

Act No. 186  
Public Acts of 1993  
Approved by the Governor  
September 30, 1993  
Filed with the Secretary of State  
September 30, 1993

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

Introduced by Senators Geake and Schwarz

# ENROLLED SENATE BILL No. 535

AN ACT to make appropriations for the department of social services and certain state purposes related to public welfare services for fiscal year ending September 30, 1994; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

*The People of the State of Michigan enact:*

Sec. 101. There is appropriated for the department of social services and certain state purposes related to public welfare services for the fiscal year ending September 30, 1994, from the following funds:

## DEPARTMENT OF SOCIAL SERVICES

Full-time equated classified positions.....	13,833.3	
Full-time equated unclassified positions .....	6.0	
Total full-time equated positions .....	13,839.3	
GROSS APPROPRIATION.....		\$ 7,112,128,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		\$ 538,800
ADJUSTED GROSS APPROPRIATION.....		\$ 7,111,590,100
Federal revenues:		
Total federal revenues .....		3,808,375,200
Special revenue funds:		
Total private revenues.....		189,670,700
Total local revenues .....		372,193,600
Total other state restricted revenues .....		521,849,300
State general fund/general purpose .....		\$ 2,219,501,300

## EXECUTIVE OPERATIONS

Total full-time equated positions .....	1,161.1	
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions.....	1,155.1	
Director—1.0 FTE position .....		\$ 87,700
Unclassified salaries—5.0 FTE positions.....		336,500
Salaries and wages—1,088.5 FTE positions .....		43,899,900
Contractual services, supplies, and materials .....		6,862,200

		For Fiscal Year Ending Sept. 30, 1994
Demonstration projects—39.6 FTE positions .....	\$	7,477,900
Health and welfare data center equipment .....		13,853,200
Automated social services information system project—27.0 FTE positions .....		20,019,400
Data system enhancement .....		16,253,100
Inspector general contracts .....		3,036,800
GROSS APPROPRIATION .....	\$	111,826,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-ADP user fees .....		150,000
ADJUSTED GROSS APPROPRIATION .....	\$	111,676,700
Appropriated from:		
Federal revenues:		
Total federal revenues .....		64,085,200
Special revenue funds:		
Total private revenues .....		921,600
Total local revenues .....		200,000
Licensing fees .....		439,000
State general fund/general purpose .....	\$	46,030,900
<b>CENTRAL SUPPORT ACCOUNTS</b>		
Full-time equated classified positions .....	(200.0)	
Rent .....	\$	38,040,200
Occupancy charge .....		4,110,100
Travel .....		6,891,600
Equipment .....		3,672,100
Workers' compensation .....		4,313,100
Advisory commissions .....		17,900
Compensation savings—(200.0) FTE positions .....		(8,826,400)
Payroll taxes and fringes .....		217,361,600
GROSS APPROPRIATION .....	\$	265,580,200
Appropriated from:		
Federal revenues:		
Total federal revenues .....		145,863,000
Special revenue funds:		
State general fund/general purpose .....	\$	119,717,200
<b>MEDICAL SERVICES ADMINISTRATION</b>		
Full-time equated classified positions .....	501.6	
Salaries and wages—501.6 FTE positions .....	\$	18,410,800
Contractual services, supplies, and materials .....		17,677,900
Data processing contractual services .....		100
Facility inspection contract - department of state .....		132,800
State Police computer records .....		307,900
GROSS APPROPRIATION .....	\$	36,529,500
Appropriated from:		
Federal revenues:		
Total federal revenues .....		21,283,600
State general fund/general purpose .....	\$	15,245,900
<b>FAMILY SERVICES ADMINISTRATION</b>		
Full-time equated classified positions .....	421.7	
Salaries and wages—314.5 FTE positions .....	\$	12,091,600
Contractual services, supplies, and materials .....		6,253,100
Child support enforcement system—4.0 FTE positions .....		19,538,600
Child support incentive payments .....		30,126,200
Legal support contracts .....		45,376,600
State incentive payments .....		3,694,700
Food stamp issuance .....		5,657,200

		For Fiscal Year Ending Sept. 30, 1994
Immigration legalization assistance program.....	\$	500,000
High school completion project—4.0 FTE position.....		277,700
Wage match contract .....		1,795,000
Supplemental Security Income advocacy for Mental Health—39.2 FTE positions .....		2,287,400
Training and staff development—60.0 FTE positions .....		4,652,500
GROSS APPROPRIATION.....	\$	132,250,600
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of mental health .....		388,800
ADJUSTED GROSS APPROPRIATION.....	\$	131,861,800
Appropriated from:		
Federal revenues:		
Total federal revenues .....		111,529,400
State general fund/general purpose .....	\$	20,332,400

#### CHILD AND FAMILY SERVICES

Full-time equated classified positions.....	245.0	
Salaries and wages—86.3 FTE positions .....	\$	3,768,300
Contractual services, supplies, and materials .....		942,000
Refugee assistance program—12.0 FTE positions .....		6,669,200
Michigan opportunity skills training program—20.0 FTE positions.....		27,385,000
Education designed for gainful employment program—112.7 FTE positions.....		34,857,400
Adult home help.....		94,209,500
Social services to the physically disabled.....		1,344,900
Delinquency prevention and treatment projects—2.0 FTE positions .....		8,193,700
Intercountry adoptions contracts .....		754,300
County juvenile officers.....		3,355,700
Foster care payments .....		222,508,800
Adoption subsidies.....		51,252,900
Child care fund.....		32,735,500
Children's benefit fund donations .....		21,000
Domestic violence prevention and treatment—2.0 FTE positions.....		4,570,400
Teenage parent counseling—3.0 FTE positions .....		2,403,500
Families First—4.0 FTE positions.....		20,331,700
Interstate compact .....		113,500
Child abuse and neglect programming .....		6,227,500
Privately funded activities.....		2,706,400
Black child and family institute .....		100,000
Intensive community supervision.....		120,300
Rape prevention and services.....		260,000
Child care program.....		19,514,000
Child abuse prevention services—3.0 FTE positions .....		310,300
Attorney general contract.....		1,000,600
Guardian contract .....		600,000
Communities first program.....		500,000
Child abuse prevention grants .....		2,300,000
County shelters .....		1,200,000
Day care services.....		76,484,200
GROSS APPROPRIATION.....	\$	626,740,600
Appropriated from:		
Federal revenues:		
Total federal revenues .....		314,627,100
Special revenue funds:		
Private-children's benefit fund donations .....		21,000
Private-intercountry adoption agency contributions .....		754,300
Private-collections .....		3,376,600
Private-foundation funds.....		1,510,200
Childrens trust fund.....		1,810,300

For Fiscal Year  
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Local funds - county payback.....	\$	24,109,400
Local funds.....		9,811,700
State general fund/general purpose .....	\$	270,720,000

#### RESIDENTIAL CARE DIVISION

Full-time equated classified positions.....	1,056.9	
Salaries and wages—684.2 FTE positions .....	\$	26,133,700
Longevity and insurance .....		4,701,000
Contractual services, supplies, and materials .....		4,630,800
Fuel and utilities.....		1,404,900
Retirement.....		7,225,600
Travel.....		300,500
Equipment .....		211,100
Maintenance operating projects.....		911,900
Genesee county detention facility—191.0 FTE positions.....		11,716,700
Family involvement project—4.8 FTE positions.....		413,600
Community residential care programs—123.7 FTE positions .....		6,625,600
Federally funded activities—27.1 FTE positions .....		1,847,400
W.J. Maxey memorial fund.....		45,000
Regional detention services—10.6 FTE positions .....		1,234,000
Juvenile crime package operations—15.5 FTE positions.....		5,220,600
Training schools/detention centers construction.....		200
GROSS APPROPRIATION.....	\$	72,622,600

Appropriated from:

Federal revenues:

Total federal revenues.....	5,468,300
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Special revenue funds:

Total private revenues.....	45,000
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Local funds - county payback.....	32,704,900
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State general fund/general purpose .....	\$	34,404,400
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#### ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD STAFF

Full-time equated classified positions.....	10,618.0	
Field services, salaries and wages—156.7 FTE positions.....	\$	9,458,500
Family and childrens services, salaries and wages—1,859.8 FTE positions .....		63,634,400
County clerical support, salaries and wages—2,655.7 FTE positions.....		75,510,500
Assistance payments, salaries and wages—4,396.2 FTE positions .....		140,740,100
Adult services, salaries and wages—1,322.2 FTE positions.....		44,940,400
Contractual services, supplies, and materials .....		26,456,800
Volunteer reimbursement.....		1,877,000
Family based alternatives—50.0 FTE positions.....		3,468,000
Outstationed eligibility workers—80.0 FTE positions .....		4,903,700
Volunteer services reimbursement—97.4 FTE positions .....		3,496,500
GROSS APPROPRIATION.....	\$	374,485,900

Appropriated from:

Federal revenues:

Total federal revenues.....	199,831,100
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Special revenue funds:

Local funds - donated funds.....	193,100
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Private funds - hospital contributions.....	2,442,000
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State general fund/general purpose .....	\$	172,019,700
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#### PUBLIC ASSISTANCE

Full-time equated classified positions.....	35.0	
Aid to families with dependent children payments.....	\$	1,257,398,300
Family assistance payments.....		9,471,500
State disability assistance payments .....		38,652,000
State supplementation .....		62,877,200

	For Fiscal Year Ending Sept. 30, 1994
Personal care services .....	\$ 23,094,800
Low income energy assistance program—35.0 FTE positions .....	82,700,000
State emergency relief.....	35,986,700
GROSS APPROPRIATION.....	\$ 1,510,180,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	703,621,100
Special revenue funds:	
Child support collections.....	180,100,000
Supplemental security income recoveries.....	8,300,000
Public assistance recoupment revenue.....	6,000,000
State general fund/general purpose .....	\$ 603,618,900
<b>MEDICAL SERVICES</b>	
Hospital services and therapy.....	\$ 1,248,308,400
Hospital disproportionate share payments.....	45,000,000
Physician services.....	319,230,300
Medicare premium payments .....	75,000,000
Pharmaceutical services .....	276,325,800
Home health service.....	20,944,200
Transportation.....	7,266,800
Auxiliary medical services .....	58,634,300
Nursing home services .....	595,312,400
Chronic care units and county medical care facilities.....	161,678,300
Health maintenance organizations.....	312,361,100
Early periodic screening, diagnosis, and treatment—department of public health .....	4,800,000
Child caring program.....	4,546,400
Maternal and child health.....	6,424,500
Indigent medical care program.....	18,690,000
School based services.....	10,000,000
Long term care adjustor .....	277,089,800
University of Michigan hospital.....	489,000,000
Healthy kids .....	51,300,000
GROSS APPROPRIATION.....	\$ 3,981,912,300
Appropriated from:	
Federal revenues:	
Total federal revenues.....	2,242,066,400
Special revenue funds:	
Local funds - county payback.....	283,674,500
Local funds.....	21,500,000
Intergovernmental transfer.....	489,000,000
Private contributions .....	500,000
Special purpose-Public Act 219 of 1987 .....	10,400,000
State general fund/general purpose .....	\$ 934,771,400

#### **GENERAL SECTIONS FOR FISCAL YEAR 1993-1994**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in section 101 of this act is \$2,741,350,600.00 and state spending to be paid to local units of government from section 101 is as follows:

#### **DEPARTMENT OF SOCIAL SERVICES**

Child care fund.....	\$ 32,735,500
County juvenile officers.....	441,700
Adoption subsidies.....	29,304,400

For Fiscal Year  
Ending Sept. 30,  
1994

Indigent medical program.....	\$	1,145,700
State disability and family assistance program .....		2,366,300
Medicaid inpatient and outpatient indigent volume adjustors .....		26,943,500
Medicaid to community mental health clients .....		83,343,900
TOTAL .....	\$	176,281,000

Sec. 202. The department of social services may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department of social services for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

Sec. 203. The director of the department of management and budget may make administrative transfers of appropriations for the department of social services to adjust amounts between the local funds-county payback line items in section 101. Such transfers shall be made in compliance with section 393(1) 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. 204. When a recipient of assistance funded under this act is paid more than the amount to which the recipient is legally entitled, the department of social services shall institute procedures to recover the overpayment. The department may reduce subsequent grants in an amount that will ensure repayment of the overpayment. The director of social services shall establish reasonable limits on the proportion of the payments that may be deducted, so as not to cause undue hardship on recipients. The department shall also pursue recovery of overpayments from recipients and former recipients.

Sec. 205. The department shall not establish a new program or expand a current program above the level approved in the enacted budget, unless the proposal for the new or expanded program is approved by the legislature.

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

Sec. 207. The appropriations made and the expenditures authorized under this act and the institutions, 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. 208. The department of social services may retain all of the state's share of food stamp overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food stamp overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deduct in the executive operations appropriation unit.

Sec. 209. The department is authorized to transfer funds from other accounts in section 101 into the communities first pilot projects line item in order to support such projects. Such transfers shall be subject to the provisions of section 393(2) 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. 210. (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 1 position to another within a department or to positions 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. 211. All savings accruing from reduced contribution rates for the state employees retirement system shall be unallotted from appropriation line items as necessary. Such reductions in contribution rates are contingent upon enactment of amendments to the state employees retirement act of 1943, Act No. 240 of the Public Acts of 1943, being sections 38.1 to 38.48 of the Michigan Compiled Laws, including a defined contribution retirement plan for new state employees within the membership of such plan; changes in funding for the provision of dental and vision benefits; 5-year reconciliation smoothing; use of a 50-year amortization schedule for unfunded actuarial accrued liabilities; and other amendments to the act. The director of the department of management and budget shall issue instructions to all state agencies regarding contribution changes as they occur.

Sec. 212. Funds appropriated in section 101 shall not be used for the purchase of foreign goods or services when competitively priced American goods or services are available.

Sec. 213. (1) The director of social services 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.

(3) The department shall compile and furnish a report to the civil rights commission validating the total contracts in compliance with this section and detailing contracting procedures for the department.

Sec. 214. The department shall submit a report to the chairpersons of the senate and house appropriations committees and to the senate and house fiscal agencies on the details of allocations within program budgeting line items by October 1, 1993. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 1994.

Sec. 215. At least 21 days before submitting to the civil service commission a request to contract for a service or function, with an estimated cost in excess of \$25,000.00, now performed by classified state employees, or before letting such contract if the contract is not approved by the civil service commission, the department shall notify the legislature of the intent to contract. The notice shall include the following information:

- (a) The reason(s) for contracting the service or function.
- (b) The estimated number of classified state employees potentially affected by the contract.
- (c) The projected cost savings from the proposal, including but not limited to:
  - (i) The direct or indirect costs of the program which will be avoided in current, or future, fiscal years as a result of contracting for the service.
  - (ii) The cost of monitoring the contract.
  - (iii) The administrative cost associated with contracting for the service.
  - (iv) The costs associated with the lay-off of classified state employees.

## **EXECUTIVE OPERATIONS**

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

Sec. 302. The department shall assess and collect fees in the licensing and regulation of child care organizations as defined in Act No. 116 of the Public Acts of 1973, being sections 722.111 to 722.128 of the Michigan Compiled Laws, and adult foster care facilities as defined in the adult foster care facility licensing act, Act No. 218 of the Public Acts of 1979, being sections 400.701 to 400.737 of the Michigan Compiled Laws. Fees collected by the department shall not exceed the deduction in section 101 and shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 303. (1) From the funds appropriated in section 101 for the adult home help program, the department shall allocate up to \$1,000,000.00 for pilot projects to assess the efficacy of programs that do all of the following:

- (a) Identify frail elderly title XIX eligible recipients.
- (b) Provide currently nonmatchable home based services.
- (c) Prevent otherwise unavoidable admissions to long-term care units.

(2) These pilot projects shall operate under the auspices of county department of social services offices.

Sec. 304. Any county office lease may be subject to modification, reduction, or cancellation in order to ensure that expenditures do not exceed the appropriation.

## **FAMILY SERVICES ADMINISTRATION**

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$7,465,200.00 shall be retained by the state and expended for legal support contracts, state incentive payments, and salaries and wages for office of child support staff.

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

Sec. 402. The department of social services shall offset the JOBS federal money going to the Michigan school districts in connection with the education designed for gainful employment (EDGE) program by the amount necessary for the Michigan department of social services to administer the EDGE program. The offset revenue shall be recorded in the local funds-county payback deduct established for the education designed for gainful employment program in section 101.

Sec. 403. (1) The department shall amend its written agreements with current and subsequent contractors of services under the education designed for gainful employment (EDGE) program, in such a manner as to withhold payments to any contractor who has failed to submit to the department the monthly evaluation reports required in the agreement between the department and the contractor.

(2) The department shall adjust subsequent payments, based on the contents of the reports from contractors, to reflect the actual level of participation and use of supportive services.

(3) The department shall also develop a recoupment factor and process that will be effectuated if a contractor fails to meet the expected client outcomes delineated in the agreement.

(4) Copies of the reports, and subsequent departmental actions, explicit and implicit in subsections (1) to (3), shall be distributed to members of the senate and house appropriations subcommittees on social services and their respective fiscal agencies.

Sec. 404. From the funds appropriated in section 101 for staff training and development, the department shall allocate \$100,000.00 for the purpose of enhancing adult foster care staff training.

Sec. 405. The department shall make all payments to reimburse Michigan opportunity and skills training program participants for child care expenses by 2-party checks payable to the participant and the child care provider. This requirement does not apply to child care payments made directly to the provider.

Sec. 406. From the funds appropriated in section 101 for legal support contracts and child support incentive payments, the department may fund demonstration projects to enhance friend of the court child support collections efforts for public assistance recipients. Funding shall be from federal title IV-D and federal child support incentives earned. The projects shall be implemented in no more than 3 counties. Priority shall be given to counties with federal title IV-D AFDC collections exceeding \$7,000,000.00 in fiscal year 1992.

Sec. 407. The department of social services in cooperation with participating colleges and universities shall provide an analysis of the high school completion project to the house and senate appropriations committees and the house and senate fiscal agencies not later than February 1, 1994. The analysis shall at a minimum:

(a) Determine the graduation rate for students that have been determined eligible for tuition and mandatory fee benefits.

(b) Determine whether the program is responsible for an increase in the high school graduation rate of students in the state that could otherwise be determined as eligible to participate in the program.



(c) Provide a comparison of the high school graduation rate for eligible students determined under subdivision (a) and all high school students in the state.

(d) Provide a 5-year and 10-year projection of expenditures and enrollments for this program.

### **CHILD AND FAMILY SERVICES**

Sec. 501. In accordance with section 471(a)(14) of part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 671, the following goal is established by state law. During the fiscal year ending September 30, 1994, not more than 3,000 children supervised by the department of social services shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

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

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

Sec. 504. To achieve a reduction of costs in the adoption subsidy program, the department shall do all of the following:

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

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

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

Sec. 505. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

(a) Has not yet graduated from high school or passed a high school equivalency examination.

(b) Is making progress toward completing high school.

(c) Has not yet reached his or her twenty-first birthday.

Sec. 506. From the funds appropriated in section 101 for foster care, the department may use funds for programs to serve children in their own homes or in community-based services, if the service is in lieu of the children being placed in foster care.

Sec. 507. The department's ability to satisfy appropriation deductions in section 101 for foster care private collections shall not be limited to collections and accruals pertaining to services provided in the current fiscal year but shall include revenues collected in excess of the amount specified in section 101.

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

Sec. 509. Counties shall be subject to 50% charge back for the use of alternative regional detention services if they do not fall under the basic provision of section 117e of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.117e of the Michigan Compiled Laws, or if a county operates these programs primarily with professional rather than volunteer staff.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists. Existing runaway service contracts and contractors serving homeless youth shall be exempt from the bids process.

Sec. 511. Where allowable by applicable federal statute or regulation, the department may utilize available federal funding to enhance or expand community-based programs for at-risk children and families. Any such enhancement or expansion shall not result in general fund/general purpose expenditures in excess of existing general fund/general purpose appropriations for these purposes.

Sec. 512. (1) The department shall negotiate rates for all existing child welfare and juvenile justice contracts where essentially the same service is being continued in the same geographic area, and only competitively bid contracts for entirely new services and programs. The bid specifications shall stress criteria related to provider experience placing a special emphasis on chronological length of prior service, provision of services to persons of similar characteristics as the target clientele, and length of service in the targeted geographical area.

(2) The department's evaluation process for submitted bids shall have a scoring algorithm consistent with the intent expressed in subsection (1).

Sec. 513. The department shall maintain standard child placing administrative rates for general foster care. The department may pay cost increments above the standard rate for specialized foster care.

Sec. 514. (1) With the funds appropriated in section 101 for foster care and intended to increase per diem payment rates for family foster care services, the department shall not distribute these funds as a flat percentage increase but shall establish a graduated increase reflective of the length of time a provider has continuously rendered this service. If this methodology cannot be implemented without loss of federal participation, the department shall attempt to obtain the federal waivers necessary to earn federal matching funds.

(2) If a federal waiver is not obtainable, the increase in family foster care payments shall be made based on a proposal developed by the department.

Sec. 515. All department service contracts for adoption agencies, child caring institutions, and child placing agencies shall include client needs, the services to be provided, the price to be paid, and the expected outcomes. Any new adoption, foster care, and institution rate setting mechanism for contractor rates shall be mutually agreed upon by contractors and the department.

Sec. 516. From the funds appropriated in section 101 for teenage parent counseling, the department shall contract for the provision of teenage parent counseling services.

Sec. 517. The funds appropriated in section 101 for communities first pilot projects are intended to support the interagency implementation of communities first pilots in 4 local sites. Funds may be expended by the departments of social services, public health, mental health, and education and the office of services to the aging, as necessary or appropriate for pilot implementation, in accord with interagency agreements negotiated by the affected agencies.

Sec. 518. From the funds appropriated in section 101 for delinquency prevention and treatment, the department shall allocate \$32,000.00 for the urban youth outreach program.

Sec. 519. Funds appropriated in section 101 for the child care fund may be used as the required state match for the purchase of families first services for clients referred by juvenile courts. For local offices and courts choosing this option, the in-home portion of the county child care fund plan must authorize the transfer of funds from the state child care fund account designated for that county to a local funds-county payback deduct account associated with the family preservation services appropriation while the involved county is still beneath its child care fund cap.

Sec. 520. (1) In addition to the amount appropriated in section 101, money granted or money received as gifts or donations to the children's trust fund created by Act No. 249 of the Public Acts of 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws, is appropriated for expenditure in an amount not to exceed \$800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department of social services may interaccount bill the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by section 101.

Sec. 521. In addition to the amount appropriated under section 101 for teenage parent counseling, the department shall allocate to teenage parent counseling the money that is appropriated in section 101 for aid to families with dependent children that is not spent for that purpose due to the policy implemented as a result of the enactment of Senate Bill No. 143 of the 87th Legislature.

Sec. 522. From the funds appropriated in section 101 for child and family services, the department shall not expend funds to reunite a family in which incest is the cause for family separation, if such reunification will result in the victim and the perpetrator residing in the same residence.

Sec. 523. The department shall not expend funds to preserve or reunite a family if either of the following would result:

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against the child.

(b) A child would be living in the same household with a parent or other adult against whom there is relevant and accurate evidence of sexual abuse against the child. This section shall permit counseling provided that the counseling is not directed at influencing an abused child to remain in an abusive environment or justifying the actions of the abuser.

### **RESIDENTIAL CARE DIVISION**

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

### **ASSISTANCE PAYMENTS, SERVICES AND CLERICAL FIELD STAFF**

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

### **PUBLIC ASSISTANCE**

Sec. 801. (1) The department may terminate a vendor payment for shelter when a recipient's rental unit is not in compliance with applicable local housing codes. Compliance shall be considered to be met if the department of social services receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes, and that statement is not contradicted by the recipient and the local housing authority. The landlord also shall provide to the department a signed statement indicating who currently owns the property and whether any delinquent taxes are owed.

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

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

(4) The department shall establish a rent vendor payment system that allows for the escrowing of rent payments to landlords in those cases where a client chooses to stop vendor payments and the landlord has not received notice prior to 30 days of the tenant's intended vacancy date.

(5) The department shall request a federal waiver to allow the state to implement subsection (4). The department shall report to the legislature quarterly on the status of this waiver request.

(6) After June 30, 1993 in order to participate in the rent vendoring programs of the department, a landlord shall reduce rents proportionately with the property tax relief obtained on the rental property enacted in Senate Bill No. 1 of the 87th Legislature.

Sec. 802. From the funds appropriated in section 101 for aid to families with dependent children payments and medical services, the mother of an unborn child shall be eligible to receive aid to families with dependent children and medical services benefits for herself and her child if all other eligibility factors are met. To be eligible for these benefits, the applicant shall provide medical evidence of her pregnancy. If she is unable to provide the documentation, payment for the examination may be at state expense. The department of social services shall undertake such measures as may be necessary to ensure that necessary prenatal care is provided to medicaid-eligible recipients.

Sec. 803. The department, together with other agencies, may establish special projects to provide special needs shelter payment levels for the program of aid to families with dependent children that will support the development of transitional shelter facilities for homeless families. These facilities are to provide supportive services to families and to support the development of permanent low-income housing.

Sec. 804. Family assistance shall be provided in instances where aid to families with dependent children eligibility could not be met, pursuant to eligibility policies established by the department.

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

- (a) A recipient of supplemental security income, social security, or medical assistance due to disability.
  - (b) A person with a physical or mental impairment other than substance abuse which meets federal SSI disability standards, except that the minimum duration of the disability shall be 90 days.
  - (c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.
  - (d) A person receiving 30-day postresidential substance abuse treatment.
  - (e) A person diagnosed as having acquired immunodeficiency syndrome or acquired immunodeficiency syndrome related complex.
  - (f) A person receiving special education services through the local intermediate school district.
  - (g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.
- (2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:
- (a) Possess nonexempt resources of \$250.00 or less.
  - (b) Own no more than 1 automobile, with an equity value of \$1,500.00 or less.
  - (c) Have a monthly budgetable income that is less than the payment standards.

Sec. 806. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 807. County departments of social services shall require each recipient of state disability and state family assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance and state family assistance programs upon receipt of retroactive supplemental security income benefits.

Sec. 808. The department of social services' ability to satisfy appropriation deductions in section 101 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, state family assistance, or aid to families with dependent children grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 809. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized.

Sec. 810. (1) Pursuant to applicable federal and state statutes, rules, and regulations, the department shall divulge all relevant information pertaining to a recipient or client who is being placed with or in any foster care organization or adoption setting. This information shall be disclosed to the director of the foster care organization or, if the organization

is a private home, to the individual who holds the license for the foster care organization or, if an adoption setting, to the adopting individual.

(2) Such information shall include, but not be limited to, medical, behavioral, criminal, educational, and cultural histories.

Sec. 811. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) Assuming available fiscal year 1993-94 federal LIEAP funds of \$82.7 million plus carryforward, the energy caps shall be \$160.00 for natural gas, wood, and electric heat service, \$300.00 for deliverable fuel heat services, and \$250.00 for electric service. If a smaller federal LIEAP award is available, the program will be modified to ensure that expenditures do not exceed the general fund/general purpose energy assistance related appropriations in both the departments of social services and treasury. If a larger federal LIEAP award is available, the caps may be adjusted upward to reflect available revenue.

Sec. 812. A provider utility shall be entitled to recover in its rates all qualifying costs incurred pursuant to an agreement between the provider utility and the department for the payment of all or part of assisted households' heating and electric service bills. Qualifying costs shall include prudently incurred costs for incentives, forgiveness, and energy conservation program development and operation costs and the cost of capital incurred for assisted household arrearages held by the provider utility. All such qualifying costs incurred from program years beginning after October 1, 1993 shall be subject to deferred accounting and recovery through a general rate case application or shall be subject to timely recovery through separate limited purpose rate proceedings.

Sec. 813. The protected income level for medicaid coverage determined pursuant to section 106(1)(b)(iii) of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.106 of the Michigan Compiled Laws, shall be 100% of the related public assistance standard.

Sec. 814. From the funds appropriated in section 101 for the state emergency relief program, the department shall allocate \$590,200.00 and \$408,600.00 to the Arab Chaldean council and to ACCESS, respectively.

Sec. 815. From the funds appropriated in section 101 for the state emergency relief program, the department shall make a grant of \$90,000.00 to the food bank council of Michigan for the purpose of supporting the mobile food bank program.

Sec. 816. The department shall not require providers of burial services to accept state payment for indigent burials as payment in full. Providers shall be permitted to collect supplemental payment from relatives of the deceased.

Sec. 817. From the funds appropriated in section 101 for state emergency relief, the department shall increase the maximum allowable charge limit for indigent burials to \$960.00. It is the intent of the legislature that this charge limit reflect a maximum payment to funeral directors of \$760.00 and a maximum payment to cemeteries or crematoriums of \$200.00.

Sec. 818. The department of social services shall request a federal waiver to permit implementation of a pilot program to require applicants for assistance under the aid to families with dependent children (AFDC) program to participate in job search and training activities as a condition for eligibility for AFDC. The applicant's refusal to participate in these activities would result in denial of the application.

Sec. 819. The department shall develop a publication on the federal earned income tax credit. The publication shall be available to the general public and the department shall provide the publication to all AFDC recipients who are eligible or are receiving an income offset under the program.

Sec. 820. (1) From the funds appropriated in section 101 for state emergency relief, if the recipient receives the money for the purpose of mortgage payments, land contract payments, or property tax payments, or home repairs, the department shall not make the payment unless the recipient agrees to give the department a lien on his or her real property in the amount of total payments made by the department in excess of \$250.00.

(2) A lien under this section shall be enforced, and the amount of the lien recouped, when the recipient conveys the real property.

Sec. 821. (1) Effective July 1, 1994, the department shall require that a grantee of aid to families with dependent children or state family assistance provide proof that their minor children have received all immunizations as recommended by the department of public health. If the department has not received proof from a particular recipient household within 3 months after the effective date of this provision, the department shall reduce the grant to the household by \$25.00. The department shall apply for any federal waiver necessary to implement this section.

(2) In conjunction with the department of public health, the department shall prepare and distribute to each eligible recipient of aid to families with dependent children or state family assistance a list of the immunizations required under this section and how and where the recipient may obtain the immunizations.

(3) The department shall waive the requirement of subsection (1) if the immunizations are medically inappropriate or contrary to the religious beliefs of the recipient.

## **MEDICAL SERVICES**

Sec. 901. The department of social services shall provide an administrative procedure for the review of grievances by medical assistance providers with regard to reimbursement under the medical assistance program. Settlements of properly submitted cost reports shall be paid not later than 9 months from receipt of the final report.

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

Sec. 903. For care provided to medicaid recipients with other third party sources of payment, medicaid reimbursement shall not exceed, in combination with such other resources, including medicare, those amounts established for medicaid-only patients. The medicaid payment rate shall be accepted as payment in full. Other than an approved medicaid copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be deemed to affect the level of payment from a third party source other than medicaid. The department shall require a nonenrolled provider to accept medicaid payments as payment in full.

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

Sec. 905. (1) The pharmaceutical dispensing fee shall be a maximum of \$3.83, effective October 1, 1993. If a recipient is 21 years of age or older, the department shall require a \$1.00 per prescription client copayment, except as prohibited by federal or state law or regulation.

(2) The department shall require copayments on dental, podiatric, vision and hearing aid services provided to recipients of medical assistance except as excluded by law.

(3) The copayments in subsections (1) and (2) may be waived for recipients who participate in a program of medical case management such as enrollment in a health maintenance organization or the primary physician sponsor plan program.

(4) Before new copayments are implemented or existing copayments are changed, the department shall submit the plan to the senate and house appropriations subcommittees on social services.

Sec. 906. The department shall increase fee screens or payment rates by 3% for the following medicaid service providers: home health and hospice, laboratory, dentists and dental clinics, chiropractors, and ambulance.

Sec. 907. The maximum limits on payments under the medicaid program, established in conformance with title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f and 1396i to 1396u, shall be disclosed only to persons directly responsible for the administration of the medicaid program, except that persons responsible for establishing individual prices on prior authorized items may release approved prices to the prospective provider.

Sec. 908. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services means those services which produce the maximum reduction of physical and mental limitations and restoration of an individual to his or her best functional level. At a minimum, remedial services include basic self-care and rehabilitation training for a resident.

Sec. 909. It is the intent of the legislature that at least 50% of inflation increases in rates shall be used for a wage and benefit pass-through to nursing home workers, based on a plan developed by the department and substantially

similar to a plan implemented in the 1989-1990 fiscal year. The rate increase for enhanced wages and benefits shall be provided to those facilities which make application for it to fund the medicaid program share of wage and benefit increases up to 50 cents per employee hour. The pass-through shall only be used to increase wages and benefits. Nursing facilities shall be required to document that these wage and benefit increases were actually provided.

Sec. 910. Medicaid adult dental services shall be restored to the level in effect on October 1, 1991.

Sec. 911. Medicaid podiatric services shall be restored to the level in effect on October 1, 1991, except that reasonable utilization limitations may be adopted in order to prevent excess utilization.

Sec. 912. Medicaid chiropractic services shall be restored to the level in effect on September 30, 1990, except that reasonable utilization limitations may be adopted in order to prevent excess utilization.

Sec. 913. (1) From the funds appropriated in section 101 for hospital services and therapy, the department, subject to the requirements and limitations in this section, shall establish a funding pool of up to \$64,300,000.00 for the purpose of enhancing the aggregate payment for medicaid hospital outpatient services. Such payments, if any, may be made as a gross adjustment to hospital outpatient payments or by another mechanism or schedule as determined by the department, which meets the intent of this section.

(2) For counties with populations in excess of 2,000,000 persons, the department shall distribute \$34,760,000.00 to hospitals if \$15,500,000.00 is received by the state from such counties, which meets the criteria of an allowable state matching share as determined by applicable federal laws and regulations. If the state receives a lesser sum of an allowable state matching share from these counties, the amount distributed shall be reduced accordingly. In addition, the department shall distribute up to an additional \$16,240,000.00 to hospitals in these counties, with the state's share funded by a transfer of up to \$7,022,000.00 in GF/GP authorization from the indigent medical care program account. The amount distributed, if any, to any given hospital in these counties shall be based on a formula determined by the department.

(3) For counties with populations less than 2,000,000 persons, the department shall distribute \$13,300,000.00 in the aggregate to hospitals if \$6,000,000.00 is received by the state in total from counties other than those meeting the population criteria in subsection (2) in revenue which meets the criteria of an allowable state matching share. If the state receives a lesser sum of an allowable state matching share, the amount to be distributed shall be reduced accordingly. The amount to be distributed, if any, to any given hospital shall be based on a formula determined by the department.

(4) The department shall make distributions from this pool as soon after the effective date of this act as is possible.

Sec. 914. (1) From the funds appropriated in section 101 for the indigent medical care program, the department shall establish a program which provides for the basic health care needs of indigent persons as delineated in the following subsections.

(2) Eligibility for this program is limited to the following:

(a) Persons currently receiving cash grants under either the family assistance or state disability assistance programs who are not eligible for any other public or private health care coverage.

(b) Any other resident of this state who currently meets the income and asset requirements for the state disability assistance program and is not eligible for any other public or private health care coverage.

(3) All potentially eligible persons, except those defined in subsection (2)(a), who shall be automatically enrolled, may apply for enrollment in this program at local department of social services offices or other designated sites.

(4) The program shall provide for the following minimum level of services for enrolled individuals:

(a) Physician services provided in private, clinic, or outpatient office settings.

(b) Diagnostic laboratory and X-ray services.

(c) Pharmaceutical services.

Sec. 915. The department shall institute a plan to require hospitals to assist in the acknowledgment of paternity. The hospitals shall obtain notary power for their unit or records clerks so that any father of an out-of-wedlock child coming to visit the child and its mother can sign appropriate paternity papers, according to Michigan law. To encourage the mother and father, and to train professional staff to encourage acknowledging paternity, the department shall provide an informational brochure at prenatal clinics, doctors' offices, at each hospital, and at local department offices.

Sec. 916. The department may develop a plan to deliver medicaid psychiatric services through a managed care system. In developing this plan, the department shall consult with the department of mental health, community mental

health boards, medicaid recipients or representatives of medicaid recipients, providers and other interested parties. The department shall submit its plan to the senate and house appropriations subcommittees on social services.

Sec. 917. The department may require medicaid recipients to receive psychiatric services through a managed care system.

Sec. 918. The department shall continue to implement the physician sponsor plan and shall require aid to families with dependent children recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference shall be randomly assigned to a managed care program.

Sec. 919. (1) The department shall not preauthorize or in any way restrict single-source pharmaceutical products except those single-source pharmaceuticals that have been subject to prior authorization by the department prior to January 1, 1992 and those single-source pharmaceuticals within the categories specified in section 1927(d)(2) of the social security act, 42 U.S.C. 1396s(d), or for the reasons delineated in section 1927(d)(3) of the social security act.

(2) The department shall not implement drug utilization review or monitoring programs in such a manner as to circumvent the intent expressed in subsection (1).

Sec. 920. (1) No later than March 30, 1994, the department shall provide to the members of senate and house appropriations subcommittees on social services and their respective fiscal agencies a report outlining the various aspects of the current pharmaceutical product reimbursement methodology as compared to a reimbursement based on an estimated acquisition cost methodology.

(2) This report shall be of sufficient detail to allow the subcommittees to determine the need for and specifications of a new pharmaceutical products reimbursement methodology.

Sec. 921. From the funds appropriated in section 101 for maternal and child health services, the department shall make a grant of \$53,000.00 to Pregnancy Services of Michigan.

Sec. 922. The department of social services, in cooperation with the department of mental health, is authorized to enter into a contract in counties with a population exceeding 1,500,000 for the purpose of providing transportation to publicly operated or contracted mental health facilities. This section shall not reduce the responsibility of a county that has been authorized to provide medical services for the indigent under a patient care management system.

Sec. 923. The department of social services shall not implement a mail order pharmacy program.

Sec. 924. The department shall assure that all eligible children assigned to medicaid managed care programs have timely access to early and periodic screening, diagnosis, and treatment (EPSDT) services as required by federal law.

Sec. 925. (1) The department of social services is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal medicaid program. The department and the department of management and budget are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal medicaid funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in section 101 for medicaid school services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical assistance administration related to this project. Medical services administration administrative costs for this project shall not exceed \$125,000.00.

(b) Fund from section 101 new costs in the departments of education, public health, and management and budget for expenses incurred by those departments related to this program. These costs shall not exceed \$75,000.00.

(c) Reimburse participating school districts pursuant to the fund sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(d) Deposit funding earned through this effort in the general fund.

(3) The department may receive and expend additional federal funding received by the department through this program.

(4) If the state receives a lesser amount of allowable medicaid matching funds from the federal government for claims than is indicated in section 101, the amount distributed to participating schools shall be reduced proportionately.



(5) The department shall not make distributions from the funds provided for this purpose in section 101 until it has filed the necessary state plan amendments and made required notifications. Prior to the final federal approval of the state plan amendment for this program, and with the concurrence of the department of management and budget, the department may pay enrolled school districts for the following services provided by or through the school districts and for which the department has received indications of approvability from the federal health care financing administration:

- (a) Medical services.
- (b) Occupational therapy.
- (c) Physical therapy.
- (d) Speech therapy.
- (e) Nursing services.
- (f) Developmental testing.

(6) Payments for all services other than those described in subsection (5) shall be paid only upon written approval of the federal health care financing administration.

Sec. 926. The department is authorized to make payments on behalf of children enrolled under the healthy kids program from the line item appropriation associated with the program, or from other medical services line item appropriations provided for specific health care services.

Sec. 927. From the funds appropriated in section 101 for contractual services, supplies, and materials, the department shall reimburse hospitals for the cost of photocopying records, where copies of such records are required for compliance with state medicaid policies on medical case review. The rate of reimbursement shall be 7 cents per page.

Sec. 928. The department may establish a \$2.00 copayment requirement under the medicaid program for all nonemergency services provided in a hospital emergency room. This section does not apply to services provided in nonemergency clinics located in hospitals.

Sec. 929. All appropriations in this act unexpended at the end of the fiscal year are appropriated to the school aid fund.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Co-Clerk of the House of Representatives.

Approved -----

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Governor.