



# SENATE BILL No. 535

## EXECUTIVE BUDGET BILL

March 25, 1993, Introduced by Senators GEAKE and SCHWARZ 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 years ending September 30, 1994 and 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

1 services and certain state purposes related to public welfare services  
2 for the fiscal year ending September 30, 1994, from the following  
3 funds:

4 DEPARTMENT OF SOCIAL SERVICES

5	Full-time equated classified positions . . . . .	13,579.3
6	Full-time equated unclassified positions . . . . .	6.0
7	Total full-time equated positions . . . . .	13,573.3
8	GROSS APPROPRIATION . . . . .	\$7,117,880,300
9	Interdepartmental grant revenues:	
10	Total interdepartmental grants and	
11	intradepartmental transfers . . . . .	538,800
12	ADJUSTED GROSS APPROPRIATION . . . . .	\$7,117,341,500
13	Federal revenues:	
14	Total federal revenues . . . . .	3,822,663,500
15	Special revenue funds:	
16	Total private revenues . . . . .	9,570,700
17	Total local revenues . . . . .	372,197,200
18	Total other state restricted revenues . . . . .	696,049,300
19	State general fund/general purpose . . . . .	\$2,216,860,800
20	EXECUTIVE OPERATIONS	
21	Total full-time equated positions . . . . .	1,161.1
22	Full-time equated unclassified positions . . . . .	6.0
23	Full-time equated classified positions . . . . .	1,155.1
24	Director--1.0 FTE positions . . . . .	\$ 87,700
25	Unclassified salaries--5.0 FTE positions . . . . .	336,500
26	Salaries and wages--1,088.5 FTE positions . . . . .	43,899,900
27	Contractual services, supplies, and materials . . . . .	6,862,200
28	Demonstration projects--39.6 FTE positions . . . . .	7,477,900

1	Health and welfare data center equipment . . . .	13,853,200
2	ASSIST project--27.0 FTE positions . . . . .	20,019,400
3	Data system enhancement . . . . .	16,253,100
4	Inspector general contracts . . . . .	<u>3,036,800</u>
5	GROSS APPROPRIATION . . . . .	\$ 111,826,700
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG-ADP user fees . . . . .	150,000
9	Federal revenues:	
10	Total federal revenues . . . . .	64,085,200
11	Special revenue funds:	
12	Total private revenues . . . . .	921,600
13	Total local revenues . . . . .	200,000
14	Licensing fees . . . . .	439,000
15	State general fund/general purpose . . . . .	\$ 46,030,900
16	CENTRAL SUPPORT ACCOUNTS	
17	Full-time equated classified positions . . (200.0)	
18	Compensation savings--(200.0 FTE positions) . .	\$ (8,826,400)
19	Rent . . . . .	38,040,200
20	Occupancy charge . . . . .	4,110,100
21	Travel . . . . .	6,891,600
22	Equipment . . . . .	3,672,100
23	Workers' compensation . . . . .	4,313,100
24	Advisory commissions . . . . .	17,900
25	Payroll taxes and fringe benefits . . . . .	<u>215,932,800</u>
26	GROSS APPROPRIATION . . . . .	\$ 264,151,400
27	Appropriated from:	
28	Federal revenues:	

1	Total federal revenues . . . . .	145,254,200
2	State general fund/general purpose . . . . .	\$ 118,897,200
3	MEDICAL SERVICES ADMINISTRATION	
4	Full-time equated classified positions . . .	501.6
5	Salaries and wages--501.6 FTE positions . . . .	\$ 18,410,800
6	Contractual services, supplies, and materials .	17,677,900
7	Data processing contractual services . . . . .	100
8	Facility inspection contract - department of	
9	state police . . . . .	132,800
10	State police computer records . . . . .	<u>307,900</u>
11	GROSS APPROPRIATION . . . . .	\$ 36,529,500
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues . . . . .	21,283,600
15	State general fund/general purpose . . . . .	\$ 15,245,900
16	FAMILY SERVICES ADMINISTRATION	
17	Full-time equated classified positions . . .	421.7
18	Salaries and wages--314.5 FTE positions . . . .	\$ 12,091,600
19	Contractual services, supplies, and materials .	6,253,100
20	Child support enforcement system--4.0 FTE	
21	positions . . . . .	19,538,600
22	Child support incentive payments . . . . .	30,126,200
23	Legal support contracts . . . . .	45,192,300
24	State incentive payments . . . . .	3,879,000
25	Food stamp issuance . . . . .	5,657,200
26	Immigration legalization assistance program . .	500,000
27	High school completion project--4.0 FTE positions	277,700
28	Wage match contract . . . . .	1,795,000

1	Supplemental security income advocacy for mental	
2	health--39.2 FTE positions . . . . .	2,287,400
3	Training and staff development--60.0 FTE	
4	positions . . . . .	<u>4,652,500</u>
5	GROSS APPROPRIATION . . . . .	\$ 132,250,600
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	Interdepartmental grant from the department of	
9	mental health . . . . .	388,800
10	ADJUSTED GROSS APPROPRIATION . . . . .	\$ 131,861,800
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues . . . . .	111,529,400
14	State general fund/general purpose . . . . .	\$ 20,332,400
15	CHILD AND FAMILY SERVICES	
16	Full-time equated classified positions . . . . .	245.0
17	Refugee assistance program--12.0 FTE positions . . . . .	\$ 6,669,200
18	Adult home help . . . . .	94,209,500
19	Delinquency prevention and treatment	
20	projects--2.0 FTE positions . . . . .	8,161,700
21	Intercountry adoptions contracts . . . . .	754,300
22	County juvenile officers . . . . .	3,355,700
23	Foster care payments . . . . .	219,588,000
24	Adoption subsidies . . . . .	51,052,900
25	Child care fund . . . . .	32,735,500
26	Children's benefit fund donations . . . . .	21,000
27	Teenage parent counseling--3.0 FTE positions . . . . .	2,403,500
28	Family preservation services--4.0 FTE positions . . . . .	20,331,700

1	Child abuse and neglect programming . . . . .	6,227,500
2	Privately funded activities . . . . .	2,706,400
3	Black child and family institute . . . . .	100,000
4	Intensive community supervision . . . . .	120,300
5	Attorney general contract . . . . .	1,000,600
6	Communities first program . . . . .	500,000
7	County shelters . . . . .	1,200,000
8	Day care services . . . . .	106,998,200
9	Operations--86.3 FTE positions . . . . .	4,710,300
10	Employment and training services--132.7 FTE	
11	positions . . . . .	62,242,400
12	Adult support services . . . . .	1,944,900
13	Domestic violence and rape prevention	
14	services--2.0 FTE positions . . . . .	4,830,400
15	Children's trust fund grants and	
16	services--3.0 FTE positions . . . . .	<u>2,110,300</u>
17	GROSS APPROPRIATION . . . . .	\$ 633,974,300
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues . . . . .	323,695,900
21	Special revenue funds:	
22	Private-children's benefit fund donations . . .	20,400
23	Private-intercountry adoption agency	
24	contributions . . . . .	754,900
25	Private-collections . . . . .	3,376,600
26	Private-foundation funds . . . . .	1,510,200
27	Local funds - county payback . . . . .	24,113,000
28	Local funds . . . . .	9,811,700

1	Children's trust fund . . . . .	1,810,300
2	state general fund/general purpose . . . . .	\$ 268,881,300
3	RESIDENTIAL CARE DIVISION	
4	Full-time equated classified positions . .	1,056.9
5	Fuel and utilities . . . . .	\$ 1,404,900
6	Maintenance operating projects . . . . .	911,900
7	Community residential care programs--123.7 FTE	
8	positions . . . . .	6,625,600
9	W.J. Maxey memorial fund . . . . .	45,000
10	Juvenile crime package operations--15.5 FTE	
11	positions . . . . .	5,220,600
12	Operations--716.1 FTE positions . . . . .	45,463,900
13	Detention facilities and services--201.6	
14	FTE positions . . . . .	<u>12,950,700</u>
15	GROSS APPROPRIATION . . . . .	\$ 72,622,600
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues . . . . .	5,468,300
19	Special revenue funds:	
20	Total private revenues . . . . .	45,000
21	Local funds - county payback . . . . .	32,704,900
22	State general fund/general purpose . . . . .	\$ 34,404,400
23	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD	
24	Full-time equated classified positions .	10,358.0
25	Family and children's services, salaries	
26	and wages--1759.8 FTE positions . . . . .	\$ 63,634,400
27	Assistance payments, salaries and wages--4312.2	
28	FTE positions . . . . .	138,236,500

1	Adult services, salaries and wages--1262.2 FTE	
2	positions . . . . .	44,940,400
3	Volunteer reimbursement . . . . .	1,877,000
4	Family based alternatives--50.0 FTE positions .	3,468,000
5	Outstationed eligibility workers--80.0 FTE	
6	positions . . . . .	4,903,700
7	Local office operations management and	
8	support--2796.4 FTE positions . . . . .	111,001,900
9	Volunteer services and reimbursement--97.4 FTE	
10	positions . . . . .	<u>3,496,500</u>
11	GROSS APPROPRIATION . . . . .	\$ 371,558,400
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues . . . . .	198,583,600
15	Special revenue funds:	
16	Local funds - donated funds . . . . .	193,100
17	Private-hospital contributions . . . . .	2,442,000
18	State general fund/general purpose . . . . .	\$ 170,339,700
19	PUBLIC ASSISTANCE	
20	Full-time equated classified positions . . . 35.0	
21	Aid to families with dependent children payments	\$1,273,328,300
22	Family assistance payments . . . . .	9,471,500
23	State disability assistance payments . . . . .	29,130,000
24	State supplementation . . . . .	62,877,200
25	Personal care services . . . . .	19,560,800
26	Low income energy assistance program--35.0 FTE	
27	positions . . . . .	82,700,000
28	State emergency relief . . . . .	<u>35,986,700</u>



1	GROSS APPROPRIATION . . . . .	\$1,513,054,500
2	Appropriated from:	
3	Federal revenues:	
4	Total federal revenues . . . . .	710,696,900
5	Special revenue funds:	
6	Child support collections . . . . .	180,100,000
7	Supplemental security income recoveries . . . . .	8,300,000
8	Public assistance recoupment revenue . . . . .	6,000,000
9	State general fund/general purpose . . . . .	\$ 607,957,600
10	MEDICAL SERVICES	
11	Hospital services and therapy . . . . .	\$1,248,308,400
12	Hospital disproportionate share payments . . . . .	45,000,000
13	Physician services . . . . .	319,230,300
14	Medicare premium payments . . . . .	75,000,000
15	Pharmaceutical services . . . . .	276,325,800
16	Home health services . . . . .	20,944,200
17	Transportation . . . . .	7,266,800
18	Auxiliary medical services . . . . .	58,634,300
19	Nursing home services . . . . .	595,312,400
20	Chronic care units and county medical care	
21	facilities . . . . .	161,678,300
22	Health maintenance organizations . . . . .	312,361,100
23	Early periodic screening, diagnosis, and	
24	treatment--department of public health . . . . .	4,800,000
25	Maternal and child health . . . . .	6,424,500
26	Indigent medical care program . . . . .	18,690,000
27	School based services . . . . .	10,000,000
28	Government operated long-term care facilities .	277,089,800

1	University of Michigan hospital . . . . .	489,000,000
2	Healthy kids . . . . .	<u>55,846,400</u>
3	GROSS APPROPRIATION . . . . .	\$3,981,912,300
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues . . . . .	2,242,066,400
7	Special revenue funds:	
8	Local funds - county payback . . . . .	283,674,500
9	Local funds . . . . .	21,500,000
10	Intergovernmental transfer . . . . .	489,000,000
11	Private contributions . . . . .	500,000
12	Special purpose-public Act 219 of 1987 . . . . .	10,400,000
13	State general fund/general purpose . . . . .	\$ 934,771,400

1 Sec. 102. There is appropriated for the department of social  
2 services and certain state purposes related to public welfare services  
3 for the fiscal year ending September 30, 1995, from the following  
4 funds:

5 DEPARTMENT OF SOCIAL SERVICES

6 Full-time equated classified positions . 13,579.3  
7 Full-time equated unclassified positions . . . 6.0  
8 Total full-time equated positions . . . 13,573.3  
9 GROSS APPROPRIATION . . . . . \$7,117,880,300

10 Interdepartmental grant revenues:

11 Total interdepartmental grants and  
12 intradepartmental transfers . . . . . 538,800  
13 ADJUSTED GROSS APPROPRIATION . . . . . \$7,117,341,500

14 Federal revenues:

15 Total federal revenues . . . . . 3,822,663,500

16 Special revenue funds:

17 Total private revenues . . . . . 9,570,700  
18 Total local revenues . . . . . 372,197,200  
19 Total other state restricted revenues . . . . . 696,049,300  
20 State general fund/general purpose . . . . . \$2,216,860,800

21 EXECUTIVE OPERATIONS

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

1	Demonstration projects--39.6 FTE positions . . .	7,477,900
2	Health and welfare data center equipment . . . .	13,853,200
3	ASSIST project--27.0 FTE positions . . . . .	20,019,400
4	Data system enhancement . . . . .	16,253,100
5	Inspector general contracts . . . . .	<u>3,036,800</u>
6	GROSS APPROPRIATION . . . . .	\$ 111,826,700
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG-ADP user fees . . . . .	150,000
10	Federal revenues:	
11	Total federal revenues . . . . .	64,085,200
12	Special revenue funds:	
13	Total private revenues . . . . .	921,600
14	Total local revenues . . . . .	200,000
15	Licensing fees . . . . .	439,000
16	State general fund/general purpose . . . . .	\$ 46,030,900
17	CENTRAL SUPPORT ACCOUNTS	
18	Full-time equated classified positions . . (200.0)	
19	Compensation savings--(200.0 FTE positions) . .	\$ (8,826,400)
20	Rent . . . . .	38,040,200
21	Occupancy charge . . . . .	4,110,100
22	Travel . . . . .	6,891,600
23	Equipment . . . . .	3,672,100
24	Workers' compensation . . . . .	4,313,100
25	Advisory commissions . . . . .	17,900
26	Payroll taxes and fringe benefits . . . . .	<u>215,932,800</u>
27	GROSS APPROPRIATION . . . . .	\$ 264,151,400
28	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues . . . . .	145,254,200
3	State general fund/general purpose . . . . .	\$ 118,897,200
4	MEDICAL SERVICES ADMINISTRATION	
5	Full-time equated classified positions . . .	501.6
6	Salaries and wages--501.6 FTE positions . . . .	\$ 18,410,800
7	Contractual services, supplies, and materials .	17,677,900
8	Data processing contractual services . . . . .	100
9	Facility inspection contract - department of	
10	state police . . . . .	132,800
11	State police computer records . . . . .	<u>307,900</u>
12	GROSS APPROPRIATION . . . . .	\$ 36,529,500
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues . . . . .	21,283,600
16	State general fund/general purpose . . . . .	\$ 15,245,900
17	FAMILY SERVICES ADMINISTRATION	
18	Full-time equated classified positions . . .	421.7
19	Salaries and wages--314.5 FTE positions . . . .	\$ 12,091,600
20	Contractual services, supplies, and materials .	6,253,100
21	Child support enforcement system--4.0 FTE	
22	positions . . . . .	19,538,600
23	Child support incentive payments . . . . .	30,126,200
24	Legal support contracts . . . . .	45,192,300
25	State incentive payments . . . . .	3,879,000
26	Food stamp issuance . . . . .	5,657,200
27	Immigration legalization assistance program . .	500,000
28	High school completion project--4.0 FTE positions	277,700

1	Wage match contract . . . . .	1,795,000
2	Supplemental security income advocacy for mental	
3	health--39.2 FTE positions . . . . .	2,287,400
4	Training and staff development--60.0 FTE	
5	positions . . . . .	<u>4,652,500</u>
6	GROSS APPROPRIATION . . . . .	\$ 132,250,600
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from the department of	
10	mental health . . . . .	388,800
11	ADJUSTED GROSS APPROPRIATION . . . . .	\$ 131,861,800
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues . . . . .	111,529,400
15	State general fund/general purpose . . . . .	\$ 20,332,400
16	CHILD AND FAMILY SERVICES	
17	Full-time equated classified positions . . . 245.0	
18	Refugee assistance program--12.0 FTE positions .	\$ 6,669,200
19	Adult home help . . . . .	94,209,500
20	Delinquency prevention and treatment	
21	projects--2.0 FTE positions . . . . .	8,161,700
22	Intercountry adoptions contracts . . . . .	754,300
23	County juvenile officers . . . . .	3,355,700
24	Foster care payments . . . . .	219,588,000
25	Adoption subsidies . . . . .	51,052,900
26	Child care fund . . . . .	32,735,500
27	Children's benefit fund donations . . . . .	21,000
28	Teenage parent counseling--3.0 FTE positions . .	2,403,500

1	Family preservation services--4.0 FTE positions	20,331,700
2	Child abuse and neglect programming . . . . .	6,227,500
3	Privately funded activities . . . . .	2,706,400
4	Black child and family institute . . . . .	100,000
5	Intensive community supervision . . . . .	120,300
6	Attorney general contract . . . . .	1,000,600
7	Communities first program . . . . .	500,000
8	County shelters . . . . .	1,200,000
9	Day care services . . . . .	106,998,200
10	Operations--86.3 FTE positions . . . . .	4,710,300
11	Employment and training services--132.7 FTE	
12	positions . . . . .	62,242,400
13	Adult support services . . . . .	1,944,900
14	Domestic violence and rape prevention	
15	services--2.0 FTE positions . . . . .	4,830,400
16	Children's trust fund grants and	
17	services--3.0 FTE positions . . . . .	<u>2,110,300</u>
18	GROSS APPROPRIATION . . . . .	\$ 633,974,300
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues . . . . .	323,695,900
22	Special revenue funds:	
23	Private-children's benefit fund donations . . .	20,400
24	Private-intercountry adoption agency	
25	contributions . . . . .	754,900
26	Private-collections . . . . .	3,376,600
27	Private-foundation funds . . . . .	1,510,200
28	Local funds - county payback . . . . .	24,113,000

1	Local funds . . . . .	9,811,700
2	Children's trust fund . . . . .	1,810,300
3	State general fund/general purpose . . . . .	\$ 268,881,300
4	RESIDENTIAL CARE DIVISION	
5	Full-time equated classified positions . . . . .	1,056.9
6	Fuel and utilities . . . . .	\$ 1,404,900
7	Maintenance operating projects . . . . .	911,900
8	Community residential care programs--123.7 FTE	
9	positions . . . . .	6,625,600
10	W.J. Maxey memorial fund . . . . .	45,000
11	Juvenile crime package operations--15.5 FTE	
12	positions . . . . .	5,220,600
13	Operations--716.1 FTE positions . . . . .	45,463,900
14	Detention facilities and services--201.6	
15	FTE positions . . . . .	<u>12,950.700</u>
16	GROSS APPROPRIATION . . . . .	\$ 72,622,600
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues . . . . .	5,468,300
20	Special revenue funds:	
21	Total private revenues . . . . .	45,000
22	Local funds - county payback . . . . .	32,704,900
23	State general fund/general purpose . . . . .	\$ 34,404,400
24	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD	
25	Full-time equated classified positions . . . . .	10,358.0
26	Family and children's services, salaries	
27	and wages--1759.8 FTE positions . . . . .	\$ 63,634,400
28	Assistance payments, salaries and wages--4312.2	



1	FTE positions . . . . .	138,236,500
2	Adult services, salaries and wages--1262.2 FTE	
3	positions . . . . .	44,940,400
4	Volunteer reimbursement . . . . .	1,877,000
5	Family based alternatives--50.0 FTE positions .	3,468,000
6	Outstationed eligibility workers--80.0 FTE	
7	positions . . . . .	4,903,700
8	Local office operations management and	
9	support--2796.4 FTE positions . . . . .	111,001,900
10	Volunteer services and reimbursement--97.4 FTE	
11	positions . . . . .	<u>3,496,500</u>
12	GROSS APPROPRIATION . . . . .	\$ 371,558,400
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues . . . . .	198,583,600
16	Special revenue funds:	
17	Local funds - donated funds . . . . .	193,100
18	Private-hospital contributions . . . . .	2,442,000
19	State general fund/general purpose . . . . .	\$ 170,339,700
20	PUBLIC ASSISTANCE	
21	Full-time equated classified positions . . . 35.0	
22	Aid to families with dependent children payments	\$1,273,328,300
23	Family assistance payments . . . . .	9,471,500
24	State disability assistance payments . . . . .	29,130,000
25	State supplementation . . . . .	62,877,200
26	Personal care services . . . . .	19,560,800
27	Low income energy assistance program--35.0 FTE	
28	positions . . . . .	82,700,000

1	State emergency relief . . . . .	<u>35,986.700</u>
2	GROSS APPROPRIATION . . . . .	\$1,513,054,500
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues . . . . .	710,696,900
6	Special revenue funds:	
7	Child support collections . . . . .	180,100,000
8	Supplemental security income recoveries . . . . .	8,300,000
9	Public assistance recoupment revenue . . . . .	6,000,000
10	State general fund/general purpose . . . . .	\$ 607,957,600
11	MEDICAL SERVICES	
12	Hospital services and therapy . . . . .	\$1,248,308,400
13	Hospital disproportionate share payments . . . . .	45,000,000
14	Physician services . . . . .	319,230,300
15	Medicare premium payments . . . . .	75,000,000
16	Pharmaceutical services . . . . .	276,325,800
17	Home health services . . . . .	20,944,200
18	Transportation . . . . .	7,266,800
19	Auxiliary medical services . . . . .	58,634,300
20	Nursing home services . . . . .	595,312,400
21	Chronic care units and county medical care	
22	facilities . . . . .	161,678,300
23	Health maintenance organizations . . . . .	312,361,100
24	Early periodic screening, diagnosis, and	
25	treatment--department of public health . . . . .	4,800,000
26	Maternal and child health . . . . .	6,424,500
27	Indigent medical care program . . . . .	18,690,000
28	School based services . . . . .	10,000,000

1	Government operated long-term care facilities .	277,089,800
2	University of Michigan hospital . . . . .	489,000,000
3	Healthy kids . . . . .	55,846,400
4	GROSS APPROPRIATION . . . . .	\$3,981,912,300
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues . . . . .	2,242,066,400
8	Special revenue funds:	
9	Local funds - county payback . . . . .	283,674,500
10	Local funds . . . . .	21,500,000
11	Intergovernmental transfer . . . . .	489,000,000
12	Private contributions . . . . .	500,000
13	Special purpose-public Act 219 of 1987 . . . . .	10,400,000
14	State general fund/general purpose . . . . .	\$ 934,771,400

1 **GENERAL SECTIONS FOR FY 93/94**

2       Sec. 201. In accordance with the provisions of section 30 of  
3 article IX of the state constitution of 1963, total state spending in  
4 section 101 of this act is \$2,912,910,100.00 and state spending to be  
5 paid to local units of government from section 101 is as follows:

6 **DEPARTMENT OF SOCIAL SERVICES**

7	Child care fund . . . . .	\$ 32,735,500
8	County juvenile officers . . . . .	441,700
9	Adoption subsidies . . . . .	29,304,400
10	Indigent medical program . . . . .	1,145,700
11	State disability and family assistance program	2,366,300
12	Medicaid inpatient and outpatient indigent	
13	volume adjusters . . . . .	26,943,500
14	Medicaid to community mental health clients .	83,343,900
15	TOTAL . . . . .	\$ 176,281,000

16       Sec. 202. The appropriations made and the expenditures authorized  
17 under this act and the institutions, departments, agencies,  
18 commissions, boards, offices, and programs for which an appropriation  
19 is made under this act are subject to the management and budget act,  
20 Act No. 431 of the Public Acts of 1984, being sections 18.1101 to  
21 18.1594 of the Michigan Compiled Laws.

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

1     Sec. 204. The director of the department of management and budget  
2 may make administrative transfers of appropriations for the department  
3 of social services to adjust amounts between the local funds-county  
4 payback line items in section 101. Such transfers shall be made in  
5 compliance with section 393 of Act. No. 431 of the Public Acts of  
6 1984, as amended, being section 18.1393(1) of the Michigan Compiled  
7 Laws.

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

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

22     Sec. 207. The department of social services may retain all of the  
23 state's share of food stamp overissuance collections as an offset to  
24 general fund/general purpose costs. Retained collections shall be  
25 applied against federal funds deducts in all appropriation units where  
26 department costs related to the investigation and recoupment of food  
27 stamp overissuances are incurred. Retained collections in excess of  
28 such costs shall be applied against the federal funds deduct in the

1 executive operations appropriation unit.

2       Sec. 208. (1) Beginning October 1, 1993, there shall be a hiring  
3 freeze imposed on the state classified civil service. State  
4 departments and agencies shall be prohibited from hiring any new full  
5 time state classified civil service employees or prohibited from  
6 filling any vacant state classified civil service positions. This  
7 hiring freeze does not apply to internal transfers of classified  
8 employees from one position to another within a department or to  
9 positions that are funded with 80% or more federal or restricted  
10 funds.

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

19       Sec. 209. The department is authorized to transfer funds from  
20 other accounts in section 101 into the communities first pilot  
21 projects line item in order to support any such pilot projects. Such  
22 transfers shall be subject to the provisions of Act. No. 431 of the  
23 Public Acts of 1984, being section 18.1393 of the Michigan Compiled  
24 Laws.

25       Sec. 210. All savings accruing from reduced contribution rates  
26 for the state employees retirement system shall be unallotted from  
27 appropriation line items as necessary. Such reductions in  
28 contribution rates are contingent upon enactment of amendments to the

1 state employees retirement act of 1943, Act No. 240 of the Public Acts  
2 of 1943, being sections 38.1 to 38.48 of the Michigan Compiled Laws,  
3 including a defined contribution retirement plan for new state  
4 employees within the membership of such plan; changes in funding for  
5 the provision of dental and vision benefits; five year reconciliation  
6 smoothing; use of a 50 year amortization schedule for unfunded  
7 actuarial accrued liabilities; and other amendments to the act. The  
8 director of the department of management and budget shall issue  
9 instructions to all state agencies regarding contribution changes as  
10 they occur.

#### 11 **EXECUTIVE OPERATIONS**

12     Sec. 301. The department shall assess and collect fees in the  
13 licensing and regulation of child care organizations as defined in  
14 Act. No. 116 of the Public Act of 1973, being Sections 722.111 to  
15 722.128 of the Michigan Compiled Laws, and adult foster care  
16 facilities as defined in the adult foster care facility licensing act,  
17 Act. No. 218 of the Public Acts of 1979, being sections 400.701 to  
18 400.737 of the Michigan Compiled Laws. Fees collected by the  
19 department shall not exceed the deduct in section 101 and shall be  
20 used exclusively for the purpose of licensing and regulating child  
21 care organizations and adult foster care facilities.

#### 22 **FAMILY SERVICES ADMINISTRATION**

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

27     (2) At the end of the current fiscal year, the department may,  
28 when it is cost beneficial to the state and counties, withhold from

1 submitting to the federal office of child support administrative  
2 expenses eligible for federal financial participation. The department  
3 may recoup earned but unclaimed federal funds from the resulting  
4 increased federal child support incentive. The recoupment by the  
5 department shall be made prior to distribution of the increased  
6 incentive to the counties. Any incentive funds retained by the state  
7 under this section shall be separate and apart from incentive funds  
8 retained in any other section of this act.

9       Sec. 402. From the funds appropriated in section 101 for legal  
10 support contracts and child support incentive payments, the department  
11 may fund demonstration projects to enhance friend of the court child  
12 support collections efforts for public assistance recipients. Funding  
13 will be from federal title IV-D and federal child support incentives  
14 earned. The projects will be implemented in no more than three  
15 counties. Priority will be given to counties with federal title IV-D  
16 AFDC collections exceeding \$7 million in fiscal year 1992.

17       Sec. 403. The department of social services shall offset the JOBS  
18 federal money going to the Michigan school districts in connection  
19 with the education designed for gainful employment (EDGE) program by  
20 the amount necessary for the Michigan department of social services to  
21 administer the EDGE program. The offset revenue shall be recorded in  
22 the local funds-county payback deduct established for the education  
23 designed for gainful employment program in section 101.

#### 24 **CHILD AND FAMILY SERVICES**

25       Sec. 501. In accordance with section 471(a)(14) of part E of  
26 title IV of the social security act, chapter 531, 49 Stat. 620, 42  
27 U.S.C. 671, the following goal is established by state law. During  
28 the fiscal year ending September 30, 1994, not more than 3,000



1 children supervised by the department of social services shall remain  
2 in foster care longer than 24 months. The department shall give  
3 priority to reducing the number of children under 1 year of age in  
4 foster care.

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

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

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

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

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

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

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

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

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

25 Sec. 508. The funds appropriated in section 101 for communities  
26 first pilot projects are intended to support the inter-agency  
27 implementation of communities first pilots. Funds may be expended by  
28 the departments of social services, public health, mental health and

1 education and the office of services to the aging, as necessary or  
2 appropriate for pilot implementation, in accord with interagency  
3 agreements negotiated by the affected agencies.

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

10     Sec. 510. Where allowable by applicable federal statute or  
11 regulation, the department may receive and expend available federal  
12 funding to enhance or expand community-based programs for at-risk  
13 children and families. Any such enhancement or expansion shall not  
14 result in general fund/general purpose expenditures in excess of  
15 existing general fund/general purpose appropriations for these  
16 purposes.

17     Sec. 511. (1) The department shall competitively bid all new  
18 purchased foster care programs or services.

19     (2) The department shall maintain standard child placing agency  
20 administrative rates for general foster care. The department may pay  
21 cost increments above the standard rate for specialized foster care.

22     Sec. 512. Funds appropriated in section 101 for the child care  
23 fund may be used as the required state match for the purchase of  
24 families first services for clients referred by juvenile courts. For  
25 local offices and courts choosing this option, the in-home portion of  
26 the county child care fund plan must authorize the transfer of funds  
27 from the state child care fund account designated for that county to a  
28 local funds-county payback deduct account associated with the family

1 preservation services appropriation while the involved county is still  
2 beneath their child care fund cap.

3       Sec. 513. (1) In addition to the amount appropriated in section  
4 101, money granted or money received as gifts or donations to the  
5 children's trust fund created by Act. No. 249 of the Public Acts of  
6 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws,  
7 is appropriated for expenditure in an amount not to exceed  
8 \$300,000.00.

9       (2) The state child abuse and neglect prevention board may  
10 initiate a joint project with another state agency to the extent that  
11 the project supports the programmatic goals of both the state child  
12 abuse and neglect prevention board and the state agency. The  
13 department of management and budget may interaccount bill the state  
14 agency for shared costs of a joint project in an amount authorized by  
15 the state agency, and the state child abuse and neglect prevention  
16 board may receive and expend funds for shared costs of a joint project  
17 in addition to those authorized by section 101.

18       Sec. 514. The per diem amounts authorized for the following  
19 boards within the department of management and budget are as follows:

20	(a) Child abuse and neglect prevention board . . . . .	\$	50.00
21	(b) Crime victims compensation board . . . . .		100.00
22	(c) Utility consumer participation board . . . . .		100.00

#### 23 **RESIDENTIAL CARE DIVISION**

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

1 Michigan Compiled Laws.

2 **PUBLIC ASSISTANCE**

3     Sec. 701. (1) The department of social services may terminate a  
4 vendor payment for shelter when a recipient's rental unit is not in  
5 compliance with applicable local housing codes. Compliance shall be  
6 considered to be met if the department of social services receives  
7 from the landlord a signed statement stating that the rental unit is  
8 in compliance with local housing codes, and that statement is not  
9 contradicted by the recipient and the local housing authority. The  
10 landlord also shall provide to the department a signed statement  
11 indicating who currently owns the property and whether any delinquent  
12 taxes are owed.

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

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

27     Sec. 702. The department, together with other agencies, may  
28 establish special projects to provide special needs shelter payment

1 levels for the program of aid to families with dependent children that  
2 will support the development of transitional shelter facilities for  
3 homeless families. These facilities are to provide supportive  
4 services to families and to support the development of permanent  
5 low-income housing.

6       Sec. 703. Family assistance shall be provided in instances where  
7 aid to families with dependent children eligibility could not be met.  
8 The eligibility policies established by the department for state  
9 family assistance families shall be utilized for determining family  
10 assistance eligibility.

11       Sec. 704. County departments of social services shall require  
12 each recipient of state disability and state family assistance who has  
13 applied with the social security administration for supplemental  
14 security income to sign a contract to repay any assistance rendered  
15 through the state disability assistance and state family assistance  
16 programs upon receipt of retroactive supplemental security income  
17 benefits.

18       . Sec. 705. The department of social services' ability to satisfy  
19 appropriation deductions in section 101 for supplemental security  
20 income recoveries shall not be limited to recoveries and accruals  
21 pertaining to state disability assistance, state family assistance, or  
22 aid to families with dependent children grant payments provided only  
23 in the current fiscal year, but shall include all supplemental  
24 security income recoveries received during the current fiscal year.

25       Sec. 706. Adult foster care facilities providing domiciliary care  
26 or personal care to residents receiving supplemental security income  
27 or homes for the aged serving residents receiving supplemental  
28 security income shall not require those residents to reimburse the

1 home or facility for care at rates in excess of those legislatively  
2 authorized.

3     Sec. 707. (1) The department, as it determines is appropriate,  
4 shall enter into agreements with energy providers by which cash  
5 assistance recipients and the energy providers agree to permit the  
6 department to make direct payments to the energy providers on behalf  
7 of the recipient. The payments may include heat and electric payment  
8 requirements from recipient grants and amounts in excess of the  
9 payment requirements.

10     (2) Assuming available fiscal year 1993-94 federal LIEAP funds of  
11 \$77.7 million plus carryforward, the energy caps shall be \$160.00 for  
12 natural gas, wood, and electric heat service, \$300.00 for deliverable  
13 fuel heat services, and \$250.00 for electric service. If a smaller  
14 federal LIEAP award is available, the program will be modified to  
15 ensure that expenditures do not exceed the general fund-general  
16 purpose energy assistance related appropriations in both the  
17 departments of social services and treasury. If a larger federal  
18 LIEAP award is available, the caps may be adjusted upward to reflect  
19 available revenue.

20     Sec. 708. Determined pursuant to section 106(1) (b) (iii) of the  
21 social welfare act, Act. No. 280 of the Public Acts of 1939, being  
22 Section 400.106 of the Michigan Compiled Laws, the protected income  
23 level for medicaid coverage shall be 100% of the related public  
24 assistance standard.

25     Sec. 709. (1) The department of social services shall operate a  
26 state disability assistance program. Persons eligible for this  
27 program shall include needy persons 18 years of age or older, or  
28 emancipated minors, who meet 1 or more of the following requirements:

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

3 (b) A person with a physical and/or mental impairment,  
4 demonstrated by symptoms, laboratory findings, or the results of  
5 generally accepted medical or psychological procedures or tests, which  
6 renders the person incapable of the demands of any remunerative work  
7 for a period of 90 days or more, without regard to the availability of  
8 work in the community.

9 (c) A resident of an adult foster care facility, a home for the  
10 aged, or a substance abuse treatment center.

11 (d) A person receiving 30-day postresidential substance abuse  
12 treatment.

13 (e) A person diagnosed as having acquired immunodeficiency  
14 syndrome or acquired immunodeficiency syndrome related complex.

15 (f) A person receiving special education services through the  
16 local intermediate school district.

17 (g) A caretaker of a disabled person as defined in subdivision  
18 (a), (b), (e), or (f) above.

19 (2) Applicants and recipients for the state disability assistance  
20 program shall be considered needy if they:

21 (a) Possess non-exempt resources of \$250.00 or less.

22 (b) Own 1 automobile with an equity value of \$1,500.00 or less.

23 (c) Has a monthly budgetable income that is less than the payment  
24 standards.

25 Sec. 710. The level of reimbursement provided to state disability  
26 assistance recipients in licensed adult foster care facilities shall  
27 be the same as the prevailing supplemental security income rate under  
28 the personal care category.



1     Sec. 711. A provider utility shall be entitled to recover in its  
2 rates all qualifying costs incurred pursuant to an agreement between  
3 the provider utility and the department for the payment of all or part  
4 of assisted households' heating and electric service bills.  
5 Qualifying costs shall include prudently incurred costs for  
6 incentives, forgiveness, and energy conservation program development  
7 and operation costs and the cost of capital incurred for assisted  
8 household arrearages held by the provider utility. All such  
9 qualifying costs incurred from program years beginning after October  
10 1, 1993 shall be subject to deferred accounting and recovery through a  
11 general rate case application or shall be subject to timely recovery  
12 through separate limited purpose rate proceedings.

13 **MEDICAL SERVICES**

14     Sec. 801. An institutional provider that is required to submit a  
15 cost report under the medicaid program shall submit cost reports  
16 completed in full within 90 days after the end of its fiscal year.

17     Sec. 802. The department of social services shall continue to  
18 implement the physician sponsor plan and shall require aid to families  
19 with dependent children recipients residing in counties offering  
20 managed care options to choose the particular managed care plan in  
21 which they wish to be enrolled. Persons not expressing a preference  
22 shall be randomly assigned to a managed care program.

23     Sec. 803. Medicaid reimbursement for medicaid services shall not  
24 exceed, solely or in combination with other resources, including  
25 medicare, those amounts established for medicaid-only patients. The  
26 medicaid payment rate shall be accepted as payment in full. Other  
27 than an approved medicaid copayment, no portion of a provider's charge  
28 may be billed to the recipient or any person acting on behalf of the

1 recipient. Nothing in this section shall be deemed to affect the level  
2 of payment from a third party source other than medicaid. The  
3 department shall require a non-enrolled provider to accept medicaid  
4 payment as payment in full.

5       Sec. 804. From the funds appropriated in section 101 for medical  
6 services payments, the department of social services shall provide for  
7 an inpatient hospital prior authorization and on-site review system.

8       Sec. 805. The department may require medicaid recipients to  
9 receive psychiatric services through a managed care system.

10       Sec. 806. The department may develop a plan to deliver medicaid  
11 psychiatric services through a managed care system. In developing  
12 this plan, the department shall consult with the department of mental  
13 health, community mental health boards, medicaid recipients or  
14 representatives of medicaid recipients, providers and other interested  
15 parties. The department shall submit its plan to the senate and house  
16 appropriations subcommittees on social services.

17       Sec. 807. The cost of remedial services incurred by residents of  
18 licensed adult foster care homes and licensed homes for the aged shall  
19 be used in determining financial eligibility for the medically needy.  
20 Remedial services means those services which produce the maximum  
21 reduction of physical and mental limitations and restoration of an  
22 individual to his or her best functional level. At a minimum,  
23 remedial services include basic self-care and rehabilitation training  
24 for a resident.

25       Sec. 808. (1) From the funds appropriated in section 101 for the  
26 indigent medical care program, the department shall establish a  
27 program which provides for the basic health care needs of indigent  
28 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 or the state family 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. 809. (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

1 services payments, the department is authorized to:

2 (a) Finance activities within the medical assistance  
3 administration related to this project. Medical services  
4 administration administrative costs for this project will not exceed  
5 \$125,000.

6 (b) Fund from section 101 new costs in the departments of  
7 education, public health, and management and budget for expenses  
8 incurred by those departments related to this program. These costs  
9 will not exceed \$75,000.

10 (c) Reimburse participating school districts pursuant to the fund  
11 sharing ratios negotiated in the state-local agreements authorized in  
12 section 809(1) above.

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

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

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

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

1 the federal health care financing administration: a) medical services;  
2 b) occupational therapy; c) physical therapy; d) speech therapy; e)  
3 nursing services; and f) developmental testing. Payments for all  
4 other services may be paid only upon written approval of the federal  
5 health care financing administration.

6     Sec. 810. The department is authorized to make payments on behalf  
7 of children enrolled under the healthy kids program from the line-item  
8 appropriation associated with the program, or from other medical  
9 services line-item appropriations provided for specific health care  
10 services.

1 GENERAL SECTIONS FOR FY 94/95

2 Sec. 1201. In accordance with the provisions of section 30 of  
3 article IX of the state constitution of 1963, total state spending in  
4 section 102 of this act is \$2,912,910,100.00 and state spending to be  
5 paid to local units of government from section 102 is as follows:

6 DEPARTMENT OF SOCIAL SERVICES

7	Child care fund . . . . .	\$ 32,735,500
8	County juvenile officers . . . . .	441,700
9	Adoption subsidies . . . . .	29,304,400
10	Indigent medical program . . . . .	1,145,700
11	State disability and family assistance program	2,366,300
12	Medicaid inpatient and outpatient indigent	
13	volume adjusters . . . . .	26,943,500
14	Medicaid to community mental health clients .	83,343,900
15	TOTAL . . . . .	\$ 176,281,000

16 Sec. 1202. The appropriations made and the expenditures  
17 authorized under this act and the institutions, departments, agencies,  
18 commissions, boards, offices, and programs for which an appropriation  
19 is made under this act are subject to the management and budget act,  
20 Act No. 431 of the Public Acts of 1984, being sections 18.1101 to  
21 18.1594 of the Michigan Compiled Laws.

22 Sec. 1203. The department of social services may receive and  
23 expend advances or reimbursements from the department of state police  
24 for the administration of the individual and family grant disaster  
25 assistance program. An account shall be established in the department  
26 of social services for this purpose when a disaster is declared. The  
27 authorization and allotment for the account shall be in the amount  
28 advanced or reimbursed from the department of state police.

1     Sec. 1204. The director of the department of management and budget  
2 may make administrative transfers of appropriations for the department  
3 of social services to adjust amounts between the local funds-county  
4 payback line items in section 102. Such transfers shall be made in  
5 compliance with section 393 of Act. No. 431 of the Public Acts of  
6 1984, as amended, being section 18.1393(1) of the Michigan Compiled  
7 Laws.

8     Sec. 1205. When a recipient of assistance funded under this act  
9 is paid more than the amount to which the recipient is legally  
10 entitled, the department of social services shall institute procedures  
11 to recover the overpayment. The department may reduce subsequent  
12 grants in an amount that will ensure repayment of the overpayment.  
13 The director of social services shall establish reasonable limits on  
14 the proportion of the payments that may be deducted, so as not to  
15 cause undue hardship on recipients. The department shall also pursue  
16 recovery of overpayments from recipients and former recipients.

17     Sec. 1206. In addition to funds appropriated in section 102 for  
18 all programs and services, there is appropriated for write-offs of  
19 accounts receivable, deferrals, and disallowances an amount equal to  
20 total write-offs to be expended from an equal appropriation in prior  
21 year revenues.

22     Sec. 1207. The department of social services may retain all of  
23 the state's share of food stamp overissuance collections as an offset  
24 to general fund/general purpose costs. Retained collections shall be  
25 applied against federal funds deducts in all appropriation units where  
26 department costs related to the investigation and recoupment of food  
27 stamp overissuances are incurred. Retained collections in excess of  
28 such costs shall be applied against the federal funds deduct in the

1 executive operations appropriation unit.

2       Sec. 1208. (1) Beginning October 1, 1994, there shall be a hiring  
3 freeze imposed on the state classified civil service.. State  
4 departments and agencies shall be prohibited from hiring any new full-  
5 time state classified civil service employees or prohibited from  
6 filling any vacant state classified civil service positions. This  
7 hiring freeze does not apply to internal transfers of classified  
8 employees from one position to another within a department or to  
9 positions that are funded with 80% or more federal or restricted  
10 funds.

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

19       Sec. 1209. The department is authorized to transfer funds from  
20 other accounts in section 102 into the communities first pilot  
21 projects line item in order to support any such pilot projects. Such  
22 transfers shall be subject to the provisions of Act. No. 431 of the  
23 Public Acts of 1984, being section 18.1393 of the Michigan Compiled  
24 Laws.

25       Sec. 1210. Increases in employee wage compensation which accrue  
26 as a result of savings in group insurance costs in accordance with  
27 terms of valid collective bargaining agreements shall be paid from  
28 appropriation lines in section 102 in which authorization for salary



1 and wage payments are included. If a transfer of appropriations is  
2 necessary to adjust for these increased wage levels, the director of  
3 the department of management and budget may authorize administrative  
4 transfers for this purpose consistent with section 393(1) of Act 431  
5 of the Public Acts of 1984, as amended, being section 18.1393(1) of  
6 the Michigan Compiled Laws.

7     Sec. 1211. All savings accruing from reduced contribution rates  
8 for the state employees retirement system shall be unallotted from  
9 appropriation line items as necessary. Such reductions in  
10 contribution rates are contingent upon enactment of amendments to the  
11 state employees retirement act of 1943, Act No. 240 of the Public Acts  
12 of 1943, being sections 38.1 to 38.48 of the Michigan Compiled Laws,  
13 including a defined contribution retirement plan for new state  
14 employees within the membership of such plan; changes in funding for  
15 the provision of dental and vision benefits; five year reconciliation  
16 smoothing; use of a 50 year amortization schedule for unfunded  
17 actuarial accrued liabilities; and other amendments to the act. The  
18 director of the department of management and budget shall issue  
19 instructions to all state agencies regarding contribution changes as  
20 they occur.

## 21 **EXECUTIVE OPERATIONS**

22     Sec. 1301. The department shall assess and collect fees in the  
23 licensing and regulation of child care organizations as defined in  
24 Act. No. 116 of the Public Act of 1973, being Sections 722.111 to  
25 722.128 of the Michigan Compiled Laws, and adult foster care  
26 facilities as defined in the adult foster care facility licensing act,  
27 Act. No. 218 of the Public Acts of 1979, being sections 400.701 to  
28 400.737 of the Michigan Compiled Laws. Fees collected by the

1 department shall not exceed the deduct in section 102 and shall be  
2 used exclusively for the purpose of licensing and regulating child  
3 care organizations and adult foster care facilities.

#### 4 **FAMILY SERVICES ADMINISTRATION**

5       Sec. 1401. (1) From the federal money received for child support  
6 incentive payments, up to \$7,465,200.00 shall be retained by the state  
7 and expended for legal support contracts, state incentive payments,  
8 and salaries and wages for office of child support staff.

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

19       Sec. 1402. From the funds appropriated in section 102 for legal  
20 support contracts and child support incentive payments, the department  
21 may fund demonstration projects to enhance friend of the court child  
22 support collections efforts for public assistance recipients. Funding  
23 will be from federal title IV-D and federal child support incentives  
24 earned. The projects will be implemented in no more than three  
25 counties. Priority will be given to counties with federal title IV-D  
26 AFDC collections exceeding \$7 million in fiscal year 1992.

27       Sec. 1403. The department of social services shall offset the  
28 JOBS federal money going to the Michigan school districts in

1 connection with the education designed for gainful employment (EDGE)  
2 program by the amount necessary for the Michigan department of social  
3 services to administer the EDGE program. The offset revenue shall be  
4 recorded in the local funds-county payback deduct established for the  
5 education designed for gainful employment program in section 102.

#### 6 CHILD AND FAMILY SERVICES

7 Sec. 1501. In accordance with section 471(a)(14) of part E of  
8 title IV of the social security act, chapter 531, 49 Stat. 620, 42  
9 U.S.C. 671, the following goal is established by state law. During  
10 the fiscal year ending September 30, 1995, not more than 3,000  
11 children supervised by the department of social services shall remain  
12 in foster care longer than 24 months. The department shall give  
13 priority to reducing the number of children under 1 year of age in  
14 foster care.

15 Sec. 1502. From the funds appropriated in section 102 for foster  
16 care, the department of social services shall provide 50%  
17 reimbursement to Indian tribal governments for foster care  
18 expenditures for children who are under the jurisdiction of Indian  
19 tribal courts and who are not otherwise eligible for federal foster  
20 care cost sharing.

21 Sec. 1503. The department of social services shall charge or  
22 cause to be charged a fee for intercountry adoption services. These  
23 fees shall be based on the cost of providing the services, with  
24 reduced fees for low-income families. These fees shall be used to pay  
25 for or contract for personnel and related activities. If it becomes  
26 apparent that the fees will not generate sufficient income to support  
27 the program, the director of social services shall adjust or cause an  
28 adjustment of the fees to permit the program to be self-supporting.

1       Sec. 1504. To achieve a reduction of costs in the adoption  
2 subsidy program, the office of children and family services shall do  
3 all of the following:

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

7       (b) In cooperation with the department of mental health, develop a  
8 model for postplacement including screening of out-of-home placement  
9 adoption services, including the screening and monitoring of  
10 placements in child caring institutions and psychiatric hospitals.

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

16       Sec. 1505. From the funds appropriated in section 102 for foster  
17 care, the office of children and youth services may use funds for  
18 programs to serve children in their own homes or in community-based  
19 services, if the service is in lieu of the children being placed in  
20 foster care or residential care.

21       Sec. 1506. The department of social services' ability to satisfy  
22 appropriation deductions in section 102 for foster care private  
23 collections shall not be limited to collections and accruals  
24 pertaining to services provided in the current fiscal year but shall  
25 include revenues collected in excess of the amount specified in  
26 section 102.

27       Sec. 1507. Notwithstanding section 117a or 117c of the social  
28 welfare act, Act No. 280 of the Public Acts of 1939, being sections

1 400.117a and 400.117c of the Michigan Compiled Laws, the distribution  
2 of collections made to counties by child, parent, guardian, or  
3 custodian, on behalf of children in foster care who are wards of the  
4 county, shall be made pursuant to section 18 (2) of chapter XIIIA of  
5 Act No. 288 of the Public Acts of 1939, being section 712A.18 of the  
6 Michigan Compiled Laws.

7     Sec. 1508. The funds appropriated in section 102 for communities  
8 first pilot projects are intended to support the inter-agency  
9 implementation of communities first pilots. Funds may be expended by  
10 the departments of social services, public health, mental health and  
11 education and the office of services to the aging, as necessary or  
12 appropriate for pilot implementation, in accord with interagency  
13 agreements negotiated by the affected agencies.

14     Sec. 1509. Counties shall be subject to 50% charge back for the  
15 use of alternative regional detention services if they do not fall  
16 under the basic provision of section 117e of the social welfare act,  
17 Act. No. 280 of the Public Acts of 1939 being section 400.117e of the  
18 Michigan Compiled Laws; or if a county operates these programs  
19 primarily with professional rather than volunteer staff.

20     Sec. 1510. Where allowable by applicable federal statute or  
21 regulation, the department may receive and expend available federal  
22 funding to enhance or expand community-based programs for at-risk  
23 children and families. Any such enhancement or expansion shall not  
24 result in general fund/general purpose expenditures in excess of  
25 existing general fund/general purpose appropriations for these  
26 purposes.

27     Sec. 1511. (1) The department shall competitively bid all new  
28 purchased foster care programs or services.

1       (2) The department shall maintain standard child placing agency  
2 administrative rates for general foster care. The department may pay  
3 cost increments above the standard rate for specialized foster care.

4       Sec. 1512. Funds appropriated in section 102 for the child care  
5 fund may be used as the required state match for the purchase of  
6 families first services for clients referred by juvenile courts. For  
7 local offices and courts choosing this option, the in-home portion of  
8 the county child care fund plan must authorize the transfer of funds  
9 from the state child care fund account designated for that county to a  
10 local funds-county payback deduct account associated with the family  
11 preservation services appropriation while the involved county is still  
12 beneath their child care fund cap.

13       Sec. 1513. (1) In addition to the amount appropriated in section  
14 102, money granted or money received as gifts or donations to the  
15 children's trust fund created by Act. No. 249 of the Public Acts of  
16 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws,  
17 is appropriated for expenditure in an amount not to exceed  
18 \$300,000.00.

19       (2) The state child abuse and neglect prevention board may  
20 initiate a joint project with another state agency to the extent that  
21 the project supports the programmatic goals of both the state child  
22 abuse and neglect prevention board and the state agency. The  
23 department of management and budget may interaccount bill the state  
24 agency for shared costs of a joint project in an amount authorized by  
25 the state agency, and the state child abuse and neglect prevention  
26 board may receive and expend funds for shared costs of a joint project  
27 in addition to those authorized by section 102.

28       Sec. 1514. The per diem amounts authorized for the following

boards within the department of management and budget are as follows:

(a) Child abuse and neglect prevention board . . . . .	\$	50.00
(b) Crime victims compensation board . . . . .		100.00
(c) Utility consumer participation board . . . . .		100.00

#### **RESIDENTIAL CARE DIVISION**

Sec. 1601. 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 102 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.

#### **PUBLIC ASSISTANCE**

Sec. 1701. (1) The department of social services 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

1 housing codes, until such time as the local authority indicates in  
2 writing that local housing codes have been met.

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

9       Sec. 1702. The department, together with other agencies, may  
10 establish special projects to provide special needs shelter payment  
11 levels for the program of aid to families with dependent children that  
12 will support the development of transitional shelter facilities for  
13 homeless families. These facilities are to provide supportive  
14 services to families and to support the development of permanent  
15 low-income housing.

16       Sec. 1703. Family assistance shall be provided in instances where  
17 aid to families with dependent children eligibility could not be met.  
18 The eligibility policies established by the department for state  
19 family assistance families shall be utilized for determining family  
20 assistance eligibility.

21       Sec. 1704. County departments of social services shall require  
22 each recipient of state disability and state family assistance who has  
23 applied with the social security administration for supplemental  
24 security income to sign a contract to repay any assistance rendered  
25 through the state disability assistance and state family assistance  
26 programs upon receipt of retroactive supplemental security income  
27 benefits.

28       Sec. 1705. The department of social services' ability to satisfy



1 appropriation deductions in section 102 for supplemental security  
2 income recoveries shall not be limited to recoveries and accruals  
3 pertaining to state disability assistance, state family assistance, or  
4 aid to families with dependent children grant payments provided only  
5 in the current fiscal year, but shall include all supplemental  
6 security income recoveries received during the current fiscal year.

7     Sec. 1706. Adult foster care facilities providing domiciliary  
8 care or personal care to residents receiving supplemental security  
9 income or homes for the aged serving residents receiving supplemental  
10 security income shall not require those residents to reimburse the  
11 home or facility for care at rates in excess of those legislatively  
12 authorized.

13     Sec. 1707. (1) The department, as it determines is appropriate,  
14 shall enter into agreements with energy providers by which cash  
15 assistance recipients and the energy providers agree to permit the  
16 department to make direct payments to the energy providers on behalf  
17 of the recipient. The payments may include heat and electric payment  
18 requirements from recipient grants and amounts in excess of the  
19 payment requirements.

20     (2) Assuming available fiscal year 1994-95 federal LIEAP funds of  
21 \$77.7 million plus carryforward, the energy caps shall be \$160.00 for  
22 natural gas, wood, and electric heat service, \$300.00 for deliverable  
23 fuel heat services, and \$250.00 for electric service. If a smaller  
24 federal LIEAP award is available, the program will be modified to  
25 ensure that expenditures do not exceed the general fund-general  
26 purpose energy assistance related appropriations in both the  
27 departments of social services and treasury. If a larger federal  
28 LIEAP award is available, the caps may be adjusted upward to reflect

1 available revenue.

2       Sec. 1708. Determined pursuant to section 106(1) (b) (iii) of the  
3 social welfare act, Act. No. 280 of the Public Acts of 1939, being  
4 Section 400.106 of the Michigan Compiled Laws, the protected income  
5 level for medicaid coverage shall be 100% of the related public  
6 assistance standard.

7       Sec. 1709. (1) The department of social services shall operate a  
8 state disability assistance program. Persons eligible for this  
9 program shall include needy persons 18 years of age or older, or  
10 emancipated minors, who meet 1 or more of the following requirements:

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

13       (b) A person with a physical and/or mental impairment,  
14 demonstrated by symptoms, laboratory findings, or the results of  
15 generally accepted medical or psychological procedures or tests, which  
16 renders the person incapable of the demands of any remunerative work  
17 for a period of 90 days or more, without regard to the availability of  
18 work in the community.

19       (c) A resident of an adult foster care facility, a home for the  
20 aged, or a substance abuse treatment center.

21       (d) A person receiving 30-day postresidential substance abuse  
22 treatment.

23       (e) A person diagnosed as having acquired immunodeficiency  
24 syndrome or acquired immunodeficiency syndrome related complex.

25       (f) A person receiving special education services through the  
26 local intermediate school district.

27       (g) A caretaker of a disabled person as defined in subdivision  
28 (a), (b), (e), or (f) above.

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

3 (a) Possess non-exempt resources of \$250.00 or less.

4 (b) Own 1 automobile with an equity value of \$1,500.00 or less.

5 (c) Has a monthly budgetable income that is less than the payment  
6 standards.

7 Sec. 1710. The level of reimbursement provided to state  
8 disability assistance recipients in licensed adult foster care  
9 facilities shall be the same as the prevailing supplemental security  
10 income rate under the personal care category.

11 Sec. 1711. A provider utility shall be entitled to recover in its  
12 rates all qualifying costs incurred pursuant to an agreement between  
13 the provider utility and the department for the payment of all or part  
14 of assisted households' heating and electric service bills.  
15 Qualifying costs shall include prudently incurred costs for  
16 incentives, forgiveness, and energy conservation program development  
17 and operation costs and the cost of capital incurred for assisted  
18 household arrearages held by the provider utility. All such  
19 qualifying costs incurred from program years beginning after October  
20 1, 1994 shall be subject to deferred accounting and recovery through a  
21 general rate case application or shall be subject to timely recovery  
22 through separate limited purpose rate proceedings.

## 23 MEDICAL SERVICES

24 Sec. 1801. An institutional provider that is required to submit a  
25 cost report under the medicaid program shall submit cost reports  
26 completed in full within 90 days after the end of its fiscal year.

27 Sec. 1802. The department of social services shall continue to  
28 implement the physician sponsor plan and shall require aid to families

1 with dependent children recipients residing in counties offering  
2 managed care options to choose the particular managed care plan in  
3 which they wish to be enrolled. Persons not expressing a preference  
4 shall be randomly assigned to a managed care program.

5     Sec. 1803. Medicaid reimbursement for medicaid services shall not  
6 exceed, solely or in combination with other resources, including  
7 medicare, those amounts established for medicaid-only patients. The  
8 medicaid payment rate shall be accepted as payment in full. Other  
9 than an approved medicaid copayment, no portion of a provider's charge  
10 may be billed to the recipient or any person acting on behalf of the  
11 recipient. Nothing in this section shall be deemed to affect the level  
12 of payment from a third party source other than medicaid. The  
13 department shall require a non-enrolled provider to accept medicaid  
14 payment as payment in full.

15     Sec. 1804. From the funds appropriated in section 102 for medical  
16 services payments, the department of social services shall provide for  
17 an inpatient hospital prior authorization and on-site review system.

18     Sec. 1805. The department may require medicaid recipients to  
19 receive psychiatric services through a managed care system.

20     Sec. 1806. The department may develop a plan to deliver medicaid  
21 psychiatric services through a managed care system. In developing  
22 this plan, the department shall consult with the department of mental  
23 health, community mental health boards, medicaid recipients or  
24 representatives of medicaid recipients, providers and other interested  
25 parties. The department shall submit its plan to the senate and house  
26 appropriations subcommittees on social services.

27     Sec. 1807. The cost of remedial services incurred by residents of  
28 licensed adult foster care homes and licensed homes for the aged shall

1 be used in determining financial eligibility for the medically needy.  
2 Remedial services means those services which produce the maximum  
3 reduction of physical and mental limitations and restoration of an  
4 individual to his or her best functional level. At a minimum,  
5 remedial services include basic self-care and rehabilitation training  
6 for a resident.

7 Sec. 1808. (1) From the funds appropriated in section 102 for the  
8 indigent medical care program, the department shall establish a  
9 program which provides for the basic health care needs of indigent  
10 persons as delineated in the following subsections.

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

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

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

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

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

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

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

28 (c) Pharmaceutical services.

1       Sec. 1809. (1) The department of social services is authorized to  
2 pursue reimbursement for eligible services provided in Michigan  
3 schools from the federal medicaid program. The department and the  
4 department of management and budget are authorized to negotiate and  
5 enter into agreements together with the department of education, with  
6 local and intermediate school districts regarding the sharing of  
7 federal medicaid funds received for these services. The department is  
8 authorized to receive and disburse funds to participating school  
9 districts pursuant to such agreements and state and federal law.

10       (2) From the funds appropriated in section 102 for medicaid school  
11 services payments, the department is authorized to:

12       (a) Finance activities within the medical assistance  
13 administration related to this project. Medical services  
14 administration administrative costs for this project will not exceed  
15 \$125,000.

16       (b) Fund from section 102 new costs in the departments of  
17 education, public health, and management and budget for expenses  
18 incurred by those departments related to this program. These costs  
19 will not exceed \$75,000.

20       (c) Reimburse participating school districts pursuant to the fund  
21 sharing ratios negotiated in the state-local agreements authorized in  
22 section 1809(1) above.

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

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

27       (4) If the state receives a lesser amount of allowable medicaid  
28 matching funds from the federal government for claims than is

1 indicated in section 102, the amount distributed to participating  
2 schools will be reduced proportionately.

3 (5) The department shall not make distributions from the funds  
4 provided for this purpose in section 102 until it has filed the  
5 necessary state plan amendments and made required notifications.  
6 Prior to the final federal approval of the state plan amendment for  
7 this program, and with the concurrence of the department of management  
8 and budget, the department may pay enrolled school districts for the  
9 following services provided by or through the school districts and for  
10 which the department has received indications of approvability from  
11 the federal health care financing administration: a) medical services;  
12 b) occupational therapy; c) physical therapy; d) speech therapy; e)  
13 nursing services; and f) developmental testing. Payments for all  
14 other services may be paid only upon written approval of the federal  
15 health care financing administration.

16 Sec. 1810. The department is authorized to make payments on  
17 behalf of children enrolled under the healthy kids program from the  
18 line-item appropriation associated with the program, or from other  
19 medical services line-item appropriations provided for specific health  
20 care services.

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