1, 1986, and for which the legislature has made funds available in amounts necessary to ensure their availability and accessibility. The services described in the statement are: immunizations, communicable disease control, venereal disease control, tuberculosis control, prevention of gonorrhea eye infection in newborns, screening newborns for phenylketonuria, screening newborns for hypothyroidism, health/medical annex of emergency preparedness plan, licensing and surveillance of agricultural labor camps, and prenatal care.

Sec. 207. (1) If the federal and restricted funds used as a source of funding for programs in section 101 are not received in the amount appropriated, the department shall submit a report to the members of the house and senate appropriations subcommittees on public health, house and senate fiscal agencies, and the department of management and budget on the amount received by type of federal and restricted funding and the planned allocations among individual programs in comparison to appropriated amounts and originally planned allocations. The department shall submit the report before the implementation of any revised allocations.

(2) The department shall not spend the following amounts from the following line items and programs unless total federal grant awards are sufficient to support this level of expenditure:

AIDS referral and care network grants.....	\$	1,000,000
Immunization local agreements		9,082,000
Immunization program management and field support		478,000
Cancer prevention and control program		500,000
Women, infants and children supplemental food program administration and local agreements ...		14,400,000
Federal and other special projects		1,000,000

(3) Upon an award of federal funding, the department may spend any portion of the amounts listed in subsection (2) to the level federal funding is awarded.

Sec. 208. The department shall provide a report on contractual services to the senate and house appropriations subcommittees on public health and the senate and house fiscal agencies each month. The department shall base the report on the monthly civil service statewide contracted services report required by section 281 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1281 of the Michigan Compiled Laws. The department shall provide in the report the name of the contractor, the dollar value of the contract, description and location of the service to be provided, and justification for the contract.

Sec. 213. (1) Beginning October 1, 1993, there shall be a hiring freeze imposed on the state classified civil service. State departments and agencies shall be prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from one position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that such a hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the reasons to justify the exclusion.

Sec. 215. If the revenue collected by the department from fees and collections exceeds the amount appropriated in section 101, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 217. The department shall not transfer amounts to the communities first pilot projects line item described in section 101 from any other funds described in section 101 except as provided in section 393(2) of Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws. A transfer authorized under this section shall be used to fund a communities first pilot project or projects.

Sec. 218. The department shall not pay for a billing received from a contractor or service provider that is submitted more than 12 months after the bill for good or service is provided.

Sec. 219. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services if competitively priced American goods and/or services of comparable quality are available.

Sec. 220. The department shall establish an FTE position vacancy accumulated funds account. The department shall transfer into the FTE position vacancy accumulated funds account at the end of each quarter any funds remaining unspent for personnel and related costs for vacancies. A report on the amount transferred each quarter into the vacancy accumulated funds account and the cumulative total in the account shall be submitted to the house and senate appropriations committees and the house and senate fiscal agencies 15 days after the last pay period in each quarter.

Sec. 221. At the same time as a privatization, elimination, retention, or modification analysis is submitted to the civil service commission for approval of a contract that will result in the loss of employment by classified state employees or otherwise substantially alters the delivery of a service central to the mission of the department, the department shall submit a copy of the analysis to the house and senate appropriations committees. If a collective bargaining agreement covering state employees described in this section requires prior notification, the department shall submit the analysis to the appropriations committees on or before the date specified in that agreement. The analysis shall include all of the following:

- (a) The justification for privatizing or contracting the function or service.
- (b) The estimated number of classified state employees potentially affected by the contract.
- (c) The civil service criteria used to justify privatization.
- (d) The projected cost savings from privatization, if any, including all of the following:
 - (i) Documentation that the savings meet the minimum criteria established by the civil service commission.
 - (ii) The cost of contract monitoring.
 - (iii) The conversion cost associated with termination of state employees.
 - (iv) The conversion revenue associated with the sale of an asset or service to the contractor.
 - (v) Estimated net revenue lost to the state by privatizing the service or function.

(vi) A demonstration that the service would be performed at substantial long-term savings to the state when compared with the cost of performance of the service or function by classified state employees. The demonstration of substantial long-term savings shall be consistent with criteria developed by the department of civil service.

Sec. 222. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 223. The source of funding for section 101 appropriations for the following: kidney, Alzheimer's, and spinal cord and traumatic brain injury registries; poison control centers, Arab-American-Chaldean council and ACCESS primary care services, Mackinac Island physician services, and Genesee County free medical clinic, is the federal preventive health and health services block grant.

EXECUTIVE SERVICES

Sec. 301. None of the funds appropriated in section 101 in the line item identified as "Federal contingency funds" are available for expenditure until they have been transferred to another line item in this act pursuant to section 393 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

Sec. 302. Of the amount appropriated in section 101 from revenues from fees and collections, not more than \$250,000.00 received from the sale of vital records death data shall be used for improvements in the vital records and health statistics program. The amount described in this section shall not revert to the general fund at the end of the fiscal year ending September 30, 1994. Not later than December 1, 1994, the amount of any unexpended balances and the proposed uses for those balances shall be reported to the department of management and budget, the members of the senate and house appropriations subcommittees on public health, and the senate and house fiscal agencies.

Sec. 303. Before December 1, 1993, the department shall submit a list of projects by expenditure category to be supported with the funds appropriated in section 101 for maternal and infant health data and evaluation to the members of the senate and house appropriations subcommittees on public health, the senate and house fiscal agencies, and the department of management and budget. The list shall include a project that links birth outcomes to maternal participation in state funded maternal and child health programs.

INFECTIOUS DISEASE CONTROL

Sec. 401. The department shall develop a plan to identify and meet the outstanding needs for immunization services in both rural and urban areas of the state for underserved populations. The plan shall be presented to the senate and house appropriations subcommittees on public health, and senate and house fiscal agencies and the department of management and budget no later than April 1, 1994. Efforts shall be made to have input from the affected parties in the development and implementation of the plan.

Sec. 402. State funds appropriated in any other account in section 101 may be used to supplant not more than \$350,000.00 in federal funds projected for immunization, if the federal funds are unavailable. The department shall inform the senate and house appropriations subcommittees on public health, senate and house fiscal agencies, and the department of management and budget of the specific line items reduced pursuant to this section.

Sec. 403. In the expenditure of funds appropriated in section 101 for AIDS programs, the department and its subcontractors shall ensure that adolescents receive priority for prevention, education, and outreach services.

BIOLOGIC PRODUCTS

Sec. 502. Given that the Michigan department of public health biologic products division has promoted the welfare and health of the public by providing a reliable source of several vaccines and biological products during times of national shortages when other manufacturers have decreased or halted production, it is the intent of the legislature that the biologic products division represents an invaluable public community resource which should continue to be operated by the department of public health. Any transfer or substantive alteration in the operation of the biologic products division shall require the review and approval of the legislature.

COMMUNITY ENVIRONMENTAL HEALTH

Sec. 601. The department of public health shall submit a report by July 1, 1994 and annually thereafter to the senate and house appropriations subcommittees on public health, the senate and house fiscal agencies, and the department of management and budget. The report shall contain all of the following information:

- (a) The number of licensed food service establishments in the jurisdiction of each local health department.
- (b) The number of food service establishment inspections performed by each local health department.
- (c) A summary of the rating or results of each food service establishment inspection performed by a local health department.
- (d) State funding allocations for local health department food service inspection activities and the sources of funding for these allocations.
- (e) Expenditures from allocations reported under subdivision (d).

Sec. 602. The department shall review and certify laboratories used or intended for use in the testing of water from public water supplies in accordance with section 11 of the safe drinking water act, Act No. 399 of the Public Acts of 1976, being section 325.1011 of the Michigan Compiled Laws. The department may contract with the national sanitation foundation to assist in administering this section. The department may charge a fee for the review and certification. The review and certification fees charged by the department shall not exceed the fees charged by the national sanitation foundation for laboratory accreditation before the effective date of this section. The costs of the review and certification program shall not exceed the total amount collected from the fees.

Sec. 603. (1) The department shall not reimburse a claim by an operator of an agricultural labor camp pursuant to sections 12431 and 12432 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.12431 and 333.12432 of the Michigan Compiled Laws, from the amount appropriated in section 101 for migrant labor housing grants, until that portion of the labor camp utilized for migrant housing is in compliance with all state statutes and rules pertaining to the licensure of migrant labor camps as determined by on-site inspections both before and after occupancy.

(2) The amount appropriated in section 101 for migrant labor housing grants expended by the department for remodeling projects shall only be expended on remodeling projects started after January 1, 1986. The department of public health shall report before February 1, 1994 to the department of management and budget, the senate and house appropriations subcommittees on public health, and the senate and house fiscal agencies on the utilization of the

program and program expenditures. The report shall include the name of each agricultural labor camp that received a grant, the amount of the grant for each agricultural labor camp, and any amount that was received by the agricultural labor camp from any other governmental unit.

(3) The department shall report by April 1, 1994 to the senate and house appropriations subcommittees on public health and the senate and house fiscal agencies on both of the following:

(a) The number of migrant labor housing units licensed in 1986 and 1993.

(b) The percentage of migrant labor housing units in 1986 and 1993 not meeting state migrant housing licensure standards.

(4) An agricultural labor camp operator receiving a grant from the department for remodeling from the amount appropriated in section 101 for migrant labor housing grants shall not do either of the following:

(a) Convert a migratory housing unit that has been remodeled with grant funding to a use other than for migratory housing within 3 years after receipt of the grant.

(b) Charge rent to an occupant of a migratory housing unit that has been remodeled with grant funding within 3 years after receipt of the grant.

(5) If an agricultural labor camp operator violates subsection (4), the department shall institute proceedings to recover the grant funds from the operator.

(6) The department may also expend the amount appropriated in section 101 for migrant labor housing grants for construction of new migrant labor housing. Project grants shall not exceed \$2,000.00 per unit. An applicant is not eligible for more than a \$10,000.00 grant in any fiscal year. Units shall be equivalent in construction to units approved by the farmers home administration for low interest construction loans and shall be not less than 484 square feet in size with a minimum of 1 bedroom, a kitchen, flush toilet, lavatory, and bathing facilities.

(7) In administering the grants for new migrant housing, the department shall use application, agreement, claim, and payment procedures set forth in R 325.3635 to R 325.3641 of the Michigan administrative code.

Sec. 605. The \$3,400,000.00 in fees and collections appropriated in section 101 for the water system monitoring program shall not be expended by the department until the necessary fees are enacted into law and the revenue from the fees is actually received by the department.

HEALTH SYSTEMS LOCAL GRANTS

Sec. 801. The amount appropriated in section 101 for state/local cost sharing may be used for special grants to local health departments to satisfy minimum funding levels prescribed by section 2477 of the public health code, Act No. 368 of the Public Acts of 1978, being section 333.2477 of the Michigan Compiled Laws, and any other authorized supplement. The special grants shall not exceed a total of \$250,000.00.

Sec. 802. The department and local health departments shall report by April 1, 1994 to the members of the senate and house appropriations subcommittees on public health, senate and house fiscal agencies, and the department of management and budget on the disposition of the funds distributed from the health and safety fund under the health and safety fund act, Act No. 264 of the Public Acts of 1987, being sections 141.471 to 141.479 of the Michigan Compiled Laws, and sections 5 and 20 of Act No. 265 of the Public Acts of 1947, being sections 205.507 and 205.520 of the Michigan Compiled Laws. The report shall include all of the following:

(a) Whether the funds received from the health and safety fund were used for property tax relief and, if not, the specific programs supported by that portion of the distribution mandated for public health prevention programs and services.

(b) A comparison of total local support for local public health departments for this fiscal year and for the previous fiscal year.

Sec. 803. If a county receiving funding from the amount appropriated in section 101 for local public health infrastructure is part of a district health department or in an associated arrangement with other local health departments on June 1, 1992 and then ceases to be part of such an arrangement, the allocation to that county from the local public health infrastructure appropriation shall be reduced by 50% from the amount originally allocated.

Sec. 804. (1) The department shall convene a task force to develop a plan to implement Act No. 606 of the Public Acts of 1978, being sections 333.1011 to 333.1013 of the Michigan Compiled Laws, and to ensure statewide access to poison control services. The task force shall recommend alternatives for the allocation of the amount appropriated in section 101 for poison control centers.

(2) The work of the task force shall be completed by January 31, 1994. The report of the task force shall be submitted to the house and senate standing health committees and the house and senate appropriations subcommittees on public health for review and comment.

(3) Members of the task force shall include but not be limited to representatives of the poison control centers located at Children's, Blodgett, and Marquette General hospitals; third party payers; pediatricians; and emergency medical providers.

(4) Upon receipt of the task force report, the department shall allocate funding based on the task force recommendations.

Sec. 805. The funds appropriated in section 101 for primary care services shall be allocated for the following programs: Bay Mills center - \$106,500.00; CHASS clinic - \$904,700.00; Community health services - \$313,500.00; Family health services - \$161,300.00; Grand Rapids primary care services - \$154,500.00; Upper Peninsula primary care services - \$185,500.00; Arab-American-Chaldean council primary care services - \$25,000.00; Arab community center for economic and social services primary care services - \$25,000.00; Mackinac Island physician services - \$25,000.00; and Genesee County free medical clinic - \$25,000.00.

Sec. 806. The department shall repay debts only for health professionals who enter a written contract to engage in the full-time practice of providing health care services in a health resource shortage area, or a percentage reimbursement equal to the percentage of full-time work actually performed by a health care professional over a 2-year period in a health resource shortage area. The individual seeking loan forgiveness shall be responsible to provide documentation of their work in a health resource shortage area.

CENTER FOR HEALTH PROMOTION

Sec. 904. By January 1, 1994 and annually thereafter, the department shall submit a report to the senate and house appropriations subcommittees on public health, the senate and house fiscal agencies, and the department of management and budget regarding grants and services provided from the Michigan health initiative fund.

Sec. 909. From the state funds appropriated in section 101 for the center for health promotion, the department shall allocate funds to promote awareness, education, and early detection of breast, cervical, and prostate cancer, and provide for other health promotion media activities.

Sec. 910. By January 1, 1994, the department shall report to the members of the senate and house appropriations subcommittees on public health, the senate and house fiscal agencies, and the department of management and budget on the amount and number of grants for delivery of employee wellness services received by each local health department compared to the total amount and number of grants disbursed by the local health department from the amount appropriated in section 101 for employee wellness program grants during the fiscal year ending September 30, 1993 and a comparison with the amount and number of grants received by local health departments in the fiscal year ending September 30, 1991.

Sec. 911. Of the amount appropriated in section 101 for the spinal cord and traumatic brain injury registry, no less than \$35,000.00 shall be provided to the southeastern Michigan spinal cord injury system (SMSCIS) for the design and implementation of a spinal cord and traumatic brain injury registry if SMSCIS submits a proposal that is acceptable to the department.

Sec. 913. (1) By December 1, 1993, the department shall submit a report to the members of the senate and house appropriations subcommittees on public health, the senate and house fiscal agencies, and the department of management and budget on the employee wellness and chronic disease programs. The report shall include a listing of all agencies expected to receive the funds and the allotted amount for each agency, the amount expected to be spent on direct services to employees and the expected number of persons to be served, and any other planned uses for the funds.

(2) By April 1, 1994, the department shall report to the parties specified in subsection (1) on the actual number of persons served, the funds expended by each agency that received funds under the program, and the amount spent on direct services to employees.

Sec. 915. In developing and implementing AIDS provider education activities, the department may provide funding to the Michigan state medical society to continue to serve as lead agency to convene a consortium of health care providers, to design needed educational efforts, to fund other statewide provider groups, and to assure implementation of these efforts, in accordance with a plan approved by the department.

Sec. 916. (1) The amount appropriated in section 101 for the school health curricula shall be allocated in 1993-94 to provide grants to or contract with certain districts and intermediate districts for the provision of a school health education curriculum. Provision of the curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

- (a) The department of education.
- (b) The department of mental health.
- (c) The department of public health.
- (d) The office of substance abuse services in the department of public health.
- (e) The department of social services.
- (f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 917. The department shall distribute the amount appropriated in section 101 for the health protection fund to recognized agencies for the provision of prevention programs concentrating on, but not limited to, cancer, heart disease, and Alzheimer's disease.

CHILD AND FAMILY SERVICES GRANTS

Sec. 1101. The department shall review the basis for the distribution of funds to local health departments and other public and private agencies for the women, infants, and children food supplement program; family planning; early and periodic screening, diagnosis, and treatment program; and prenatal care outreach and service delivery support program and indicate the basis upon which any projected underexpenditures by local public and private agencies shall be reallocated to other local agencies that demonstrate need.

Sec. 1103. (1) Agencies receiving funds appropriated from section 101 for adolescent health care services shall meet all of the following criteria:

(a) Require each adolescent health clinic funded by the agency to report to the department on an annual basis all of the following information:

- (i) Funding sources of the adolescent health clinic.
- (ii) Demographic information of populations served including sex, age, and race.
- (iii) Utilization data that reflects the number of visits and repeat visits and types of services provided per visit.
- (iv) Types and number of referrals to other health care agencies.

(b) Require each local school board funded by the agency to establish a local advisory committee before the planning phase of an adolescent health clinic intended to provide services within that school district. The advisory committee shall be comprised of not less than 50% residents of the local school district, and shall not be comprised of more than 50% health care providers. A person who is employed by the sponsoring agency shall not have voting privileges as a member of the advisory committee. All advisory committee meetings shall be open to the public with at least a 1-week notice of the meeting date published in the local newspaper.

(c) Not allow an adolescent health clinic funded by the agency, as part of the services offered, to provide abortion counseling or services or make referrals for abortion services.

(d) If a local advisory committee established under subdivision (b) recommends that family planning be provided as a service, require that any public information brochure include family planning in its description of the entire array of services provided by the adolescent health clinic.

(e) Require each adolescent health clinic funded by the agency to have a written policy on parental consent, developed by the local advisory committee and submitted to the local school board for approval if the services are provided in a building where instruction is provided in grades kindergarten through 12.

(2) A local advisory committee established under subsection (1)(b), in cooperation with the sponsoring agency, shall submit written recommendations regarding the implementation and types of services rendered by an adolescent health clinic to the local school board for approval of adolescent health services rendered in a building where instruction is provided in grades kindergarten through 12.

(3) The department shall submit a report to the members of the senate and house appropriations subcommittees on public health, senate and house fiscal agencies, and the department of management and budget based on the information provided under subsection (1)(a). The report is due 90 days after the end of the calendar year.

Sec. 1104. (1) In allocating the amount appropriated in section 101 for adolescent health care services, the department shall give equal consideration for funding to proposals based on the comprehensive adolescent health center model, as outlined by the adolescent health advisory committee, and to alternative models of adolescent health service delivery.

(2) The department shall submit a plan for the allocation of the adolescent health care services appropriations to the house and senate appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget. The allocations shall be based on a formula developed pursuant to section 1104(3) of Act No. 166 of the Public Acts of 1992.

(3) The department shall not spend the funding appropriated in section 101 for adolescent health services until 15 days after the department has submitted the allocation formula developed pursuant to section 1104(3) of Act No. 166 of the Public Acts of 1992 to the members of the house and senate appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget for review.

Sec. 1105. Before April 1, 1994, the department shall submit a report to the members of the house and senate appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget on planned allocations from the amounts appropriated in section 101 for maternity, infant, and children's health care local agreements, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention program. Using applicable federal definitions, the report shall include information on all of the following:

- (a) Funding allocations.
- (b) Basis for grantee selection.
- (c) Expected cost per client served by grantee.
- (d) Number of women, children, and/or adolescents expected to be served.
- (e) Expected first and third party collections by source of payment.
- (f) The extent to which grantees meet federal indicators, when applicable.
- (g) Actual numbers served and amounts expended in the categories described in subdivisions (a) to (e) for the fiscal year 1992-93.

Sec. 1106. For all programs for which an appropriation is made in section 101 for child and family services grants, the department shall contract with those local public and private nonprofit agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section shall include ability to serve high-risk population groups; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, where applicable.

Sec. 1107. Each family planning program receiving federal title X family planning funds shall be in compliance with all performance and quality assurance indicators that the United States bureau of community health services specifies as its common reporting requirements. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1112. Of the amount appropriated in section 101 for prenatal care outreach and service delivery support, not more than 10% shall be expended for local administration, data processing, and evaluation.

Sec. 1113. The funds appropriated in section 101 for adolescent health care services shall not be used to fund grants for planning for or community coordination of additional adolescent health care programs.

Sec. 1114. (1) Subject to subsection (2), by December 1, 1993, the department shall submit a plan for the allocation of amounts appropriated in section 101 for the pregnancy prevention program to the members of the house and senate

appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget.

(2) In the spending of the funds appropriated for the pregnancy prevention program, the department shall continue to fund at existing levels programs to prevent teen pregnancy and programs that provide long-term implanted or injectable contraceptive devices.

Sec. 1115. (1) From the amount appropriated in section 101 for the pregnancy prevention program, the department shall fund 4 competitively bid demonstration projects. The projects shall increase the availability of pregnancy prevention services to persons at or below 185% of the federal poverty level, including expansion of the availability of services to substance abusing individuals. The maximum demonstration project amount shall be \$225,000.00. No more than 25% of each project's allocation may be used for innovative outreach and community awareness efforts.

(2) The projects funded under the provisions of subsection (1) shall be located in counties with the greatest number of pregnancies of individuals age 17 and under in calendar year 1990.

(3) In reviewing project proposals, the department shall consider the provisions of section 1124.

(4) The department shall report to the house and senate appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget on the level of the allocations made under this section, and the names and locations of the recipients of the allocations.

Sec. 1119. A clinic, institution, or other health facility receiving state funding for family planning purposes shall provide to a client seeking family planning services, at initial contact, a pamphlet containing educational information to assist the patient in making responsible parenting decisions. The pamphlet shall include, but not be limited to, information regarding the physical, financial, and time commitment involved in parenting. The pamphlets required by this section shall be provided by the department. The pamphlets shall be written in English and in clear, nontechnical terms. Copies of the pamphlets shall also be printed in Spanish and distributed upon request to the clinics, institutions, and other health facilities described in this section.

Sec. 1121. Expenditures for the early and periodic screening, diagnosis, and treatment outreach program shall not exceed the actual amount of funds available from the department of social services and any associated federal matching funds.

Sec. 1122. For all contracts related to infant mortality services, the department shall ensure that contractors coordinate their services with other infant mortality efforts. Assurance of coordination may include letters of agreement between health department projects and other public or private initiatives. Examples of immediate concern include the linking of paraprofessional outreach, substance abuse, transportation, and maternal support services with agencies providing primary pre- and postnatal care services.

Sec. 1124. The legislature recognizes the importance of communicating to preteens about the importance of delaying sexual activity and therefore the legislature supports the development of abstinence programs for this age group. In addition, the legislature supports the use of comprehensive health care programs to address teen sexual activity, teenage pregnancy, and sexually transmitted diseases.

Sec. 1125. The department shall work cooperatively with the department of social services and the department of management and budget to apply for a federal medicaid waiver that would allow for medicaid reimbursement of family planning services provided to women at or below 185% of the federal poverty level. In the event the application for a medicaid waiver is approved, the department shall use its resources to promote the utilization of and access to family planning services that are covered under the waiver and services available through the department's pregnancy prevention and family planning appropriations. It is the intent of the legislature that the seeking of the medicaid family planning waiver is a step toward designating family planning services as a basic health service for the purpose of part 23 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.2301 to 333.2321 of the Michigan Compiled Laws.

CRIPPLED CHILDREN SERVICES

Sec. 1201. Money appropriated in section 101 for medical care and treatment of crippled children shall be paid according to reimbursement policies determined by the Michigan medical assistance program. Exceptions to these policies may be taken with the prior approval of the department of management and budget.

Sec. 1202. The department may do 1 or more of the following:

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide genetic diagnostic and counseling services for eligible families.
- (d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

Sec. 1204. (1) By April 1, 1994, the department shall submit a report to the members of the senate and house appropriations subcommittees on public health on the crippled children case management services program. The report shall include funding allocations by local health departments or other contractors and the number of children and families expected to be served by the agency.

(2) By April 1, 1994, the department shall report to the parties specified in subsection (1) on the actual number of persons served and the amounts expended by each agency that received funds under the program for fiscal year 1992-93.

Sec. 1207. Before implementing changes in the method of reimbursing health care providers in the program of services for crippled children, the department, with the assistance and advice of the children's special health care services advisory committee, shall develop and submit a plan to the house and senate appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget. The plan shall include the proposed changes and an assessment of the impact of those proposed changes on client eligibility standards, caseload, quality of care, availability of services, and health care provider participation.

SUBSTANCE ABUSE GRANTS AND CONTRACTS

Sec. 1302. The funds appropriated in section 101 for the substance abuse, prevention, and education program shall be used to support regional drug education programs through contracts with selected intermediate school districts. These state funds shall not be expended unless the intermediate school district appropriates an amount equal to 10% of the total program.

Sec. 1304. Of the funds appropriated in section 101 for substance abuse, not more than 10% of state administered funds may be expended for administration of coordinating agencies.

Sec. 1306. The amount appropriated in section 101 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies or designated service providers.

Sec. 1307. From the amounts appropriated in section 101 for substance abuse grants and contracts not otherwise allocated to coordinating agencies on the basis of formula, \$200,000.00 shall be allocated to the community, alliance, resource, environmental substance abuse program.

Sec. 1309. Before changing the allocation formula currently being used to distribute substance abuse grants and contracts, the department shall submit the changes and their impact upon substance abuse coordinating agencies, programs, and services for review to the members of the house and senate appropriations subcommittees on public health, the house and senate fiscal agencies, and the department of management and budget.

Sec. 1310. The funding in section 101 for substance abuse services shall be distributed in a manner so as to provide priority to service providers which furnish child care services to clients with children.

Sec. 1311. In allocating the amount appropriated in section 101 for community substance abuse prevention, education, and treatment grants, the department shall earmark, consistent with the federal block grant requirements.

Sec. 1312. In spending the funds appropriated in section 101 for community substance abuse prevention, education, and treatment grants, the office of substance abuse services and its subcontractors shall ensure that chemically dependent pregnant women and women with dependent children receive priority for services.

Sec. 1315. (1) The funds appropriated in section 101 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall be determined in accordance with section 805 of House Bill 5514 (S-1)(R-1) of the 86th legislature.

(2) The department shall reimburse all licensed substance abuse programs eligible to participate in the program at a rate equivalent to that paid by the department of social services to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 1317. (1) The department shall perform a study of actual costs of providing substance abuse services by licensed substance abuse providers receiving state funds. Until that study is completed, the department shall permit reasonable reimbursement to providers not to exceed the amounts appropriated in section 101 for substance abuse grants and contracts, with appropriate documentation. The department, in cooperation with the Michigan association of substance abuse coordinators, substance abuse service providers, and other interested parties, will develop a reimbursement method for substance abuse services. The department shall also explore the possibility of using full-cost reimbursement for services provided to medicaid clients with other funds providing the match for the federal funds.

(2) By April 1, 1994, the department shall report to the senate and house appropriations subcommittees on public health, the senate and house fiscal agencies, and the department of management and budget on the cost study and any proposed changes in the reimbursement and contracting procedures.

Sec. 1318. If substance abuse coordinating agencies receiving funding from the amount appropriated in section 101 for substance abuse services cease to exist or merge with other coordinating agencies, or otherwise restructure, the administrative savings resulting from such a change will be redistributed to the restructured substance abuse coordinating agencies for substance abuse treatment services.

This act is ordered to take immediate effect.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.