



HOUSE BILL No. 5264

EXECUTIVE BUDGET BILL

December 23, 1993, Introduced by Reps. Johnson, Gilmer and Allen and referred to the Committee on Appropriations.

A bill to make appropriations for the department of social services and certain state purposes related to public welfare services for fiscal year ending September 30, 1995; 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:

1 Sec. 101. There is appropriated for the department of social
2 services and certain state purposes related to public welfare services

1 for the fiscal year ending September 30, 1995, from the funds

2 identified as follows:

3 DEPARTMENT OF SOCIAL SERVICES

4 APPROPRIATIONS SUMMARY:

5 Full-time equated unclassified positions . . . 6.0

6 Full-time equated classified positions . 14,708.7

7 GROSS APPROPRIATION \$7,426 412,500

8 Total interdepartmental grants and

9 intradepartmental transfers 212,566,100

10 ADJUSTED GROSS APPROPRIATION \$7,213,846,400

11 Federal revenues:

12 Total federal revenues 4,031,690,100

13 Special revenue funds:

14 Total local revenues 590,194,400

15 Total private revenues 9,575,500

16 Total other state restricted revenues 388,949,300

17 State general fund/general purpose \$2,193,437,100

18 EXECUTIVE OPERATIONS

19 Full-time equated unclassified positions . . . 6.0

20 Full-time equated classified positions . . 1,207.1

21 Director \$ 87,700

22 Unclassified salaries--5.0 FTE positions 336,500

23 Salaries and wages--1,122.5 FTE positions 46,412,000

24 Contractual services, supplies, and materials 6,871,600

25 Demonstration projects--39.6 FTE positions 10,218,700

26 Health and welfare data center equipment 13,853,200

27 Automated social services information

28 system project--27.0 FTE positions 20,033,500

1	Data system enhancement--18.0 FTE positions	9,698,700
2	Communities first	500,000
3	Inspector general contracts	<u>3,036,800</u>
4	GROSS APPROPRIATION	\$ 111,048,700
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG-ADP user fees	150,000
8	Federal revenues:	
9	Total federal revenues	58,551,900
10	Special revenue funds:	
11	Total local revenues	200,000
12	Total private revenues	2,436,600
13	Licensing fees	439,000
14	State general fund/general purpose	\$ 49,271,200
15	CENTRAL SUPPORT ACCOUNTS	
16	Rent	\$ 38,040,200
17	Building occupancy charges	4,225,200
18	Travel	6,936,400
19	Equipment	3,678,100
20	Workers' compensation	4,407,700
21	Advisory commissions	17,900
22	Payroll taxes and fringes	<u>216,854,800</u>
23	GROSS APPROPRIATION	\$ 274,160,300
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues	147,283,400
27	State general fund/general purpose	\$ 126,876,900
28	MEDICAL SERVICES ADMINISTRATION	

1	Full-time equated classified positions . . .	499.6	
2	Salaries and wages--499.6 FTE positions	\$	18,687,200
3	Contractual services, supplies, and materials .		17,813,500
4	Data processing contractual services		100
5	Facility inspection contract - department of		
6	state police		132,800
7	State police computer records		<u>50,000</u>
8	GROSS APPROPRIATION	\$	36,683,600
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues		21,552,400
12	State general fund/general purpose	\$	15,131,200
13	FAMILY SERVICES ADMINISTRATION		
14	Full-time equated classified positions . . .	432.7	
15	Salaries and wages--320.5 FTE positions	\$	12,581,300
16	Contractual services, supplies, and materials .		6,941,400
17	Child support enforcement system--4.0 FTE		
18	positions		19,538,600
19	Child support incentive payments		32,409,600
20	Legal support contracts--5.0 FTE positions . . .		46,670,800
21	State incentive payments		3,934,200
22	Food stamp issuance		5,374,400
23	Immigration legalization assistance program . .		500,000
24	High school completion project--4.0 FTE positions		278,400
25	Wage match contract		1,795,000
26	SSI advocacy--39.2 FTE positions		2,336,000
27	Training and staff development--60.0 FTE		
28	positions		<u>4,681,400</u>

1	GROSS APPROPRIATION	\$ 137,041,100
2	Appropriated from:	
3	Interdepartmental grant revenues:	
4	Interdepartmental grant from the department of	
5	mental health	416,100
6	Federal revenues:	
7	Total federal revenues	114,639,200
8	State general fund/general purpose	\$ 21,985,800
9	CHILD AND FAMILY SERVICES	
10	Full-time equated classified positions . . . 251.8	
11	Salaries and wages-- 84.3 FTE positions	\$ 3,543,900
12	Contractual services, supplies, and materials .	942,000
13	Refugee assistance program--12.0 FTE positions .	7,377,100
14	Adult home help	88,709,500
15	Social services to the physically disabled . . .	1,344,900
16	Intercountry adoptions contracts	754,300
17	County juvenile officers	3,355,700
18	Foster care payments	207,508,800
19	Adoption subsidies	61,622,900
20	Child care fund	32,735,500
21	Children's benefit fund donations	21,000
22	Domestic violence prevention and treatment--2.0 FTE	
23	positions	4,571,200
24	Teenage parent counseling--3.0 FTE positions . .	2,405,200
25	Family preservation services--12.0 FTE positions	28,791,700
26	Interstate compact	113,500
27	Child abuse and neglect programming--2.0 FTE	
28	positions	6,227,500

1	Black child and family institute	100,000
2	Rape prevention and services	260,000
3	Child abuse and neglect prevention services--4.0	
4	FTE positions	310,300
5	Attorney general contract	1,000,600
6	Guardian contract	600,000
7	Child abuse and neglect prevention grants . . .	1,800,000
8	County shelters	1,200,000
9	Employment and training services--131.5 FTE	
10	positions	62,321,300
11	Child welfare education	1,162,500
12	Prosecuting attorney contracts--1.0 FTE position	1,061,700
13	Day care services	<u>97,498,200</u>
14	GROSS APPROPRIATION	\$ 617,339,300
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	323,120,400
18	Special revenue funds:	
19	Private-children's benefit fund donations . . .	21,000
20	Private-intercountry adoption agency	
21	contributions	754,300
22	Private-collections	1,866,400
23	Private-foundation funds	1,510,200
24	Local funds - county payback	22,959,400
25	Local funds	4,257,000
26	Children's trust fund	1,810,300
27	State general fund/general purpose	\$ 261,040,300
28	DELINQUENCY SERVICES	

1	Full-time equated classified positions . . .	1,132.9	
2	Contractual services, supplies, and materials .		11,016,600
3	Travel		509,300
4	Maintenance and equipment		1,207,600
5	Federally funded activities--27.1 FTE positions		1,856,700
6	W.J. Maxey memorial fund		45,000
7	Delinquency and community based services		8,871,800
8	Committee on juvenile justice administration--4.0		
9	FTE positions		340,500
10	Committee on juvenile justice grants		1,900,000
11	Personnel payroll costs--1,101.8 FTE positions .		62,780,700
12	Training schools and detention center construction		<u>200</u>
13	GROSS APPROPRIATION	\$	88,528,400
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues		7,920,900
17	Special revenue funds:		
18	Total private revenues		45,000
19	Local funds - county payback		32,777,800
20	State general fund/general purpose	\$	47,784,700
21	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD STAFF		
22	Full-time equated classified positions .	10,582.6	
23	Field services, salaries and wages--156.7 FTE		
24	positions	\$	9,623,100
25	Family and children's services, salaries		
26	and wages--1,859.8 FTE positions		64,741,600
27	County clerical support, salaries and		
28	wages--2,655.7 FTE positions		76,821,400

1	Assistance payments, salaries and wages--4,396.2 FTE	
2	positions	143,189,000
3	Adult services, salaries and wages--1,322.2 FTE	
4	positions	45,722,400
5	Contractual services, supplies, and materials .	26,917,100
6	Volunteer reimbursement	1,909,700
7	Outstationed eligibility workers--80.0 FTE	
8	positions	5,028,400
9	Volunteer services--112.0 FTE positions	<u>3,557,300</u>
10	GROSS APPROPRIATION	\$ 377,510,000
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues	194,240,700
14	Special revenue funds:	
15	Local funds - donated funds	193,100
16	Private funds-hospital contributions	2,442,000
17	State general fund/general purpose	\$ 180,634,200
18	DISABILITY DETERMINATION SERVICES	
19	Full-time equated classified positions	565.0
20	Disability determination operations--565.0 FTE	
21	positions	\$ 56,312,800
22	Rent	410,300
23	Building occupancy charges	702,900
24	Workers' compensation	<u>26,700</u>
25	GROSS APPROPRIATION	\$ 57,452,700
26	Appropriated from:	
27	Federal revenues:	
28	Total federal revenues	57,452,700

1	State general fund/general purpose	\$	0
2	PUBLIC ASSISTANCE		
3	Full-time equated classified positions . . .	37.0	
4	Aid to families with dependent children payments	\$1,236,998,300	
5	Family assistance payments	14,271,500	
6	State disability assistance payments	32,258,000	
7	State supplementation	64,584,800	
8	State supplementation administration	1,000,000	
9	Low income energy assistance program--35.0 FTE		
10	positions	82,700,000	
11	State emergency relief--2.0 FTE positions . . .	<u>35,896,700</u>	
12	GROSS APPROPRIATION	\$1,467,719,300	
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues	680,914,100	
16	Special revenue funds:		
17	Child support collections	188,000,000	
18	Supplemental security income recoveries	11,300,000	
19	Public assistance recoupment revenue	6,000,000	
20	State general fund/general purpose	\$ 581,505,200	
21	MEDICAL SERVICES		
22	Hospital services and therapy	\$1,148,008,400	
23	Hospital disproportionate share payments	45,000,000	
24	Physician services	323,730,300	
25	Medicare premium payments	81,000,000	
26	Pharmaceutical services	278,935,800	
27	Home health services	31,944,200	
28	Transportation	7,266,800	

1	Auxiliary medical services	60,446,300
2	Nursing home services	598,312,400
3	Chronic care units and county medical care	
4	facilities	163,678,300
5	Health maintenance organizations	452,961,100
6	Early periodic screening, diagnosis, and treatment	
7	outreach	6,200,000
8	Caring program for children	4,546,400
9	Maternal and child health	6,424,500
10	Indigent medical care program	18,690,000
11	Healthy kids	51,300,000
12	Personal care services - adult foster care . . .	23,094,800
13	Personal care services - in-home services . . .	<u>5,500,000</u>
14	Subtotal: Basic medicaid program	3,307,039,300
15	School based services	20,500,000
16	Government operated long-term care facilities	
17	adjustor	277,089,800
18	Outpatient hospital indigent adjustor	64,300,000
19	Public hospital disproportionate share payments	450,000,000
20	Community mental health adjustor	<u>140,000,000</u>
21	Subtotal: Special medicaid payments	951,889,800
22	GROSS APPROPRIATION	\$4,258,929,100
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	Interdepartmental transfer from the department of	
26	mental health	212,000,000
27	Federal revenues:	
28	Total federal revenues	2,426,014,400

1 special revenue funds:

2	Local funds - county payback	406,807,100
3	Local funds	123,000,000
4	Private contributions	500,000
5	Intergovernmental transfer	136,000,000
6	Estate recovery revenue	35,000,000
7	Special purpose-Public Act 219 of 1987	10,400,000
8	State general fund/general purpose	\$ 909,207,600

9 **GENERAL SECTIONS**

10 Sec. 201. In accordance with the provisions of section 30 of
 11 article IX of the state constitution of 1963, total state spending in
 12 section 102 of this act is \$2,582,386,400 and state spending to be
 13 paid to local units of government from section 102 is as follows:

14 **DEPARTMENT OF SOCIAL SERVICES**

15	Child care fund	\$ 32,735,500
16	County juvenile officers	1,803,800
17	Adoption subsidies	34,718,400
18	Indigent medical program	1,145,700
19	State disability and family assistance program	2,852,900
20	Medicaid inpatient and outpatient indigent	
21	volume adjusters	26,422,000
22	Medicaid to community mental health clients .	149,602,000
23	TOTAL	\$ 249,280,300

24 (2) When it appears to the director of the department that state
 25 spending to local units of government will be less than the amount
 26 that was projected to be expended for any quarter, the director shall
 27 immediately give notice of the approximate shortfall to the department
 28 of management and budget, the senate and house appropriations

1 committees, and the senate and house fiscal agencies.

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

9 Sec. 203. The director of the department of management and budget
10 may make administrative transfers of appropriations for the department
11 of social services to adjust amounts between the local funds-county
12 payback line items in section 101. Such transfers shall be made in
13 compliance with section 393(1) of the management and budget act, Act
14 No. 431 of the Public Acts of 1984, being section 18.1393 of the
15 Michigan Compiled Laws.

16 Sec. 204. In addition to funds appropriated in section 101 for
17 all programs and services, there is appropriated for write-offs of
18 accounts receivable, deferrals, and disallowances, and for prior year
19 obligations in excess of applicable prior year appropriations, an
20 amount equal to total write-offs and prior year obligations, but not
21 to exceed amounts available in prior year revenues.

22 Sec. 205. The appropriations made and the expenditures authorized
23 under this act and the departments, agencies, commissions, boards,
24 offices, and programs for which an appropriation is made under this
25 act are subject to the management and budget act, Act No. 431 of the
26 Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan
27 Compiled Laws.

28 Sec. 206. The department of social services may retain all of the
29 state's share of food stamp overissuance collections as an offset to
30 general fund/general purpose costs. Retained collections shall be

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

6 Sec. 207. (1) The department is authorized to transfer funds from
7 other accounts in section 101 into the communities first pilot
8 projects line item in order to support such projects. Such transfers
9 shall be subject to the provisions of section 393(2) of the management
10 and budget act, Act No. 431 of the Public Acts of 1984, being section
11 18.1393 of the Michigan Compiled Laws.

12 (2) The funds appropriated in section 101 for communities first
13 pilot projects are intended to support the interagency implementation
14 of communities first pilots. Funds may be expended by the departments
15 of social services, public health, mental health, and education and
16 the office of services to the aging, as necessary or appropriate for
17 pilot implementation, in accord with interagency agreements negotiated
18 by the affected agencies.

19 Sec. 208. (1) Beginning October 1, 1994, there shall be a hiring
20 freeze imposed on the state classified civil service. State
21 departments and agencies shall be prohibited from hiring any new
22 full-time state classified civil service employees and prohibited from
23 filling any vacant state classified civil service positions. This
24 hiring freeze does not apply to internal transfers from one position
25 to another within a department or to positions that are funded 80% or
26 more from federal or restricted funds.

27 (2) The director of the department of management and budget shall
28 grant exceptions to this hiring freeze when the director believes that
29 such a hiring freeze will result in rendering a state department or
30 agency unable to deliver basic services. The director of the

1 department of management and budget shall report by the fifteenth of
2 each month to the chairpersons of the senate and house appropriations
3 committees the number of exclusions to the hiring freeze approved
4 during the previous month and the reasons to justify the exclusion.

5 Sec. 209. The department shall submit a report to the
6 chairpersons of the senate and house appropriations committees and to
7 the senate and house fiscal agencies on the details of allocations
8 within program line items. The report shall include a listing, by
9 account, dollar amount, and fund source, of salaries and wages;
10 longevity and insurance; retirement; contractual services, supplies,
11 and materials; equipment; travel; and grants within each program line
12 item appropriated for the fiscal year ending September 30, 1995.

13 Sec. 210. The amounts appropriated for utilities and that portion
14 of contractual services, supplies, and materials used to pay for
15 utility service to state facilities in section 101 may be expended in
16 a manner consistent with the provisions of section 253 of the
17 management and budget act, Act 431 of the Public Acts of 1984, being
18 section 18.1253 of the Michigan Compiled Laws.

19 Sec. 211. As used in this act:

20 (a) "AFDC" means aid to families with dependent children.

21 (b) "Department" means the department of social services.

22 (c) "EDGE" means education designed for gainful employment.

23 (d) "EPSDT" means early and periodic screening, diagnosis, and
24 treatment.

25 (e) "FTE" means full-time equated.

26 (f) "GF/GP" means general fund/general purpose.

27 (g) "JOBS" means job opportunities and basic skills program.

28 (h) "LIEAP" means low income energy assistance program.

29 (i) "OBRA" means the federal Omnibus Budget Reconciliation Act.

30 (j) "SSI" means supplemental security income.

1 (k) "Title IV" means title IV of the social security act, chapter
2 531, 49 Stat. 620, 42 U.S.C. 671.

3 (l) "Title XIX" means title XIX of the social security act,
4 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g,
5 and 1396i to 1396s.

6 (m) "Title XX" means title XX of the social security act, chapter
7 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397e.

8 Sec. 212. In addition to the funds appropriated in section 101,
9 there is hereby appropriated such federal, local, or private funds as
10 the department may be eligible to receive up to a total of
11 \$150,000,000.00. These funds shall not be available for expenditure
12 unless transferred to a line item in this act in compliance with the
13 applicable provisions of section 393 of the management and budget act,
14 Act 431 of the Public Acts of 1984, being section 18.1393 of the
15 Michigan Compiled Laws.

16 Sec. 213. From the funds appropriated in section 101, the
17 department may make grants in support of the Michigan neighborhood
18 partnership to non-profit organizations for purposes consistent with
19 the purposes of the line-item appropriation from which the grant is
20 made. The total of such grants made by the department may not exceed
21 \$50,000.00

22 **EXECUTIVE OPERATIONS**

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

28 Sec. 302. The department shall assess and collect fees in the
29 licensing and regulation of child care organizations as defined in Act
30 No. 116 of the Public Acts of 1973, being sections 722.111 to 722.128

1 of the Michigan Compiled Laws, and adult foster care facilities as
2 defined in the adult foster care facility licensing act, Act No. 218
3 of the Public Acts of 1979, being sections 400.701 to 400.737 of the
4 Michigan Compiled Laws. Fees collected by the department shall not
5 exceed the deduct in section 101 and shall be used exclusively for the
6 purpose of licensing and regulating child care organizations and adult
7 foster care facilities.

8 **FAMILY SERVICES ADMINISTRATION**

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

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

23 Sec. 402. The department of social services shall offset the JOBS
24 federal money going to the Michigan school districts and other
25 contractors in connection with the education designed for gainful
26 employment (EDGE) program by the amount necessary for the Michigan
27 department of social services to administer the EDGE program.

28 Sec. 403. The department shall enter into an agreement with the
29 Michigan jobs commission in order to facilitate the administration of
30 the education designed for gainful employment (EDGE) program. The

1 department will make information on the program available to the
2 legislature.

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

6 Sec. 405. From the funds appropriated in section 101 for legal
7 support contracts and child support incentive payments, the department
8 may fund demonstration projects to enhance friend of the court child
9 support collections efforts for public assistance recipients. Funding
10 shall be from federal title IV-D and federal child support incentives
11 earned. The projects shall be implemented in no more than 3 counties.
12 Priority shall be given to counties with federal title IV-D AFDC
13 collections exceeding \$7,000,000.00 in fiscal year 1992.

14 **CHILD AND FAMILY SERVICES**

15 Sec. 501. In accordance with section 471(a)(14) of part E of
16 title IV of the social security act, chapter 531, 49 Stat. 620, 42
17 U.S.C. 671, the following goal is established by state law. During the
18 fiscal year ending September 30, 1995, not more than 3,000 children
19 supervised by the department of social services shall remain in foster
20 care longer than 24 months. The department shall give priority to
21 reducing the number of children under 1 year of age in foster care.

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

28 Sec. 503. The department of social services shall charge or cause
29 to be charged a fee for intercountry adoption services. These fees
30 shall be based on the cost of providing the services, with reduced

1 fees for low-income families. These fees shall be used to pay for or
2 contract for personnel and related activities. The director of social
3 services shall adjust or cause an adjustment of the fees if necessary
4 to ensure continued program operations on a self-supporting basis.

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

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

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

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

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

23 Sec. 506. The department's ability to satisfy appropriation
24 deducts in section 101 for foster care private collections shall not
25 be limited to collections and accruals pertaining to services provided
26 in the current fiscal year but shall include revenues collected in
27 excess of the amount specified in section 101.

28 Sec. 507. Notwithstanding section 117a or 117c of the social
29 welfare act, Act No. 280 of the Public Acts of 1939, being sections
30 400.117a and 400.117c of the Michigan Compiled Laws, the distribution

1 of collections made to counties by child, parent, guardian, or
2 custodian, on behalf of children in foster care who are wards of the
3 county, shall be made pursuant to section 18(2) of chapter XIIA of Act
4 No. 288 of the Public Acts of 1939, being section 712A.18 of the
5 Michigan Compiled Laws.

6 Sec. 508. Counties shall be subject to 50% charge back for the
7 use of alternative regional detention services if they do not fall
8 under the basic provision of section 117e of the social welfare act,
9 Act No. 280 of the Public Acts of 1939, being section 400.117e of the
10 Michigan Compiled Laws, or if a county operates these programs
11 primarily with professional rather than volunteer staff.

12 Sec. 509. The department shall not be required to put up for bids
13 contracts with service providers if currently only 1 provider in the
14 service area exists.

15 Sec. 510. The department shall negotiate rates for all existing
16 child welfare and juvenile justice contracts and competitively bid
17 contracts for services and programs. The bid specifications and
18 contract award determinations shall include criteria related to
19 provider experience placing emphasis on total years of experience in
20 providing child welfare and juvenile justice services, provision of
21 services to persons of similar characteristics as the target
22 clientele, quality of prior child welfare and juvenile justice
23 services, length of service in the targeted geographical area, and the
24 adequacy of the provider's plan for coordinating the provision of
25 services in the targeted geographical area.

26 Sec. 511. The department shall move toward standard child placing
27 administrative rates for general foster care. The department may pay
28 cost increments above the standard rate for specialized foster care.

29 Sec. 512. All department service contracts for adoption agencies,
30 child caring institutions, and child placing agencies shall include

1 client needs, the services to be provided, the price to be paid, and
2 the expected outcomes.

3 Sec. 513. From the funds appropriated in section 101 for teenage
4 parent counseling, the department shall contract for the provision of
5 teenage parent counseling services.

6 Sec. 514. Funds appropriated in section 101 for the child care
7 fund may be used as the required state match for the purchase of
8 families first services for clients referred by juvenile courts. For
9 local offices and courts choosing this option, the in-home portion of
10 the county child care fund plan must authorize the transfer of funds
11 from the state child care fund account designated for that county to a
12 local funds-county payback deduct account associated with the family
13 preservation services appropriation while the involved county is still
14 beneath its child care fund cap.

15 Sec. 515. (1) In addition to the amount appropriated in section
16 101, money granted or money received as gifts or donations to the
17 children's trust fund created by Act No. 249 of the Public Acts of
18 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws,
19 is appropriated for expenditure in an amount not to exceed
20 \$800,000.00.

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

30 Sec. 516. In addition to the amount appropriated under section

1 101 for teenage parent counseling, the department shall allocate to
2 teenage parent counseling the money that is appropriated in section
3 101 for aid to families with dependent children that is not spent for
4 that purpose due to the policy implemented as a result of the
5 enactment of senate bill No. 143 of the 87th Legislature.

6 Sec. 517. From the funds appropriated in section 101 for child
7 and family services, the department shall not expend funds to reunite
8 a family in which incest is the cause for family separation, if such
9 reunification will result in the victim and the perpetrator residing
10 in the same residence.

11 Sec. 518. The department shall not expend funds to preserve or
12 reunite a family if either of the following would result:

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

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

22 Sec. 519. (1) Pursuant to applicable federal and state statutes,
23 rules, and regulations, the department shall divulge all relevant
24 information pertaining to a recipient or client who is being placed
25 with or in any foster care organization or adoption setting. This
26 information shall be disclosed to the director of the foster care
27 organization or, if the organization is a private home, to the
28 individual who holds the license for the foster care organization or,
29 if an adoption setting, to the adopting individual.

30 (2) Such information shall include, but not be limited to,

1 medical, behavioral, criminal, educational, and cultural histories.

2 **PUBLIC ASSISTANCE**

3 Sec. 601. (1) The department may terminate a vendor payment for
4 shelter when a recipient's rental unit is not in compliance with
5 applicable local housing codes. Compliance shall be considered to be
6 met if the department of social services receives from the landlord a
7 signed statement stating that the rental unit is in compliance with
8 local housing codes and that statement is not contradicted by the
9 recipient and the local housing authority. The landlord also shall
10 provide to the department a signed statement indicating who currently
11 owns the property and whether any delinquent taxes are owed.

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

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

26 (4) After October 1, 1994 in order to participate in the rent
27 vendoring programs of the department, a landlord shall reduce rents
28 proportionately with the property tax relief obtained on the rental
29 property as enacted by the legislature.

30 Sec. 602. From the funds appropriated in section 101 for aid to

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

11 Sec. 603. The department, together with other agencies, may
12 establish special projects to provide special needs shelter payment
13 levels for the program of aid to families with dependent children that
14 will support the development of transitional shelter facilities for
15 homeless families. These facilities are to provide supportive services
16 to families and to support the development of permanent low-income
17 housing.

18 Sec. 604. Family assistance shall be provided in instances where
19 aid to families with dependent children eligibility could not be met,
20 pursuant to eligibility policies established by the department.

21 Sec. 605. (1) The department of social services shall operate a
22 state disability assistance program. Persons eligible for this program
23 shall include needy persons 18 years of age or older, or emancipated
24 minors, who meet 1 or more of the following requirements:

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

27 (b) A person with a physical or mental impairment other than
28 substance abuse which meets federal SSI disability standards, except
29 that the minimum duration of the disability shall be 90 days.

30 (c) A resident of an adult foster care facility, a home for the

1 aged, a county infirmary, or a substance abuse treatment center.

2 (d) A person receiving 30-day postresidential substance abuse
3 treatment.

4 (e) A person receiving special education services through the
5 local intermediate school district.

6 (f) A caretaker of a disabled person as defined in subdivision
7 (a), (b), or (e) above.

8 (2) Applicants for and recipients of the state disability
9 assistance program shall be considered needy if they:

10 (a) Possess nonexempt resources of \$1,000.00 or less.

11 (b) Own no more than 1 automobile, with an equity value of
12 \$1,500.00 or less.

13 (c) Have a monthly budgetable income that is less than the payment
14 standards.

15 Sec. 606. The level of reimbursement provided to state disability
16 assistance recipients in licensed adult foster care facilities shall
17 be the same as the prevailing supplemental security income rate under
18 the personal care category.

19 Sec. 607. County departments of social services shall require
20 each recipient of state disability and state family assistance who has
21 applied with the social security administration for supplemental
22 security income to sign a contract to repay any assistance rendered
23 through the state disability assistance and state family assistance
24 programs upon receipt of retroactive supplemental security income
25 benefits.

26 Sec. 608. The department of social services' ability to satisfy
27 appropriation deductions in section 101 for state disability
28 assistance/supplemental security income recoveries and public
29 assistance recoupment revenues shall not be limited to recoveries and
30 accruals pertaining to state disability assistance, state family

1 assistance, or aid to families with dependent children grant payments
2 provided only in the current fiscal year, but shall include all
3 related net recoveries received during the current fiscal year.

4 Sec. 609. Adult foster care facilities providing domiciliary care
5 or personal care to residents receiving supplemental security income
6 or homes for the aged serving residents receiving supplemental
7 security income shall not require those residents to reimburse the
8 home or facility for care at rates in excess of those legislatively
9 authorized.

10 Sec. 610. (1) The department, as it determines is appropriate,
11 shall enter into agreements with energy providers by which cash
12 assistance recipients and the energy providers agree to permit the
13 department to make direct payments to the energy providers on behalf
14 of the recipient. The payments may include heat and electric payment
15 requirements from recipient grants and amounts in excess of the
16 payment requirements.

17 (2) Assuming available fiscal year 1994-95 federal LIEAP funds of
18 \$82.7 million plus carryforward, the energy caps shall be \$160.00 for
19 natural gas, wood, and electric heat service, \$300.00 for deliverable
20 fuel heat services, and \$250.00 for electric service. If a smaller
21 federal LIEAP award is available, the program will be modified to
22 ensure that expenditures do not exceed the general fund/general
23 purpose energy assistance related appropriations in both the
24 departments of social services and treasury. If a larger federal LIEAP
25 award is available, the caps may be adjusted upward to reflect
26 available revenue.

27 Sec. 611. A provider utility shall be entitled to recover in its
28 rates all qualifying costs incurred pursuant to an agreement between
29 the provider utility and the department for the payment of all or part
30 of assisted households' heating and electric service bills. Qualifying

1 costs shall include prudently incurred costs for incentives,
2 forgiveness, and energy conservation program development and operation
3 costs and the cost of capital incurred for assisted household
4 arrearages held by the provider utility. All such qualifying costs
5 incurred from program years beginning after October 1, 1994 shall be
6 subject to deferred accounting and recovery through a general rate
7 case application or shall be subject to timely recovery through
8 separate limited purpose rate proceedings.

9 Sec. 612. The protected income level for medicaid coverage
10 determined pursuant to section 106(1)(b)(iii) of the social welfare
11 act, Act No. 280 of the Public Acts of 1939, being section 400.106 of
12 the Michigan Compiled Laws, shall be 100% of the related public
13 assistance standard.

14 Sec. 613. The department shall make available publications on the
15 federal earned income tax credit to AFDC recipients.

16 Sec. 614. (1) From the funds appropriated in section 101 for
17 state emergency relief, if the recipient receives the money for the
18 purpose of mortgage payments, land contract payments, or property tax
19 payments, or home repairs, the department shall not make the payment
20 unless the recipient agrees to give the department a lien on his or
21 her real property in the amount of total payments made by the
22 department in excess of \$250.00.

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

25 Sec. 615. (1) The department shall require that a grantee of aid
26 to families with dependent children or state family assistance provide
27 proof that their minor children have received all immunizations as
28 recommended by the department of public health. If the department has
29 not received proof from a particular recipient household within 3
30 months after the effective date of this provision, the department

1 shall reduce the grant to the household by \$25.00. The department
2 shall apply for any federal waiver necessary to implement this
3 section.

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

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

12 **MEDICAL SERVICES**

13 Sec. 701. The department of social services shall provide an
14 administrative procedure for the review of grievances by medical
15 assistance providers with regard to reimbursement under the medical
16 assistance program. Settlements of properly submitted cost reports
17 shall be paid not later than 9 months from receipt of the final
18 report.

19 Sec. 702. An institutional provider that is required to submit a
20 cost report under the medicaid program shall submit cost reports
21 completed in full within 90 days after the end of its fiscal year.

22 Sec. 703. For care provided to medicaid recipients with other
23 third party sources of payment, medicaid reimbursement shall not
24 exceed, in combination with such other resources, including medicare,
25 those amounts established for medicaid-only patients. The medicaid
26 payment rate shall be accepted as payment in full. Other than an
27 approved medicaid copayment, no portion of a provider's charge shall
28 be billed to the recipient or any person acting on behalf of the
29 recipient. Nothing in this section shall be deemed to affect the level
30 of payment from a third party source other than medicaid. The

1 department shall require a nonenrolled provider to accept medicaid
2 payments as payment in full.

3 Sec. 704. From the funds appropriated in section 101 for the
4 medical services administration, the department of social services
5 shall provide for an inpatient hospital prior authorization and
6 on-site review system.

7 Sec. 705. (1) The pharmaceutical dispensing fee shall be a
8 maximum of \$3.72 effective October 1, 1994. If a recipient is 21
9 years of age or older, the department shall require a \$1.00 per
10 prescription client copayment, except as prohibited by federal or
11 state law or regulation.

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

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

19 Sec. 706. The maximum limits on payments under the medicaid
20 program, established in conformance with title XIX of the social
21 security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f and
22 1396i to 1396u, shall be disclosed only to persons directly
23 responsible for the administration of the medicaid program, except
24 that persons responsible for establishing individual prices on prior
25 authorized items may release approved prices to the prospective
26 provider.

27 Sec. 707. The cost of remedial services incurred by residents of
28 licensed adult foster care homes and licensed homes for the aged shall
29 be used in determining financial eligibility for the medically needy.
30 Remedial services means those services which produce the maximum

1 reduction of physical and mental limitations and restoration of an
2 individual to his or her best functional level. At a minimum, remedial
3 services include basic self-care and rehabilitation training for a
4 resident.

5 Sec. 708. Medicaid adult dental services shall continue at the
6 level in effect on October 1, 1991.

7 Sec. 709. Medicaid podiatric services shall continue at the level
8 in effect on October 1, 1991, except that reasonable utilization
9 limitations may be adopted in order to prevent excess utilization.

10 Sec. 710. Medicaid chiropractic services shall continue at the
11 level in effect on September 30, 1990, except that reasonable
12 utilization limitations may be adopted in order to prevent excess
13 utilization.

14 Sec. 711. (1) From the funds appropriated in section 101 for
15 hospital services and therapy, the department, subject to the
16 requirements and limitations in this section, shall establish a
17 funding pool of up to \$64,300,000.00 for the purpose of enhancing the
18 aggregate payment for medicaid hospital outpatient services. Such
19 payments, if any, may be made as a gross adjustment to hospital
20 outpatient payments or by another mechanism or schedule as determined
21 by the department, which meets the intent of this section.

22 (2) For counties with populations in excess of 2,000,000 persons,
23 the department shall distribute \$34,760,000.00 to hospitals if
24 \$15,002,400.00 is received by the state from such counties, which
25 meets the criteria of an allowable state matching share as determined
26 by applicable federal laws and regulations. If the state receives a
27 lesser sum of an allowable state matching share from these counties,
28 the amount distributed shall be reduced accordingly. In addition, the
29 department may distribute up to an additional \$16,240,000.00 to
30 hospitals in these counties, with the state's share funded by the

1 department's GF/GP authorization. The amount distributed, if any, to
2 any given hospital in these counties shall be based on a formula
3 determined by the department.

4 (3) For counties with populations less than 2,000,000 persons, the
5 department shall distribute \$13,300,000.00 in the aggregate to
6 hospitals if \$5,740,300.00 is received by the state in total from
7 counties other than those meeting the population criteria in
8 subsection (2) in revenue which meets the criteria of an allowable
9 state matching share. If the state receives a lesser sum of an
10 allowable state matching share, the amount to be distributed shall be
11 reduced accordingly. The amount to be distributed, if any, to any
12 given hospital shall be based on a formula determined by the
13 department.

14 Sec. 712. (1) From the funds appropriated in section 101 for the
15 indigent medical care program, the department shall establish a
16 program which provides for the basic health care needs of indigent
17 persons as delineated in the following subsections.

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

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

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

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

30 (4) The program shall provide for the following minimum level of

1 services for enrolled individuals:

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

4 (b) Diagnostic laboratory and X-ray services.

5 (c) Pharmaceutical services.

6 Sec. 713. The department may develop a plan to deliver medicaid
7 psychiatric services through a managed care system. In developing this
8 plan, the department shall consult with the department of mental
9 health, community mental health boards, medicaid recipients or
10 representatives of medicaid recipients, providers and other interested
11 parties. The department shall submit its plan to the senate and house
12 appropriations subcommittees on social services.

13 Sec. 714. The department may require medicaid recipients to
14 receive psychiatric services through a managed care system.

15 Sec. 715. The department shall continue to implement the
16 physician sponsor plan and shall require aid to families with
17 dependent children recipients residing in counties offering managed
18 care options to choose the particular managed care plan in which they
19 wish to be enrolled. Persons not expressing a preference shall be
20 randomly assigned to a managed care program.

21 Sec. 716. (1) The department shall not preauthorize or in any way
22 restrict single-source pharmaceutical products except those
23 single-source pharmaceuticals that have been subject to prior
24 authorization by the department prior to January 1, 1992 and those
25 single-source pharmaceuticals within the categories specified in
26 section 1927(d)(2) of the social security act, 42 U.S.C. 1396s(d), or
27 for the reasons delineated in section 1927(d)(3) of the social
28 security act.

29 (2) The department shall implement drug utilization review and
30 monitoring programs that may cover renewals of prescriptions of single

1 source pharmaceuticals. Such programs shall have physician oversight
2 through the drug utilization and review board to ensure proper
3 determinations.

4 Sec. 717. From the funds appropriated in section 101 for maternal
5 and child health services, the department shall make a grant of
6 \$53,000.00 to pregnancy services of Michigan.

7 Sec. 718. The department shall assure that all eligible children
8 assigned to medicaid managed care programs have timely access to early
9 and periodic screening, diagnosis, and treatment (EPSDT) services as
10 required by federal law.

11 Sec. 719. (1) The department of social services is authorized to
12 pursue reimbursement for eligible services provided in Michigan
13 schools from the federal medicaid program. The department and the
14 department of management and budget are authorized to negotiate and
15 enter into agreements, together with the department of education, with
16 local and intermediate school districts regarding the sharing of
17 federal medicaid funds received for these services. The department is
18 authorized to receive and disburse funds to participating school
19 districts pursuant to such agreements and state and federal law.

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

23 (a) Finance activities within the medical assistance
24 administration related to this project.

25 (b) Fund from section 101 new costs in the departments of
26 education, public health, mental health and management and budget for
27 expenses incurred by those departments related to this program.

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

1 (d) Offset general fund costs associated with the medicaid
2 program.

3 (3) The department shall not make distributions from the funds
4 provided for this purpose in section 101 until it has filed the
5 necessary state plan amendments, made required notifications, received
6 an indication of approval from the health care financing
7 administration, and received approval from the department of
8 management and budget.

9 Sec. 720. The department is authorized to make payments on behalf
10 of children enrolled under the healthy kids program from the line item
11 appropriation associated with the program, or from other medical
12 services line item appropriations provided for specific health care
13 services.

14 Sec. 721. The department may establish a \$2.00 copayment
15 requirement under the medicaid program for all nonemergency services
16 provided in a hospital emergency room. This section does not apply to
17 services provided in nonemergency clinics located in hospitals.

18 Sec. 722. The community mental health adjustor appropriation in
19 section 101 may be increased if the department submits a medicaid
20 state plan amendment pertaining to this reimbursement at a level
21 higher than the appropriation and receives an indication of approval
22 of the amendment from the health care financing administration. The
23 department is authorized to appropriately adjust financing sources in
24 accordance with the increased appropriation.