



HOUSE BILL No. 4416

February 15, 1995, Introduced by Reps. Johnson, Bankes, Gustafson, Bobier, Jellema, Geiger, Middleton, Gilmer, Oxender and Dolan and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of social services and certain state purposes related to public welfare services for the fiscal year ending September 30, 1996; 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 services
2 and certain state purposes related to public welfare services for the
3 fiscal year ending September 30, 1996, from the following funds:

1	DEPARTMENT OF SOCIAL SERVICES	
2	APPROPRIATIONS SUMMARY:	
3	Unclassified positions	6.0
4	Permanent career FTE employees	14,350.0
5	GROSS APPROPRIATION	\$ 7,794,063,400
6	Interdepartmental grant revenues:	
7	Total interdepartmental grants and	
8	intradepartment transfers	309,971,700
9	ADJUSTED GROSS APPROPRIATION	\$ 7,484,091,700
10	Federal revenues:	
11	Total federal revenues	4,312,290,500
12	Special revenue funds:	
13	Total local revenues	480,621,200
14	Total private revenues	9,770,300
15	Total other state restricted revenues	237,168,900
16	State general fund/general purpose	\$ 2,444,240,800
17	EXECUTIVE OPERATIONS	
18	Unclassified salaries	\$ 451,000
19	Salaries and wages	53,683,800
20	Contractual services, supplies, and materials	6,871,600
21	Demonstration project	10,281,000
22	Health and welfare data center equipment	13,853,200
23	ASSIST project	10,399,900
24	Data system enhancement	12,739,600
25	Communities first	500,000
26	Inspector general contracts	<u>3,036,800</u>
27	GROSS APPROPRIATION	\$ 111,816,900
28	Appropriated from:	
29	Interdepartmental grant revenues:	

1	IDG-ADP user fees	150,000
2	Federal revenues:	
3	Total federal revenues	59,595,200
4	Special revenue funds:	
5	Total local revenues	200,000
6	Total private revenues	2,451,600
7	Licensing fees	439,000
8	State general fund/general purpose	\$ 48,981,100
9	MEDICAL SERVICES ADMINISTRATION	
10	Salaries and wages	\$ 19,458,200
11	Contractual services, supplies, and materials . .	22,157,000
12	Data processing contractual services	100
13	Facility inspection contract-state police	<u>132,800</u>
14	GROSS APPROPRIATION	\$ 41,748,100
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	25,457,100
18	State general fund/general purpose	\$ 16,291,000
19	FAMILY SERVICES ADMINISTRATION	
20	Salaries and wages	\$ 15,944,400
21	Contractual services, supplies, and materials . .	6,941,400
22	Child support enforcement system	13,000,000
23	Child support incentive payments	32,409,600
24	Legal support contracts	58,017,900
25	State incentive payments	3,934,200
26	Food stamp issuance	5,374,400
27	High school completion project	278,400
28	Wage employment verification reporting	1,795,000
29	Urban and rural empowerment/enterprise zones . . .	78,850,000

1	Supplemental security income advocacy	2,539,100
2	Training and staff development	<u>4,813,300</u>
3	GROSS APPROPRIATION	\$ 223,897,700
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDMH	447,000
7	Federal revenues:	
8	Total federal revenues	197,818,400
9	State general fund/general purpose	\$ 25,632,300
10	CHILD AND FAMILY SERVICES	
11	Salaries and wages	\$ 3,695,600
12	Contractual services, supplies, and materials . .	942,000
13	Refugee assistance program	7,377,100
14	Michigan opportunity skills training	
15	program	15,975,300
16	Work first	44,055,500
17	Adult home help	109,092,900
18	Social services to the physically disabled	1,344,900
19	Intercountry adoption contracts	754,300
20	County juvenile officers	3,526,400
21	Foster care payments	212,011,000
22	Adoption subsidies	77,586,900
23	Child care fund	32,735,500
24	Children's benefit fund donations	21,000
25	Domestic violence services	4,741,200
26	Teenage parent counseling	3,405,200
27	Family preservation and prevention services . . .	46,014,800
28	Interstate compact	150,000
29	Black child and family institute	100,000

1	Rape prevention and services	260,000
2	Children's trust fund administration	310,300
3	Children's trust fund grants	2,615,000
4	Attorney general contract	1,308,900
5	Guardian contract	600,000
6	County shelters	1,200,000
7	Day care services	141,038,000
8	Child welfare education	1,162,500
9	Prosecuting attorney contracts	<u>1,061,700</u>
10	GROSS APPROPRIATION	\$ 713,086,000
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues	362,724,200
14	Special revenue funds:	
15	Local funds-county payback	23,459,200
16	Private-children's benefit fund donations	21,000
17	Private-intercountry adoption agency	
18	contributions	754,300
19	Private-collections	3,376,600
20	Children's trust fund	1,810,300
21	State general fund/general purpose	\$ 320,940,400
22	DELINQUENCY SERVICES	
23	Personnel payroll costs	\$ 46,346,200
24	Delinquency and community based services	7,532,900
25	Contractual services, supplies, and materials	7,161,300
26	Travel	355,600
27	Equipment	1,144,400
28	Genesee county detention facility	12,189,000
29	Family involvement project	415,400

1	Community residential care programs	6,695,200
2	Federally funded activities	1,848,700
3	W.J. Maxey memorial fund	45,000
4	Regional detention services	1,207,300
5	Committee on juvenile justice	
6	administration	340,500
7	Committee on juvenile justice grants	<u>1,900,000</u>
8	GROSS APPROPRIATION	\$ 87,181,500
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues	9,903,700
12	Special revenue funds:	
13	Total private revenues	45,000
14	Local funds-county payback	35,181,100
15	State general fund/general purpose	\$ 42,051,700
16	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL	
17	FIELD STAFF	
18	Field services, salaries and wages	\$ 10,035,000
19	Family and children's services, salaries	
20	and wages	66,012,500
21	County clerical support, salaries and wages	78,881,200
22	Assistance payments, salaries and wages	148,317,500
23	Adult services, salaries and wages	48,751,700
24	Contractual services, supplies, and materials	32,954,600
25	Outstationed eligibility workers	5,243,600
26	Volunteer services and reimbursement	<u>8,404,300</u>
27	GROSS APPROPRIATION	\$ 398,600,400
28	Appropriated from:	
29	Federal revenues:	

1	Total federal revenues	219,953,800
2	Special revenue funds:	
3	Local funds-donated funds	193,100
4	Private funds-hospital contributions	2,621,800
5	State general fund/general purpose	\$ 175,831,700
6	DISABILITY DETERMINATION SERVICES	
7	Disability determination operations	\$ 59,270,100
8	Rent	463,400
9	Building occupancy charges	702,900
10	Workers' compensation	<u>51,700</u>
11	GROSS APPROPRIATION	\$ 60,488,100
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	60,488,100
15	State general fund/general purpose	\$ 0
16	CENTRAL SUPPORT ACCOUNTS	
17	Rent	\$ 40,040,200
18	Occupancy charge	4,343,500
19	Travel	7,050,700
20	Equipment	3,753,100
21	Workers' compensation	4,607,700
22	Advisory commissions	17,900
23	Payroll taxes and fringe benefits	<u>199,258,200</u>
24	GROSS APPROPRIATION	\$ 259,071,300
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues	137,776,900
28	Special revenue funds:	
29	Departmentwide lapse revenue	7,419,600

1	State general fund/general purpose	\$ 113,874,800
2	PUBLIC ASSISTANCE	
3	Aid to families with dependent children	
4	payments	\$1,038,312,000
5	Family assistance payments	14,698,300
6	State disability assistance payments	29,896,800
7	State supplementation	64,584,800
8	State supplementation administration	2,002,000
9	Low income energy assistance program	82,046,300
10	State emergency relief	<u>33,331,800</u>
11	GROSS APPROPRIATION	\$1,264,872,000
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	576,467,900
15	Special revenue funds:	
16	Child support collections	170,000,000
17	Supplemental security income recoveries	6,800,000
18	Public assistance recoupment revenue	6,000,000
19	State general fund/general purpose	\$ 505,604,100
20	MEDICAL SERVICES	
21	Hospital services and therapy	\$1,336,240,900
22	Hospital disproportionate share payments	45,000,000
23	Physician services	376,467,500
24	Medicare premium payments	102,141,000
25	Pharmaceutical services	366,192,700
26	Home health services	44,800,000
27	Transportation	9,000,000
28	Auxiliary medical services	67,180,200
29	Nursing home services	691,286,800

1	Chronic care units and county medical	
2	care facilities	172,324,600
3	Health maintenance organizations	514,981,600
4	Early periodic screening, diagnosis, and	
5	treatment outreach	6,200,000
6	Caring program for children	2,500,000
7	Maternal and child health	10,000,000
8	Indigent medical care program	20,001,800
9	Personal care services-adult foster care	24,249,500
10	Personal care services-in home services	5,665,000
11	Subtotal basic medicaid program	3,794,231,600
12	Special adjustor payments	839,069,800
13	Subtotal special medicaid payments	<u>839,069,800</u>
14	GROSS APPROPRIATION	\$ 4,633,301,400
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	IDG from MDMH	307,074,700
18	IDG from MDPH	2,300,000
19	Federal revenues:	
20	Total federal revenues	2,662,105,200
21	Special revenue funds:	
22	Local funds-county payback	309,321,000
23	Local funds	112,266,800
24	Private contributions	500,000
25	Intergovernmental transfer	35,000,000
26	Special purpose-Public Act 219 of 1987	9,700,000
27	State general fund/general purpose	\$ 1,195,033,700

28 GENERAL SECTIONS

29 Sec. 201. The department of social services may receive and expend

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

7 Sec. 202. The director of the department of management and budget
8 may make administrative transfers of appropriations for the department
9 of social services to adjust amounts between the local funds-county
10 payback line items in section 101. Such transfers shall be made in
11 compliance with section 393(1) of the management and budget act, Act
12 No. 431 of the Public Acts of 1984, being section 18.1393 of the
13 Michigan Compiled Laws.

14 Sec 203. In addition to funds appropriated in section 101 for all
15 programs and services, there is appropriated for write-offs of accounts
16 receivable, deferrals, and for prior year obligations in excess of
17 applicable prior year appropriations, an amount equal to total
18 write-offs and prior year obligations, but not to exceed amounts
19 available in prior year revenues.

20 Sec. 204. (1) Any federal, local, private, or state restricted
21 funds received by a department in addition to the amount appropriated
22 in section 101, are appropriated.

23 (2) Funds appropriated in subsection (1) totalling less than
24 \$50,000.00 during the fiscal year from any one source may be expended
25 for the purposes for which the funds were made available. Receipt of
26 these funds shall be reported to the senate and house appropriations
27 committees and the house and senate fiscal agencies within thirty days
28 after the close of each fiscal quarter.

29 (3) Funds appropriated in subsection (1) totalling \$50,000.00 or
30 more during the fiscal year are not available for expenditure until

1 they have been transferred to another line item in this act through an
2 administrative transfer as defined in section 393(1) of Act No. 431 of
3 the Public Acts of 1984, as amended, being section 18.1393(1) of the
4 Michigan Compiled Laws.

5 Section 205. The expenditures and funding sources authorized under
6 this act are subject to the management and budget act, Act No. 431 of
7 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the
8 Michigan Compiled Laws.

9 Sec. 206. The department of social services may retain all of the
10 state's share of food stamp overissuance collections as an offset to
11 general fund/general purpose costs. Retained collections shall be
12 applied against federal funds deductions in all appropriation units
13 where department costs related to the investigation and recoupment of
14 food stamp overissuances are incurred. Retained collections in excess
15 of such costs shall be applied against the federal funds deducted in
16 the executive operations appropriation unit.

17 Sec. 207. The funds appropriated in section 101 for communities
18 first pilot projects are intended to support the interagency
19 implementation of communities first pilots. Funds may be expended by
20 the departments of social services, public health, and education, and
21 the office of services to the aging, as necessary or appropriate for
22 pilot implementation, in accordance with interagency agreements
23 negotiated by the affected agencies.

24 Sec. 208. The department shall submit a report to the chairpersons
25 of the senate and house appropriations committees and to the senate and
26 house fiscal agencies on the details of allocations within program
27 budgeting line items. The report shall include a listing, by account,
28 dollar amount, and fund source, of salaries and wages; longevity and
29 insurance; retirement; contractual services, supplies, and materials;
30 equipment; travel; and grants within each program line item

1 appropriated for the fiscal year ending September 30, 1996.

2 Sec. 209. As used in this act:

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

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

5 (c) "EPSDT" means early and periodic screening, diagnosis, and
6 treatment.

7 (d) "IDG" means interdepartmental grant.

8 (e) "JOBS" means job opportunities and basic skills program.

9 (f) "LIEAP" means low income energy assistance program.

10 (g) "MDMH" means the Michigan department of mental health.

11 (h) "MDPH" means the Michigan department of public health.

12 (i) "OBRA" means the federal omnibus budget reconciliation act.

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

14 (k) "Title IV" means title IV of the social security act, chapter
15 531, 49 Stat. 620, 42 U.S.C. 671.

16 Sec. 210. If a legislative objective of this act or the social
17 welfare act, Act No. 280 of the Public Acts of 1939, being sections
18 400.1 to 400.119b of the Michigan Compiled Laws, cannot be implemented
19 without loss of federal financial participation because implementation
20 would conflict with or violate federal regulations, the department of
21 social services shall notify the house and senate appropriations
22 committees and the house and senate fiscal agencies of that fact. Upon
23 receipt of the notification, a joint house and senate committee made up
24 of the members of the appropriations subcommittees on social services
25 of the senate and house of representatives may be appointed to meet
26 with the director of the department of social services to review the
27 substantive, procedural, and legal ramifications of the legislative
28 objective and to develop a plan to attain that legislative objective.

29 Sec. 211. (1) The amounts appropriated from one fund to another
30 fund shall be authorized pursuant to annual appropriations within the

1 departments responsible for each fund's appropriations.

2 (2) Funds for which the state is acting as the custodian or agent
3 are not subject to annual appropriation.

4 Sec. 212. (1) The number of permanent career FTE employees shall
5 not exceed the number listed in section 101 of this bill unless an
6 exception has been granted by the director of the department of
7 management and budget. Exceptions shall only be given if failure to
8 fill the positions will result in rendering the department unable to
9 deliver basic services, cause a loss of revenue to the state, or
10 necessitate additional expenditures that exceed savings from
11 maintaining a vacancy. On the fifteenth of each month, the department
12 of management and budget shall report to the house and senate
13 appropriations committees and the governor any exceptions that have
14 been granted in the preceding month.

15 (2) Permanent career appointments shall be used as defined by the
16 civil service commission.

17 (3) The number of FTEs to be funded by each individual line item
18 amount shall be determined by the department within the overall limit
19 on permanent career FTEs for the department.

20 Sec. 213. The department of civil service shall bill departments
21 and/or agencies at the end of the first fiscal quarter for the 1%
22 charges authorized by section 5 of Article XI of the State Constitution
23 of 1963. Payments shall be made for the total amount of the billing by
24 the end of the second fiscal quarter.

25 Sec. 214. From the funds appropriated in section 101 such payments
26 of wages and salaries as are made for classified state employees shall
27 be made in accordance with applicable laws, rules, and regulations of
28 the civil service commission. The funds identified in section 101 for
29 unclassified employees are based upon prior year levels adjusted
30 consistent with pay plan recommendations for non-exclusively

1 represented employees (NERES) of the civil service commission, except
2 in the case of department directors and heads of type I agencies, where
3 the funds provided are in an amount equal the standards established by
4 the civil service commission as the maximum pay for state executive
5 service classification 20 and state executive service classification 18
6 employees, respectively. Although the funds identified in section 101
7 for unclassified employees are based upon the standards set forth
8 above, the exact salaries of individual unclassified employees shall be
9 set by the appointing authority, not to exceed the state executive
10 service classification 20 maximum payment in the case of a department
11 director, or the state executive service classification 18 maximum
12 payment in the case of a head of a type I agency. The salaries of
13 individual unclassified employees shall be a matter of public record.

14 **EXECUTIVE OPERATIONS**

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

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

30 **FAMILY SERVICES ADMINISTRATION**

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

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

15 Sec. 402. The department of social services shall offset the JOBS
16 federal money going to the Michigan jobs commission by the amount
17 necessary for the Michigan department of social services to administer
18 the work first program.

19 Sec. 403. The department shall enter into an agreement with the
20 Michigan jobs commission in order to facilitate the administration of
21 the work first program. The department will make information on the
22 program available to the legislature.

23 Sec. 404. From the funds appropriated in section 101 for legal
24 support contracts and child support incentive payments, the department
25 may fund demonstration projects to enhance friend of the court child
26 support collections efforts for public assistance recipients. Funding
27 shall be from federal title IV-D and federal child support incentives
28 earned. The projects shall be implemented in no more than three
29 counties. Priority shall be given to counties with federal title IV-D
30 AFDC collections exceeding \$7,000,000.00 in fiscal year 1992.

1 Sec. 405. Unexpended funds in the urban and rural empowerment and
2 enterprise zones line item in fiscal year 1995-1996 shall not lapse but
3 shall carryforward for use in fiscal year 1996-97.

4 **CHILD AND FAMILY SERVICES**

5 Sec. 501. In accordance with section 471(a)(14) of part E of title
6 IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C.
7 671, the following goal is established by state law. During the fiscal
8 year ending September 30, 1996, not more than 3,500 children supervised
9 by the department of social services shall remain in foster care longer
10 than 24 months. The department shall give priority to reducing the
11 number of children under one year of age in foster care.

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

17 Sec. 503. The department of social services shall charge or cause
18 to be charged a fee for intercountry adoption services. These fees
19 shall be based on the cost of providing the services, with reduced fees
20 for low-income families. These fees shall be used to pay for or
21 contract for personnel and related activities. The director of social
22 services shall adjust or cause an adjustment of the fees if necessary
23 to ensure continued program operations on a self-supporting basis.

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

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

29 (b) In cooperation with the department of mental health, develop a
30 model for postplacement adoption services, including the screening and

1 monitoring of placements in child caring institutions and psychiatric
2 hospitals.

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

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

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

12 (b) Is making progress toward completing high school.

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

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

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

24 Sec. 508. Notwithstanding section 117a or 117c of the social
25 welfare act, Act No. 280 of the Public Acts of 1939, being sections
26 400.117a and 400.117c of the Michigan Compiled Laws, the distribution
27 of collections made to counties by child, parent, guardian, or
28 custodian, on behalf of children in foster care who are wards of the
29 county, shall be made pursuant to section 18(2) of chapter XIIIA of Act
30 No. 288 of the Public Acts of 1939, being section 712A.18 of the

1 Michigan Compiled Laws.

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

8 Sec. 510. All department service contracts for adoption agencies,
9 child caring institutions, and child placing agencies shall include
10 client needs, the services to be provided, the price to be paid, and
11 the expected outcomes.

12 Sec. 511. Funds appropriated in section 101 for the child care fund
13 may be used as the required state match for the purchase of families
14 first services for clients referred by juvenile courts. For local
15 offices and courts choosing this option, the in-home portion of the
16 county child care fund plan must authorize the transfer of funds from
17 the state child care fund account designated for that county to a local
18 funds-county payback deduct account associated with the family
19 preservation services appropriation while the involved county is still
20 beneath its child care fund cap.

21 Sec. 512. (1) In addition to the amount appropriated in section
22 101, money granted or money received as gifts or donations to the
23 children's trust fund created by Act No. 249 of the Public Acts of
24 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws, is
25 appropriated for expenditure in an amount not to exceed \$800,000.00.

26 (2) The state child abuse and neglect prevention board may initiate
27 a joint project with another state agency to the extent that the
28 project supports the programmatic goals of both the state child abuse
29 and neglect prevention board and the state agency. The department of
30 social services may interaccount bill the state agency for shared costs

1 of a joint project in an amount authorized by the state agency, and the
2 state child abuse and neglect prevention board may receive and expend
3 funds for shared costs of a joint project in addition to those
4 authorized by section 101.

5 Sec. 513. From the funds appropriated in section 101 for child and
6 family services, the department shall not expend funds to reunite a
7 family in which incest is the cause for family separation, if such
8 reunification will result in the victim and the perpetrator residing in
9 the same residence.

10 Sec. 514. The department shall not expend funds to preserve or
11 reunite a family if either of the following would result:

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

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

21 Sec. 515. In cooperation with graduate schools of social work, the
22 department may develop a masters of social work stipend program
23 providing concentrations in the field of child welfare. Priority for
24 enrollment shall be given to current department employees and stipend
25 recipients must sign a contract agreeing to employment with the
26 department in a children's services position upon graduation for a
27 period equal to twice the time for which stipend support was received.

28 **PUBLIC ASSISTANCE**

29 Sec. 601. (1) The department may terminate a vendor payment for
30 shelter when a recipient's rental unit is not in compliance with

1 applicable local housing codes, or when the landlord is delinquent on
2 property tax payments. Compliance shall be considered to be met if the
3 department of social services receives from the landlord a signed
4 statement stating that the rental unit is in compliance with local
5 housing codes and that statement is not contradicted by the recipient
6 and the local housing authority. The landlord also shall provide to the
7 department a signed statement indicating who currently owns the
8 property and whether any delinquent taxes are owed.

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

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

23 Sec. 602. From the funds appropriated in section 101 for aid to
24 families with dependent children payments and medical services, the
25 mother of an unborn child shall be eligible to receive aid to families
26 with dependent children and medical services benefits for herself and
27 her child if all other eligibility factors are met. To be eligible for
28 these benefits, the applicant shall provide medical evidence of her
29 pregnancy. If she is unable to provide the documentation, payment for
30 the examination may be at state expense. The department of social

1 services shall undertake such measures as may be necessary to ensure
2 that necessary prenatal care is provided to medicaid-eligible
3 recipients.

4 Sec. 603. The department, together with other agencies, may
5 establish special projects to provide special needs shelter payment
6 levels for the program of aid to families with dependent children that
7 will support the development of transitional shelter facilities for
8 homeless families. These facilities are to provide supportive services
9 to families and to support the development of permanent low-income
10 housing.

11 Sec. 604. (1) Family assistance shall be provided in instances
12 where aid to families with dependent children eligibility could not be
13 met, pursuant to eligibility policies established by the department.

14 (2) The department may establish family assistance eligibility
15 policies in federally designated research sites that are consistent
16 with aid to families with dependent children eligibility policies in
17 those sites.

18 Sec. 605. (1) The department of social services shall operate a
19 state disability assistance program. Except as provided in subsection
20 (3), persons eligible for this program shall include needy persons 18
21 years of age or older, or emancipated minors, who meet one or more of
22 the following requirements:

23 (a) A recipient of supplemental security income, social security,
24 or medical assistance due to disability or 65 years of age or older.

25 (b) A person with a physical or mental impairment which meets
26 federal SSI disability standards, except that the minimum duration of
27 the disability shall be 90 days. Substance abuse alone is not defined
28 as a basis for eligibility.

29 (c) A resident of an adult foster care facility, a home for the
30 aged, a county infirmary, or a substance abuse treatment center.

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

3 (e) A person diagnosed as having acquired immunodeficiency
4 syndrome.

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

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

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

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

12 (b) Own no more than one automobile.

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

15 (3) Except for a person described in subsection (2)(c), a person is
16 not disabled for purposes of this section if the preponderance of the
17 disability is substance abuse. If substance abuse is a factor but not a
18 preponderance of the disability, the person may receive state
19 disability assistance if the person is actively participating in a
20 substance abuse treatment program, and the assistance is paid to a
21 third party.

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

26 Sec. 607. County departments of social services shall require each
27 recipient of state disability and state family assistance who has
28 applied with the social security administration for supplemental
29 security income to sign a contract to repay any assistance rendered
30 through the state disability assistance and state family assistance

1 programs upon receipt of retroactive supplemental security income
2 benefits.

3 Sec. 608. The department of social services' ability to satisfy
4 appropriation deductions in section 101 for state disability
5 assistance/supplemental security income recoveries and public
6 assistance recoupment revenues shall not be limited to recoveries and
7 accruals pertaining to state disability assistance, state family
8 assistance, or aid to families with dependent children grant payments
9 provided only in the current fiscal year, but shall include all related
10 net recoveries received during the current fiscal year.

11 Sec. 609. Adult foster care facilities providing domiciliary care
12 or personal care to residents receiving supplemental security income or
13 homes for the aged serving residents receiving supplemental security
14 income shall not require those residents to reimburse the home or
15 facility for care at rates in excess of those legislatively authorized.

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

23 (2) Assuming available fiscal year 1995-96 federal LIEAP funds of
24 \$82.7 million plus carryforward, the energy caps shall be \$160.00 for
25 natural gas, wood, and electric heat service, \$300.00 for deliverable
26 fuel heat services, and \$250.00 for electric service. If a smaller
27 federal LIEAP award is available, the program will be modified to
28 ensure that expenditures do not exceed the general fund/general purpose
29 energy assistance related appropriations in both the departments of
30 social services and treasury. If a larger federal LIEAP award is

1 available, the caps may be adjusted upward to reflect available
2 revenue.

3 (3) The department shall negotiate with positive billing utility
4 companies to develop extended payment plans. Such plans shall allow
5 clients who terminate from positive billing due to increased income to
6 make monthly payments in order to gradually liquidate utility arrears.

7 Sec. 611. A provider utility shall be entitled to recover in its
8 rates all qualifying costs incurred pursuant to an agreement between
9 the provider utility and the department for the payment of all or part
10 of assisted households' heating and electric service bills. Qualifying
11 costs shall include prudently incurred costs for incentives,
12 forgiveness, and energy conservation program development and operation
13 costs and the cost of capital incurred for assisted household
14 arrearages held by the provider utility. All such qualifying costs
15 incurred from program years beginning after October 1, 1995 shall be
16 subject to deferred accounting and recovery through a general rate case
17 application or shall be subject to timely recovery through separate
18 limited purpose rate proceedings.

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

24 Sec. 613. (1) From the funds appropriated in section 101 for state
25 emergency relief, if the recipient receives the money for the purpose
26 of mortgage payments, land contracts payments, or property tax payment,
27 the department shall not make the payment unless the recipient agrees
28 to give the department a lien on his or her real property in the amount
29 of total payments made by the department in excess of \$250.00.

30 (2) A lien under this section shall be enforced, and the amount of

1 the lien recouped, when the recipient conveys the real property.

2 (3) By March 1, 1996, the department shall provide the house and
3 senate appropriations subcommittees on social services with a report on
4 progress in implementing this section.

5 Sec. 614. In developing good cause criteria for the state emergency
6 relief program, the department shall grant exemptions if the emergency
7 resulted from unexpected expenses related to maintaining or securing
8 employment.

9 Sec. 615. Noncampaign related volunteer work in the offices of the
10 executive, judicial and legislative branches of state government shall
11 qualify for purposes of compliance with the social contract. The
12 department shall compile and maintain county based lists of legislative
13 and executive branch offices willing to accept volunteers. This list
14 shall be made available to public assistance clients to assist them in
15 selecting their social contract activity.

16 Sec. 616. It is the intent of the legislature that any adult
17 receiving aid to families with dependent children and state family
18 assistance be willing to participate in activities leading to
19 self-sufficiency, except clients who would require child care or
20 transportation to participate will not be sanctioned when child care or
21 transportation is not made available or provided.

22 Sec. 617. Except as required by federal law or regulations, funds
23 appropriated in section 101 shall not be used to provide public
24 assistance to a person who is an illegal alien. This section shall not
25 prohibit the department from entering into contracts with food banks or
26 emergency shelter providers who may, as a normal part of doing
27 business, provide food or emergency shelter to individuals without
28 regard to citizenship status.

29 Sec. 618. (1) If the department establishes a program to provide
30 recipients of food stamps with the cash value of food stamp coupons,

1 the department shall restrict eligibility only to households with a
2 minimum of \$350.00 gross earned monthly income for three consecutive
3 months and qualified to receive AFDC, state family assistance, or food
4 stamps.

5 (2) Before implementing a program described in subsection (1), the
6 department shall establish procedures to ensure that minor children in
7 those food stamp households that participate in the program are not
8 placed at nutritional risk due to the diversion of food stamp cash
9 payments for nonfood purchases. The department shall report to the
10 house and senate appropriations subcommittees on the effects of the
11 program.

12 Sec. 619. If the department establishes a program to provide
13 recipients of food stamps with the cash value of food stamp coupons,
14 the department shall establish eligibility requirements for the
15 program, and shall prohibit a food stamp household from receiving cash
16 rather than food stamp coupons if an adult resident of the individual's
17 household within the past six months has been identified as a
18 perpetrator on the child protective services central registry
19 established under section 7 of the child protection law, Act No. 238 of
20 the Public Acts of 1975, being section 722.627 of the Michigan Compiled
21 Laws.

22 Sec. 620. The department may enter into agreements with local
23 friend of the court offices to require noncustodial parents of AFDC
24 children who are in arrears to enter employment, training, and job
25 search programs.

26 **MEDICAL SERVICES**

27 Sec. 701. The department of social services shall provide an
28 administrative procedure for the review of grievances by medical
29 assistance providers with regard to reimbursement under the medical
30 assistance program. Settlements of properly submitted cost reports

1 shall be paid not later than nine months from receipt of the final
2 report.

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

6 Sec. 703. (1) Except as provided in subsection (2), for care
7 provided to medicaid recipients with other third party sources of
8 payment, medicaid reimbursement shall not exceed, in combination with
9 such other resources, including medicare, those amounts established for
10 medicaid-only patients. The medicaid payment rate shall be accepted as
11 payment in full. Other than an approved medicaid copayment, no portion
12 of a provider's charge shall be billed to the recipient or any person
13 acting on behalf of the recipient. Nothing in this section shall be
14 deemed to affect the level of payment from a third party source other
15 than medicaid. The department shall require a nonenrolled provider to
16 accept medicaid payments as payment in full.

17 (2) Notwithstanding subsection (1), medicaid reimbursement for
18 hospital services provided to dual medicare/medicaid recipients with
19 medicare part B coverage only shall equal, when combined with payments
20 for medicare and other third party resources, if any, those amounts
21 established for medicaid-only patients, including capital and direct
22 medical education payments.

23 Sec. 704. (1) Effective October 1, 1995, the pharmaceutical
24 dispensing fee shall be \$3.72 or the usual and customary cash charge,
25 whichever is less. If a recipient is 21 years of age or older, the
26 department shall require a \$1.00 per prescription client copayment,
27 except as prohibited by federal or state law or regulation.

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

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

(4) The department shall implement a \$20.00 co-pay for inpatient hospital services and a \$5.00 co-pay for outpatient hospital services.

Sec. 705. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy.

Remedial services means those services which produce the maximum reduction of physical and mental limitations and restoration of an individual to his or her best functional level. At a minimum, remedial services include basic self-care and rehabilitation training for a resident.

Sec. 706. Medicaid adult dental services shall continue at not less than the level in effect on October 1, 1991.

Sec. 707. Medicaid podiatric services shall continue at the level in effect on October 1, 1991, except that reasonable utilization limitations may be adopted in order to prevent excess utilization.

Sec. 708. Medicaid chiropractic services shall continue at the level in effect on September 30, 1990, except that reasonable utilization limitations may be adopted in order to prevent excess utilization.

Sec. 709. For counties with populations in excess of 2,000,000 persons, the department shall distribute a medicaid outpatient adjustor payment of \$34,760,000.00 to hospitals if revenue in an amount equivalent to the state matching share is received by the state from such counties and such counties agree to provide a comprehensive medical care program that is at least equal in eligibility and coverage to the state medical program. If the state receives a lesser sum of an

allowable state matching share from these counties, the amount distributed shall be reduced accordingly. The amount distributed, if any, to any given hospital in these counties shall be based on a formula determined by the department.

Sec. 710. (1) From the funds appropriated in section 101 for the indigent medical care program, the department shall establish a program which provides for the basic health care needs of indigent persons as delineated in the following subsections.

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

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

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

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

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

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

(b) Diagnostic laboratory and x-ray services.

(c) Pharmaceutical services.

Sec. 711. The department may require medicaid recipients to receive psychiatric services through a managed care system.

Sec. 712. (1) The department shall continue to implement the physician sponsor plan and shall require medicaid recipients residing in counties offering managed care options to choose the particular

1 managed care plan in which they wish to be enrolled. Persons not
2 expressing a preference shall be randomly assigned to a managed care
3 program.

4 (2) In order to achieve cost reductions budgeted in section 101,
5 the department shall expand managed care to populations that are not
6 currently subject to mandatory managed care enrollment.

7 Sec. 713. (1) The department shall not preauthorize or in any way
8 restrict single-source pharmaceutical products except those
9 single-source pharmaceuticals that have been subject to prior
10 authorization by the department prior to January 1, 1992 and those
11 single-source pharmaceuticals within the categories specified in
12 section 1927(d)(2) of the social security act, 42 U.S.C. 1396s(d), or
13 for the reasons delineated in section 1927(d)(3) of the social security
14 act.

15 (2) The department shall implement drug utilization review and
16 monitoring programs that may cover renewals of prescriptions of single
17 source pharmaceuticals. Such programs shall have physician oversight
18 through the drug utilization and review board to ensure proper
19 determination.

20 Sec. 714. (1) The department of social services is authorized to
21 pursue reimbursement for eligible services provided in Michigan schools
22 from the federal medicaid program. The department and the department of
23 management and budget are authorized to negotiate and enter into
24 agreements, together with the department of education, with local and
25 intermediate school districts regarding the sharing of federal medicaid
26 funds received for these services. The department is authorized to
27 receive and disburse funds to participating school districts pursuant
28 to such agreements and state and federal law.

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

1 following:

2 (a) Finance activities within the medical assistance administration
3 related to this project.

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

7 (c) Offset general fund costs associated with the medicaid program.

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

14 Sec. 715. Funding for the healthy kids and infant support services
15 programs are incorporated into the appropriate line items in section
16 101.

17 Sec. 716. The special adjustor appropriation in section 101 may be
18 increased if the department submits a medicaid state plan amendment
19 pertaining to this line item at a level higher than the appropriation
20 and receives an indication of approval of the amendment from the health
21 care financing administration. The department is authorized to
22 appropriately adjust financing sources in accordance with the increased
23 appropriation.

24 Sec. 717. The department of social services shall obtain from those
25 health maintenance organizations and clinic plans with which the
26 department contracts patient-based utilization data, including
27 immunizations, EPSDT screenings, substance abuse services, and maternal
28 and infant support services referrals. The format and frequency of
29 reporting shall be specified by the department.

30 Sec. 718. No more than 50% of inflation increases shall be used to

1 finance a wage and benefit pass-through to nursing home workers. The
2 department shall develop the necessary policies to implement this
3 section.

4 Sec. 719. Effective January 1, 1995, medical assistance for
5 medicaid services shall be provided to elderly and disabled persons
6 with incomes less than or equal to 100% of the official poverty line,
7 pursuant to the state's option to elect such coverage set out at
8 section 1902(a)(10)(A)(ii) and 1902(m) of the social security act.

9 Sec. 720. (1) From the funds appropriated in section 101 for
10 maternal and child health services, the department shall make a grant
11 of \$53,000.00 to pregnancy services of Michigan. The department shall
12 evaluate the program to determine if it is achieving the desired
13 outcomes.

14 (2) The department shall submit the results of the evaluation to
15 the house and senate appropriations subcommittees on social services.

16 Sec. 721. The department is authorized to receive and spend penalty
17 monies received as the result of the OBRA enforcement system for long
18 term care facilities' non-compliance with medicaid certification
19 regulations. This enforcement system implements provisions for nursing
20 home reform included in the Omnibus budget reconciliation act (OBRA) of
21 1987. Penalty monies (characterized as private funds) received by the
22 department shall increase authorizations and allotments in the long-
23 term care accounts. Any unexpended penalty monies, at the end of the
24 year, shall carry forward to the following year.

25 Sec. 722. The department may fund home and community based services
26 in lieu of nursing home services, for individuals seeking long-term
27 care services, from the nursing home or personal care in-home services
28 line items. The department shall seek a federal waiver to secure
29 federal match for these services. The department is authorized to
30 conduct pilot projects to demonstrate appropriate roles for area

1 agencies on aging, local departments of social services, and the
2 private sector in providing these services.