

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 908**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 1999; to provide for the expenditure of such appropriations; to create funds; to provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 1999, from the funds indicated in this part. The following is a summary of the appropriations in this part:

SB0908, As Passed House, June 17, 1998

Sub. S.B. 908 (H-1) as amended June 17, 1998
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For Fiscal Year Ending
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1	DEPARTMENT OF COMMUNITY HEALTH		
2	Full-time equated unclassified positions.....	6.0	
3	Full-time equated classified positions.....	6,343.3	
4	Average population.....	1,485.0	
5	GROSS APPROPRIATION.....	\$	[7,652,474,300]
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers.....	\$	76,066,500
9	ADJUSTED GROSS APPROPRIATION.....	\$	[7,576,407,800]
10	Federal revenues:		
11	Total federal revenues.....		[3,710,372,600]
12	Special revenue funds:		
13	Total local revenues.....		901,460,200
14	Total private funds.....		46,284,800
15	Total local and private revenues.....		947,745,000
16	Total other state restricted revenues.....		293,179,400
17	State general fund/general purpose.....	\$	[2,625,110,800]
18	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
19	Full-time equated unclassified positions.....	6.0	
20	Full-time equated classified positions.....	489.7	
21	Community health advisory council.....	\$	28,900
22	Director and other unclassified FTEs--6.0 FTE		
23	positions.....		375,000
24	Departmental administration and management--434.4 FTE		
25	positions.....		33,830,500
26	Contractual services, supplies, and materials.....		2,954,800

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1	Management information systems--42.8 FTE positions...	6,996,200
2	Administrative hearings--2.5 FTE positions.....	165,600
3	Travel and equipment.....	520,900
4	Worker's compensation program--1.0 FTE position.....	12,479,500
5	Rent.....	3,234,300
6	Building occupancy charges.....	3,153,300
7	Developmental disabilities council and projects--9.0	
8	FTE positions.....	<u>2,259,700</u>
9	GROSS APPROPRIATION..... \$	65,998,700
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	Interdepartmental grant from treasury, Michigan state	
13	hospital finance authority.....	91,200
14	Intradepartmental transfer-automated data processing	
15	charges.....	3,510,400
16	Federal revenues:	
17	Total federal revenues.....	13,776,800
18	Special revenue funds:	
19	Total private revenues.....	20,800
20	Total other state restricted revenues.....	3,270,600
21	State general fund/general purpose..... \$	45,328,900
22	Sec. 103. EARLY RETIREMENT	
23	Early retirement..... \$	<u>(9,030,600)</u>
24	GROSS APPROPRIATION..... \$	(9,030,600)
25	Appropriated from:	
26	State general fund/general purpose..... \$	(9,030,600)

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1 Sec. 104. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION
2 AND SPECIAL PROJECTS

3	Full-time equated classified positions.....	173.2	
4	Consumer involvement program.....		\$ 291,600
5	Protection and advocacy services support.....		818,300
6	Protection and advocacy services support for disabled		
7	adults in correctional facilities.....		500,000
8	Protection and advocacy services support for disabled		
9	children in juvenile detention facilities.....		500,000
10	Protection and advocacy services support for persons		
11	with substance abuse disorders in correctional		
12	facilities.....		900,000
13	Mental health initiatives for older persons.....		1,165,800
14	Mental health/substance abuse program		
15	administration--114.2 FTE positions.....		9,639,600
16	Gambling addiction.....		3,000,000
17	Southwest community partnership.....		1,997,200
18	Purchase of psychiatric residency training.....		3,635,100
19	Community residential and support services--59.0 FTE		
20	positions.....		8,450,900
21	Highway safety projects.....		2,337,200
22	Program enhancement, evaluation, and data services...		1,137,600
23	Federal and other special projects.....		<u>7,427,200</u>
24	GROSS APPROPRIATION.....		\$ 41,800,500
25	Appropriated from:		
26	Federal revenues:		

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1	Total federal revenues.....	14,787,500
2	Special revenue funds:	
3	Total private revenues.....	125,000
4	Total other state restricted revenues.....	3,182,300
5	State general fund/general purpose..... \$	23,705,700
6	Sec. 105. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
7	PROGRAMS	
8	Full-time equated classified positions.....14.0	
9	Community mental health programs..... \$	1,343,066,700
10	Respite services.....	3,000,000
11	CMHSP-purchase of state services contracts.....	154,226,700
12	Omnibus reconciliation act implementation--9.0 FTE	
13	positions.....	11,556,200
14	Federal mental health block grant--2.0 FTE positions.	10,847,000
15	Civil service charges.....	2,606,400
16	Pilot projects in prevention for adults and	
17	children--2.0 FTE positions.....	1,514,800
18	Homelessness formula grant program--1.0 FTE position.	1,251,800
19	Chemically-dependent pregnant women and children	
20	program.....	2,100,000
21	State disability assistance program substance abuse	
22	services.....	6,600,000
23	Community substance abuse prevention, education and	
24	treatment programs.....	<u>85,440,400</u>
25	GROSS APPROPRIATION..... \$	1,622,210,000
26	Appropriated from:	

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1	Federal revenues:	
2	Total federal revenues.....	546,579,900
3	Special revenue funds:	
4	Total other state restricted revenues.....	6,242,400
5	State general fund/general purpose.....	\$ 1,069,387,700
6	Sec. 106. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH	
7	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH	
8	SERVICES	
9	Total average population.....	1,485.0
10	Full-time equated classified positions.....	4,748.0
11	Caro regional mental health center-psychiatric serv-	
12	ices unit--512.0 FTE positions.....	\$ 29,693,200
13	Average population.....	180.0
14	Kalamazoo psychiatric hospital--402.0 FTE positions..	26,048,200
15	Average population.....	130.0
16	Northville psychiatric hospital--860.0 FTE positions.	59,195,000
17	Average population.....	350.0
18	Walter P. Reuther psychiatric hospital--460.0 FTE	
19	positions.....	30,845,700
20	Average population.....	210.0
21	Revenue recapture.....	750,000
22	IDEA, federal special education.....	62,000
23	Special maintenance.....	659,000
24	Equipment.....	300,000
25	Purchase of medical services for residents of	
26	hospitals and centers.....	2,374,000

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1	Severance pay.....	1,896,000
2	Therapeutic work training program.....	345,600
3	Gifts and bequests for patient living and treatment	
4	environment.....	2,000,000
5	Maintenance of property being leased or rented.....	95,000
6	Hawthorn center--248.0 FTE positions.....	16,095,200
7	Average population.....100.0	
8	Pheasant Ridge children's program at Kalamazoo psy-	
9	chiatric hospital--62.0 FTE positions.....	4,023,800
10	Average population.....25.0	
11	Mount Pleasant center--510.0 FTE positions.....	29,411,500
12	Average population.....210.0	
13	Southgate center--256.0 FTE positions.....	15,751,800
14	Average population.....70.0	
15	Center for forensic psychiatry--477.0 FTE positions..	31,128,100
16	Average population.....210.0	
17	Center for forensic psychiatry-outpatient	
18	evaluation--40.0 FTE positions.....	3,169,000
19	Forensic mental health services provided to the	
20	department of corrections--921.0 FTE positions.....	64,633,800
21	Substance abuse treatment services provided to the	
22	department of corrections.....	<u>1,000</u>
23	GROSS APPROPRIATION..... \$	318,477,900
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of	
27	corrections.....	64,634,800

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1	Federal revenues:	
2	Total federal revenues.....	28,859,700
3	Special revenue funds:	
4	CMHSP-purchase of state services contracts.....	154,226,700
5	Total local revenues.....	15,343,100
6	Private funds.....	2,000,000
7	Total other state restricted revenues.....	15,936,200
8	State general fund/general purpose.....	\$ 37,477,400
9	Sec. 107. PUBLIC HEALTH ADMINISTRATION	
10	Full-time equated classified positions.....88.3	
11	Executive administration--12.0 FTE positions.....	\$ 861,400
12	Contractual services, supplies, and materials.....	39,400
13	Management information systems--1.0 FTE position.....	43,500
14	Maternal and infant health data and evaluation--2.5	
15	FTE positions.....	199,000
16	Minority health grants and contracts.....	650,000
17	Office of minority health--2.5 FTE positions.....	269,900
18	Vital records and health statistics--70.3 FTE	
19	positions.....	<u>5,339,100</u>
20	GROSS APPROPRIATION.....	\$ 7,402,300
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	Interdepartmental grant from the family independence	
24	agency.....	132,800
25	Federal revenues:	
26	Total federal revenues.....	2,706,100

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1	Special revenue funds:	
2	Total other state restricted revenues.....	1,684,700
3	State general fund/general purpose.....	\$ 2,878,700
4	Sec. 108. INFECTIOUS DISEASE CONTROL	
5	Full-time equated classified positions.....44.3	
6	AIDS counseling and testing.....	\$ 4,237,600
7	AIDS education and outreach.....	3,013,800
8	AIDS/HIV risk reduction.....	1,300,000
9	AIDS program administration--9.8 FTE positions.....	1,035,300
10	AIDS referral and care network grants.....	9,962,700
11	Immunization local agreements.....	16,149,100
12	Immunization program management and field	
13	support--7.7 FTE positions.....	1,825,600
14	Sexually transmitted disease control local agreements	4,705,700
15	Sexually transmitted disease control management and	
16	field support--26.8 FTE positions.....	<u>2,644,400</u>
17	GROSS APPROPRIATION.....	\$ 44,874,200
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	30,627,800
21	Special revenue funds:	
22	Local funds.....	242,700
23	Private funds.....	710,000
24	Total other state restricted revenues.....	9,776,100
25	State general fund/general purpose.....	\$ 3,517,600
26	Sec. 109. LABORATORY SERVICES	

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1	Full-time equated classified positions.....	118.2	
2	Laboratory services administration--98.7 FTE		
3	positions.....		\$ 6,446,800
4	Contractual services, supplies, and materials.....		1,369,000
5	EPSDT blood lead screening--6.0 FTE positions.....		661,100
6	Newborn screening services--13.5 FTE positions.....		1,765,700
7	Lyme disease grant.....		<u>75,000</u>
8	GROSS APPROPRIATION.....		\$ 10,317,600
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	Interdepartmental grant from corrections.....		232,600
12	Interdepartmental grant from environmental quality...		379,000
13	Federal revenues:		
14	Total federal revenues.....		1,137,800
15	Special revenue funds:		
16	Total other state restricted revenues.....		2,455,100
17	State general fund/general purpose.....		\$ 6,113,100
18	Sec. 110. EPIDEMIOLOGY		
19	Full-time equated classified positions.....	31.5	
20	Epidemiology administration--21.1 FTE positions.....		\$ 3,601,300
21	Tuberculosis control and recalcitrant AIDS program...		699,500
22	AIDS surveillance and prevention program--7.0 FTE		
23	positions.....		2,222,400
24	Disease surveillance--3.4 FTE positions.....		<u>363,400</u>
25	GROSS APPROPRIATION.....		\$ 6,886,600
26	Appropriated from:		

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1	Interdepartmental grant revenues:	
2	Interdepartmental grant from the department of	
3	environmental quality.....	78,200
4	Federal revenues:	
5	Total federal revenues.....	4,855,200
6	Special revenue funds:	
7	Total other state restricted revenues.....	80,900
8	State general fund/general purpose.....	\$ 1,872,300
9	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
10	Full-time equated classified positions.....3.0	
11	Implementation of 1993 PA 133.....	\$ 100,000
12	Indian health care.....	309,500
13	Refugee health program.....	142,300
14	Rural health grant.....	168,800
15	State/local cost sharing.....	44,700,000
16	Training and evaluation.....	320,000
17	Local health services.....	140,300
18	Lead abatement program--3.0 FTE positions.....	4,900,000
19	Medical services cost reimbursement to local health	
20	departments.....	<u>1,800,000</u>
21	GROSS APPROPRIATION.....	\$ 52,580,900
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	6,855,500
25	Special revenue funds:	
26	Total other state restricted revenues.....	243,500

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1	State general fund/general purpose.....	\$	45,481,900
2	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH		
3	PROMOTION		
4	Full-time equated classified positions.....	33.7	
5	AIDS and risk reduction clearinghouse and media		
6	campaign.....	\$	1,700,000
7	Alzheimer's information network.....		150,000
8	Cancer prevention and control program--13.6 FTE		
9	positions.....		13,382,800
10	Chronic disease prevention.....		1,496,800
11	Diabetes local agreements.....		3,609,900
12	Employee wellness program grants (includes \$50.00 per		
13	diem and expenses for the risk reduction and AIDS		
14	policy commission).....		4,250,000
15	Health education, promotion, and research		
16	programs--11.9 FTE positions.....		2,145,300
17	Injury control intervention project.....		[1,217,300]
18	Physical fitness, nutrition, and health.....		1,250,000
19	Public health traffic safety coordination.....		152,600
20	School health curriculum.....		2,000,000
21	School health education project.....		80,000
22	Smoking prevention program--6.2 FTE positions.....		7,169,400
23	Violence prevention--2.0 FTE positions.....		<u>2,844,400</u>
24	GROSS APPROPRIATION.....	\$	[41,448,500]
25	Appropriated from:		
26	Federal revenues:		

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1	Total federal revenues.....	12,014,800
2	Special revenue funds:	
3	Total other state restricted revenues.....	26,571,000
4	State general fund/general purpose..... \$	[2,862,700]
5	Sec. 113. COMMUNITY LIVING, CHILDREN, AND FAMILIES	
6	Full-time equated classified positions.....119.8	
7	Adolescent health care services..... \$	2,892,300
8	Dental programs.....	260,400
9	Dental program for persons with developmental	
10	disabilities.....	151,000
11	Family planning local agreements.....	7,392,600
12	Lead paint program.....	491,800
13	Local MCH services.....	1,271,200
14	Maternity, infant, and children's health care local	
15	agreements.....	7,083,000
16	Migrant health care.....	166,100
17	Pregnancy prevention program.....	7,996,100
18	Prenatal care community demonstration projects.....	58,200
19	Prenatal care outreach and service delivery support..	7,929,700
20	Sudden infant death syndrome program.....	121,300
21	Women, infants, and children program local agreements	
22	and food costs.....	145,679,200
23	Community living, children and families	
24	administration--114.3 FTE positions.....	7,531,900
25	Contractual services, supplies, and materials.....	1,987,400
26	Automated data processing.....	3,730,000

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1	Special projects--5.5 FTE positions.....	3,471,400
2	Family support subsidy.....	24,014,400
3	Maternal and child health outreach and advocacy.....	6,200,000
4	Pediatric AIDS prevention and control.....	800,000
5	Follow-up and treatment services for newborn	
6	screening.....	1,729,400
7	Young children.....	<u>2,000,000</u>
8	GROSS APPROPRIATION.....	\$ 232,957,400
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	Interdepartmental grant from family independence	
12	agency.....	7,007,500
13	Federal revenues:	
14	Total federal revenues.....	139,650,400
15	Special revenue funds:	
16	Private funds.....	41,954,000
17	Total other state restricted revenues.....	7,972,200
18	State general fund/general purpose.....	\$ 36,373,300
19	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
20	Full-time equated classified positions.....66.6	
21	Program administration--66.6 FTE positions.....	\$ 4,111,400
22	Contractual services, supplies, and materials.....	804,400
23	Amputee program.....	184,600
24	Bequests for care and services.....	1,104,600
25	Case management services.....	3,923,500
26	Conveyor contract.....	559,100

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1	Medical care and treatment.....	<u>117,433,700</u>
2	GROSS APPROPRIATION..... \$	128,121,300
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	57,913,600
6	Special revenue funds:	
7	Private - bequests.....	750,000
8	Total other state restricted revenues.....	3,893,800
9	State general fund/general purpose..... \$	65,563,900
10	Sec. 115. OFFICE OF DRUG POLICY CONTROL	
11	Full-time equated classified positions.....15.0	
12	Drug control policy--15.0 FTE positions..... \$	1,516,600
13	Anti-drug abuse grants.....	<u>33,400,000</u>
14	GROSS APPROPRIATION..... \$	34,916,600
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	34,742,900
18	State general fund/general purpose..... \$	173,700
19	Sec. 116. MEDICAL SERVICES ADMINISTRATION	
20	Full-time equated classified positions.....352.5	
21	Salaries and wages--352.5 FTE positions..... \$	19,899,600
22	Contractual services, supplies, and materials.....	19,661,600
23	Travel and equipment.....	192,700
24	Data processing contractual services.....	100
25	Facility inspection contract - state police.....	132,800
26	Michigan essential health care provider.....	1,229,100

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1	Primary care services.....	2,240,600
2	MIChild administration.....	<u>3,327,800</u>
3	GROSS APPROPRIATION.....	\$ 46,684,300
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	29,981,600
7	Special revenue funds:	
8	Private funds.....	100,000
9	Total other state restricted revenues.....	752,600
10	State general fund/general purpose.....	\$ 15,850,100
11	Sec. 117. MEDICAL SERVICES	
12	Hospital services and therapy.....	\$ 700,381,800
13	Hospital disproportionate share payments.....	45,000,000
14	Physician services.....	[158,262,800]
15	Medicare premium payments.....	104,372,400
16	Pharmaceutical services.....	206,054,400
17	Home health services.....	35,439,700
18	Transportation.....	4,358,900
19	Auxiliary medical services.....	56,199,700
20	Nursing home services.....	[770,127,900]
21	Chronic care units and county medical care facilities	169,425,400
22	Substance abuse services.....	16,829,200
23	Health plan services.....	[1,292,928,000]
24	Personal care services--adult foster care.....	19,324,900
25	Personal care services--in-home services.....	5,665,000
26	Maternal and child health.....	9,234,500

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1	Adult home help.....	142,633,600
2	Social services to the physically disabled.....	1,344,900
3	MIChild program.....	58,567,100
4	MIChild outreach.....	3,327,800
5	Medicaid outreach.....	5,000,000
6	Subtotal basic medical services program.....	3,794,548,000
7	Outpatient hospital adjustor.....	44,012,800
8	Indigent medical care program.....	24,048,200
9	Special adjustor payments.....	885,367,100
10	School based services.....	142,782,300
11	Subtotal special medical services payments.....	<u>1,096,210,400</u>
12	GROSS APPROPRIATION.....	\$ [4,900,688,400]
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	[2,736,855,500]
16	Special revenue funds:	
17	Total local revenues.....	731,647,700
18	Total private revenues.....	500,000
19	Tobacco company litigation fund.....	50,000
20	Total other state restricted revenues.....	195,384,100
21	State general fund/general purpose.....	\$ [1,236,251,100]
22	Sec. 118. OFFICE OF SERVICES TO THE AGING	
23	Full-time equated classified positions.....	36.5
24	Commission (per diem \$50.00).....	\$ 10,500
25	Office of services to aging administration--	36.5 FTE
26	positions.....	3,604,400

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1	Community services.....	32,923,400
2	Nutrition services.....	28,185,700
3	Senior volunteer services.....	5,120,800
4	Senior citizen centers staffing and equipment.....	1,140,700
5	Employment assistance.....	2,632,700
6	DAG commodity supplement.....	6,978,800
7	Michigan pharmaceutical program.....	6,000,000
8	Respite care program.....	<u>3,500,000</u>
9	GROSS APPROPRIATION..... \$	90,097,000
10	Appropriated from:	
11	Federal funds:	
12	Total federal revenues.....	39,157,100
13	Special revenue funds:	
14	Total private revenues.....	125,000
15	Total other state restricted revenues.....	9,999,800
16	State general fund/general purpose..... \$	40,815,100
17	Sec. 119. CRIME VICTIMS SERVICES COMMISSION	
18	Full-time equated classified positions.....9.0	
19	Grants administration services--9.0 FTE positions.... \$	768,100
20	Justice assistance grants.....	9,000,000
21	Crime victims rights services grants.....	<u>6,274,600</u>
22	GROSS APPROPRIATION..... \$	16,042,700
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	9,870,400
26	Special revenue funds:	

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1 Total other state restricted revenues..... 5,684,100
2 State general fund/general purpose..... \$ 488,200

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PART 2

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PROVISIONS CONCERNING APPROPRIATIONS

7 GENERAL SECTIONS

8 Sec. 201. (1) Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending in part 1 from state sources
10 for fiscal year 1998-1999 is estimated at [\$2,918,290,200.00]. The item-
11 ized statement below identifies appropriations from which spending to
12 units of local government will occur:

13 DEPARTMENTWIDE ADMINISTRATION

14 Departmental administration and management..... \$ 1,618,000

15 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

16 PROGRAMS

17 Homelessness formula grant program-state match..... 708,800

18 Pilot projects in prevention for adults and

19 children..... 1,514,800

20 Community substance abuse prevention, education,

21 and treatment programs..... 25,519,700

22 Community mental health programs..... 862,395,700

23 Respite services..... 3,000,000

24 OBRA implementation..... 2,339,800

25 INFECTIOUS DISEASE CONTROL

26 AIDS counseling and testing..... 687,800

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1	AIDS referral and care network grants.....	779,000
2	Sexually transmitted disease control local agreements	452,900
3	LOCAL HEALTH ADMINISTRATION AND GRANTS	
4	Refugee health grant.....	29,600
5	State/local cost sharing.....	44,700,000
6	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH	
7	PROMOTION	
8	Cancer prevention and control program.....	397,000
9	Diabetes local agreements.....	1,275,000
10	Employee wellness program grants.....	1,545,100
11	School health curriculum.....	2,000,000
12	Smoking prevention program.....	2,880,000
13	COMMUNITY LIVING, CHILDREN, AND FAMILIES	
14	Adolescent health care services.....	1,358,000
15	Family planning local agreements.....	1,230,300
16	Family support subsidy.....	17,006,900
17	Local MCH services.....	246,100
18	Pregnancy prevention program.....	2,511,800
19	Prenatal care outreach and service delivery support..	3,190,000
20	CHILDREN'S SPECIAL HEALTH CARE SERVICES	
21	Case management services.....	1,433,200
22	MEDICAL SERVICES	
23	Indigent medical program.....	1,383,800
24	Hospital disproportionate share payments.....	18,000,000
25	Medical services - noncapitated.....	31,324,600
26	Transportation.....	184,500

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1	Health plan services.....	54,575,700
2	OFFICE OF SERVICES TO THE AGING	
3	Community services.....	19,121,400
4	Nutrition services.....	12,363,000
5	Senior volunteer services.....	3,945,300
6	Michigan emergency pharmaceutical program.....	140,000
7	Respite care program.....	<u>3,500,000</u>
8	TOTAL OF PAYMENTS TO LOCAL UNITS	
9	OF GOVERNMENT.....	\$ 1,123,357,800

10 (2) If it appears to the principal executive officer of a department
11 or branch that state spending to local units of government will be less
12 than the amount that was projected to be expended under subsection (1),
13 the principal executive officer shall immediately give notice of the
14 approximate shortfall to the state budget director.

15 Sec. 202. The expenditures and funding sources authorized under
16 this act are subject to the management and budget act, 1984 PA 431,
17 MCL 18.1101 to 18.1594.

18 Sec. 203. Funds for which the state is acting as the custodian or
19 agent are not subject to annual appropriation.

20 Sec. 204. As used in this act:

21 (a) "AIDS" means acquired immunodeficiency syndrome.

22 (b) "CMH" means community mental health.

23 (c) "CMHSP" means a community mental health service program as that
24 term is defined in section 100a of the mental health code, 1974 PA 258,
25 MCL 330.1100a.

26 (d) "DAG" means the United States department of agriculture.

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- 1 (e) "Department" or "MDCH" means the Michigan department of
2 community health.
- 3 (f) "DSH" means disproportionate share hospital.
- 4 (g) "EPSDT" means early and periodic screening, diagnosis, and
5 treatment.
- 6 (h) "FTE" means full-time equated position.
- 7 (i) "GME" means graduate medical education.
- 8 (j) "HIV" means human immunodeficiency virus.
- 9 (k) "HMO" means health maintenance organization.
- 10 (l) "IDEA" means individuals with disabilities education act.
- 11 (m) "IDG" means interdepartmental grant.
- 12 (n) "IDT" means intradepartmental transfer.
- 13 (o) "MCH" means maternal and child health.
- 14 (p) "MDEQ" means Michigan department of environmental quality.
- 15 (q) "MDOC" is defined as Michigan department of corrections.
- 16 (r) "MPCB" means multipurpose collaborative body.
- 17 (s) "Qualified health plan" means, at a minimum, an organization
18 that meets the criteria for delivering the comprehensive package of serv-
19 ices under the department's comprehensive health plan.
- 20 (t) "Title X" means title X of the public health services act, 300
21 U.S.C. 1001.
- 22 (u) "Title XVIII" means title XVIII of the social security act,
23 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,
24 1395c to 1395i, 1395i-2 to 1395i-4, 1395j to 1395t, 1395u to 1395w-2,
25 1395w-4 to 1395zz, and 1395bbb to 1395ccc.

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1 (v) "Title XIX" means title XIX of the social security act, chapter
2 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g, and 1396i to
3 1396s.

4 (w) "Title XX" means title XX of the social security act, chapter
5 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.

6 Sec. 205. The department shall provide a report on contractual
7 services to the department of management and budget and to the chair-
8 persons of the senate and house appropriations committees each month.
9 The report shall be based on the monthly civil service statewide con-
10 tracted services report required by section 281 of the management and
11 budget act, 1984 PA 431, MCL 18.1281. The report shall provide the name
12 of the contractor, the dollar value of the contract, description and
13 location of the service to be provided, and justification for the
14 contract.

15 Sec. 206. (1) Beginning October 1, 1998, there is a hiring freeze
16 imposed on the state classified civil service. State departments and
17 agencies are prohibited from hiring any new full-time state classified
18 civil service employees and prohibited from filling any vacant state
19 classified civil service positions. This hiring freeze does not apply to
20 internal transfers of classified employees from 1 position to another
21 within a department or to positions that are funded with 80% or more fed-
22 eral or restricted funds.

23 (2) The state budget director shall grant exceptions to this hiring
24 freeze when the state budget director believes that the hiring freeze
25 will result in the state department or agency being unable to deliver
26 basic services. The state budget director shall report by the fifteenth
27 of each month to the chairpersons of the senate and house appropriations

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1 committees the number of exclusions to the hiring freeze approved during
2 the previous month and the justification for the exclusion.

3 Sec. 207. If the revenue collected by the department from fees and
4 collections exceeds the amount appropriated in part 1, the revenue may be
5 carried forward into the subsequent fiscal year. The revenue carried
6 forward under this section shall be used as the first source of funds in
7 the subsequent fiscal year.

8 Sec. 208. Except as provided in section 111b(11) of the social wel-
9 fare act, 1939 PA 280, MCL 400.111b, relative to medical services provid-
10 ers, the department shall not pay for a billing received from a contrac-
11 tor or service provider that is submitted more than 12 months after the
12 bill for a good or service is provided.

13 Sec. 209. (1) From the amounts appropriated in part 1, no greater
14 than the following amounts are supported with federal maternal and child
15 health, preventive health and health services, substance abuse block
16 grant, healthy Michigan fund, and Michigan health initiative funds:

17	(a) Maternal and child health block grant.....	\$	20,552,000.
18	(b) Preventive health and health services block grant	\$	4,982,300.
19	(c) Substance abuse block grant.....	\$	62,657,700.
20	(d) Healthy Michigan funds.....	\$	40,110,100.
21	(e) Michigan health initiative.....	\$	9,600,000.

22 (2) On or before February 1, 1999, the department shall report to
23 the house and senate appropriations subcommittees on community health,
24 the house and senate fiscal agencies, and the state budget director on
25 the detailed name and amounts of federal, restricted, private, and local
26 sources of revenue that support the appropriations in each of the line
27 items in part 1 of this act.

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1 (3) Upon the release of the fiscal year 1999-2000 executive budget
2 recommendation, the department shall report to the same parties in
3 subsection (2) on the amounts and detailed sources of federal,
4 restricted, private, and local revenue proposed to support the total
5 funds appropriated in each of the line items in part 1 of the fiscal year
6 1999-2000 executive budget proposal.

7 (4) The department shall provide to the same parties in subsection
8 (2) all revenue source detail for consolidated revenue line item detail
9 upon request to the department.

10 Sec. 210. The state departments, agencies, and commissions receiv-
11 ing tobacco tax funds from part 1 shall report by October 1, 1998, to the
12 senate and house appropriations committees, the senate and house fiscal
13 agencies, and the state budget director on the following:

14 (a) Detailed spending plan by appropriation line item including
15 description of programs.

16 (b) Allocations from funds appropriated under these sections.

17 (c) Description of allocations or bid processes including need or
18 demand indicators used to determine allocations.

19 (d) Eligibility criteria for program participation and maximum bene-
20 fit levels where applicable.

21 (e) Outcome measures to be used to evaluate programs.

22 (f) Any other information deemed necessary by the house or senate
23 appropriations committees or the state budget director.

24 Sec. 211. The use of state restricted tobacco tax revenue received
25 for the purpose of tobacco prevention, education, and reduction efforts
26 and deposited in the healthy Michigan fund shall not be used for lobbying
27 as defined in 1978 PA 472, MCL 4.411 to 4.431.

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1 Sec. 212. The department of civil service shall bill departments
2 and/or agencies at the end of the first fiscal quarter for the 1% charges
3 authorized by section 5 of article XI of the state constitution of 1963.
4 Payments shall be made for the total amount of the billing by the end of
5 the second fiscal quarter.

6 Sec. 213. On October 1, 1998 and April 1, 1999, the department
7 shall make a list available of reports to be prepared pursuant to the
8 provisions of this act. The list shall be distributed to house and
9 senate appropriations subcommittees on community health, house and senate
10 fiscal agencies, house and senate central staffs, and the state budget
11 director. The listed parties may request copies of reports from the list
12 and submit the request back to the department. The department shall pro-
13 vide copies of the requested reports no later than the date the report is
14 due to those persons requesting the reports.

15 Sec. 214. The source of funding for the part 1 appropriation for
16 the Arab-American and Chaldean council, and ACCESS primary care services
17 is the federal preventive health and health services block grant.

18 Sec. 215. (1) In addition to funds appropriated in part 1 for all
19 programs and services, there is appropriated for write-offs of accounts
20 receivable, deferrals, and for prior year obligations in excess of appli-
21 cable prior year appropriations, an amount equal to total write-offs and
22 prior year obligations, but not to exceed amounts available in prior year
23 revenues.

24 (2) The department's ability to satisfy appropriation deductions in
25 part 1 shall not be limited to collections and accruals pertaining to
26 services provided in fiscal year 1998-1999, but shall also include
27 reimbursements, refunds, adjustments, and settlements from prior years.

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1 (3) The department shall report promptly to the house and senate
2 appropriations subcommittees on community health on all reimbursements,
3 refunds, adjustments, and settlements from prior years.

4 Sec. 216. (1) In the expenditure of funds appropriated under this
5 act, the director shall take all reasonable steps to ensure businesses in
6 deprived and depressed communities are given the opportunity to compete
7 for and perform contracts to provide services or supplies, or both, for
8 the department.

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

12 Sec. 217. Funds appropriated in this act shall not be used for the
13 purchase of foreign goods or services, or both, if competitively priced
14 American goods or services, or both, of comparable quality are
15 available.

16 Sec. 218. The department shall provide a report on the progress of
17 Medicaid managed mental health services to the members of the senate and
18 house appropriations subcommittees on community health, the senate com-
19 mittee on families, mental health, and human services, and the house com-
20 mittee on mental health by September 30, 1999. The report shall summa-
21 rize actions taken by the department community mental health services
22 programs and substance abuse coordinating agency networks to implement
23 these specialized managed care programs, and shall include summary infor-
24 mation on inpatient and partial hospitalization and costs, access to
25 services, and summary information on consumer satisfaction measures.

26 Sec. 219. (1) This appropriation act includes funding for
27 departmental operations financed in whole or in part from early

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1 retirement savings generated through the early retirement program under
2 section 19f of the state employees' retirement act, 1943 PA 240, MCL
3 38.19f. The director shall provide a report that identifies all of the
4 following:

5 (a) The amount of these early retirement savings realized in the
6 1997-1998 fiscal year.

7 (b) The amount of these early retirement savings explicitly ear-
8 marked and spent for technology improvements in the 1997-1998 fiscal
9 year.

10 (c) The amount of these early retirement savings used for other
11 organizational enhancements in the 1997-1998 fiscal year.

12 (2) The report required under subsection (1) shall be provided to
13 the house and senate appropriations committees and to the house and
14 senate fiscal agencies on or before December 15, 1998.

15 Sec. 220. Each department receiving funds under this act shall
16 submit to the department of management and budget, the house and senate
17 appropriations committees, the house and senate fiscal agencies, and the
18 house and senate standing committees having jurisdiction over technology
19 issues quarterly reports on the department's efforts to change the
20 department's computer software and hardware as necessary to perform prop-
21 erly in the year 2000 and beyond. These reports shall identify actual
22 progress in comparison to the department's approved work plan for these
23 efforts. These reports shall also identify and forward as appropriate
24 the funding sources that should support the work performed.

25 Sec. 223. Basic health services for the fiscal year beginning
26 October 1, 1998, for the purpose of part 23 of the public health code,
27 1978 PA 368, MCL 333.2301 to 333.2321, are those described by the

1 department in its proposed program statement dated October 16, 1981, and
2 in the "prenatal postpartum care, proposed basic health service program
3 statement" included in the department document entitled "A Study of
4 Prenatal Care as a Basic Service," dated March 1, 1986, and for which the
5 legislature has made funds available in amounts necessary to ensure their
6 availability and accessibility. The services described in the statement
7 are: immunizations, communicable disease control, venereal disease con-
8 trol, tuberculosis control, prevention of gonorrhoea eye infection in new-
9 borns, screening newborns for phenylketonuria, screening newborns for
10 hypothyroidism, health/medical annex of emergency preparedness plan,
11 licensing and surveillance of agricultural labor camps, and prenatal
12 care.

13 Sec. 224. The department may contract with the Michigan public
14 health institute for the design and implementation of projects and for
15 other public health related activities prescribed in section 2611 of the
16 public health code, 1978 PA 368, MCL 333.2611. The department may
17 develop a master agreement with the institute for up to a 3-year period
18 to carry out these purposes. The department shall report on projects to
19 be carried out by the institute, expected project duration, and project
20 cost by November 1, 1998 and May 1, 1999 to the house and senate appro-
21 priations subcommittees on community health, senate and house fiscal
22 agencies, and the state budget director. If the reports are not received
23 by the specified dates, no funds shall be disbursed. For the purposes of
24 this section, the Michigan public health institute shall be considered a
25 public health agency.

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1 Sec. 225. No funds appropriated in part 1 shall be expended for
2 media activities regarding the alleged dangers of naturally occurring
3 radon gas.

4 Sec. 227. The department may receive and expend funds dedicated to
5 the establishment of programs for education, research and treatment serv-
6 ices related to pathological gambling addictions.

7 Sec. 229. The department shall receive and retain copies of all
8 reports funded from the appropriations in part 1.

9 Sec. 231. Within 10 working days after the formal presentation of
10 the executive budget for 1999-2000, each principal department or agency
11 receiving funds under this act shall identify and report to the house and
12 senate appropriations committees and to the house and senate fiscal agen-
13 cies the source of all federal funds and restricted funds that the prin-
14 cipal department or agency proposes to receive as a grant or proposes to
15 transfer to another principal department or agency during the 1999-2000
16 fiscal year.

17 Sec. 232. (1) The department of management and budget and each
18 principal executive department and agency receiving funds under this act
19 shall provide to the house and senate appropriations committees and the
20 house and senate fiscal agencies a monthly report on all sole source con-
21 tracts and personal service contracts awarded that month without competi-
22 tive bidding, pricing, or rate setting. The monthly report shall include
23 at least all of the following:

24 (a) The total dollar amount of the contract.

25 (b) The duration of the contract.

26 (c) The name of the vendor.

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1 (d) The type of service to be provided.

2 (2) At least quarterly, the appointing authority of each department
3 receiving funds under this act shall transmit to the house and senate
4 appropriations committees, the house and senate fiscal agencies, and the
5 department of management and budget a report including all of the follow-
6 ing for each personal service contract awarded that quarter:

7 (a) A description of the personal service contract.

8 (b) A copy of the approved CS-138 form.

9 (c) The purpose and type of service to be provided.

10 (d) The name of the person or entity that was awarded the contract.

11 (e) The estimated cost or financial obligation for the contract.

12 (f) The cost savings to the state from awarding the contract. This
13 cost savings shall be calculated as the difference between the cost of
14 the personal service contract and the estimated cost if that product or
15 service were provided through the classified civil service by permanent
16 civil service employees.

17 (3) The internal auditor of each department receiving funds under
18 this act shall prepare an annual report concerning personal service con-
19 tracts that explicitly identifies exceptions between the authorized pur-
20 pose and level of expenditures and the actual product or service and
21 level of expenditures. This report shall be submitted to the legislative
22 auditor general, the house and senate fiscal agencies, and the department
23 of management and budget not later than 90 days after the books are
24 closed at the conclusion of the fiscal year.

25 (4) Each department receiving funds under this act shall provide to
26 the department of management and budget a monthly listing of all bid
27 requests or requests for proposal that were issued for personal service

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1 contracts during that month. The department of management and budget
2 shall provide this monthly listing to the house and senate appropriations
3 committees and house and senate fiscal agencies.

4 (5) Each principal executive department and agency receiving funds
5 under this act shall provide to the department of management and budget a
6 monthly summary listing that identifies any authorizations for personal
7 service contracts that are provided to the department of civil service
8 pursuant to delegated authority granted to each principal executive
9 department and agency related to personal service contracts. The depart-
10 ment of management and budget shall provide this monthly listing to the
11 house and senate appropriations committees and the house and senate
12 fiscal agencies.

13 (6) All reporting and provision of information by the department of
14 management and budget referred to in this section shall be as provided in
15 House Bill No. 5595 of the 89th Legislature.

16 Sec. 233. (1) Any initiative to privatize state services funded
17 under this act shall not commence until after the completion of a pilot
18 program with a duration of not less than 36 months. At least 30 days
19 before beginning any privatization pilot program, the department shall
20 submit a complete project plan to the appropriate house and senate appro-
21 priations subcommittees and the house and senate fiscal agencies. The
22 submission of the project plan shall contain a complete set of baseline
23 data for comparative evaluation of the pilot program at the end of the
24 program term. The privatization pilot program evaluation shall include
25 the administrative costs of the contract for privatized services.

26 (2) A contract for privatized services shall not be continued beyond
27 the original privatization pilot program term unless the program has

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1 conclusively demonstrated a cost savings of at least 5% and improved
2 quality of service.

3 Sec. 234. (1) Applicants for or recipients of health care treatment
4 or health care support services provided by or under contract with the
5 department may request a fair hearing before an administrative law judge
6 to contest a denial of a specifically requested service or a proposed
7 suspension, reduction, or termination of a specific service.

8 (2) The department shall assure that all procedures relative to such
9 fair hearings, including provision for maintenance of service, match
10 those established under federal law and regulations for individuals
11 receiving Medicaid. The department shall also ensure that all applicants
12 for or recipients of department provided or contracted health care treat-
13 ment or health care support services are given notification of determina-
14 tions to deny, suspend, reduce, or terminate services in a manner that
15 matches what is established under federal law and regulations for indi-
16 viduals receiving Medicaid. For purposes of this subsection, the
17 required fair hearing and notification procedures are applicable regard-
18 less of whether or not provider and service manager determinations were
19 made in conjunction with utilization review or person-centered planning
20 processes.

21 (3) The department shall assure that all recipients of department
22 provided or contracted health care treatment or health care support serv-
23 ices as of October 1, 1998 are given a 1-page statement, written in plain
24 language, describing their right to a fair hearing. Such a statement
25 shall also be given to any individual newly applying for a department
26 provided or department contracted health care treatment or health care
27 support service during fiscal year 1998-1999.

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1 Sec. 235. (1) The department shall require that providers of
2 Medicaid and non-Medicaid services such as nursing home providers, commu-
3 nity mental health services programs, and coordinating agencies for sub-
4 stance abuse services maintain waiting lists for service needs not met.
5 The waiting lists, at the minimum, must include data by type of services,
6 diagnostic groups or program categories, age, and gender, and specify the
7 length of time each individual has been on the waiting list from the date
8 of the initial request for services. The order of priority on the wait-
9 ing lists must be based on severity and urgency of need.

10 (2) The department must compile this waiting list information in a
11 format to be determined by the department.

12 (3) No later than April 10 of each fiscal year, the department shall
13 provide a report on the information required by this section to the mem-
14 bers of the house and senate appropriations subcommittees on community
15 health, the house and senate fiscal agencies, and the state budget
16 director.

17 **DEPARTMENTWIDE ADMINISTRATION**

18 Sec. 302. From funds appropriated for worker's compensation, the
19 department may make payments in lieu of worker's compensation payments
20 for wage/salary and related fringe benefits for employees who return to
21 work under limited duty assignments. Employees returning to work under
22 limited duty assignments who are funded under this section will be in
23 addition to the facility's existing staffing authorization.

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1 Sec. 303. Funds appropriated in part 1 for the community health
2 advisory council may be used for member per diems of \$50.00 and other
3 council expenditures.

4 Sec. 305. The department shall provide quarterly reports concerning
5 the department's revenue and expenditure status to the senate and house
6 appropriations committees, the house and senate fiscal agencies, and the
7 state budget director.

8 Sec. 309. The department is prohibited from requiring first-party
9 payment from individuals or families with a taxable income of \$9,000.00
10 or less for mental health services.

11 Sec. 310. The specific amounts indicated in sections 104, 105, and
12 106 of this act as restricted revenue for financing appropriations from
13 federal, state restricted, local, private, and CMHSP - purchase of state
14 services contracts are estimates of the proportion of the total amounts
15 expected to be collected, and the department may satisfy any individual
16 restricted revenue deduct amount from the total revenues of all of those
17 revenue sources. A report shall be provided by April 15 to the fiscal
18 agencies and the state budget director on actual collections by revenue
19 source for each appropriation unit during the previous fiscal year.

[Sec. 311. The department shall make application for funding under
the Medicare rural hospital flexibility program for planning, network
development, and critical access hospital designation activities.]

20 Sec. 312. The department shall seek a Medicaid waiver from the
21 requirement that prohibits reimbursement for psychiatric services to per-
22 sons between the ages of 21 and 65 provided by institutions for mental
23 disease. The waiver request shall be for both public and private hospi-
24 tals providing such services. A copy of the federal waiver request shall
25 be provided to the house and senate appropriations subcommittees on com-
26 munity health, and to the house and senate fiscal agencies at the time of
27 submission.

1 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

2 AND SPECIAL PROJECTS

3 Sec. 350. The department shall not enter into new contracts with
4 private attorneys for legal services for the purposes of gaining and
5 maintaining occupancy to a community living arrangement. The department
6 may enter into a contract with the protection and advocacy service,
7 authorized under section 931 of the mental health code, 1974 PA 258,
8 MCL 330.1931, or a similar organization to provide legal services for
9 purposes of gaining and maintaining occupancy in a community living
10 arrangement which is under lease or contract with the department or a
11 community mental health services program board to provide services to
12 persons with mental illness or developmental disability. State funds
13 shall not be used for legal services to represent private investors pur-
14 chasing homes for these purposes.

15 Sec. 360. Nine hundred thousand dollars is appropriated in part 1
16 of this act to the agency designated by the governor pursuant to
17 section 931 of the mental health code, 1974 PA 258, MCL 330.1931, for the
18 purpose of providing protection and advocacy services for individuals
19 with substance abuse disorders. The agency shall provide information and
20 referral services, written materials for consumers, and monitoring of
21 facilities providing care or treatment and investigate complaints.
22 Evaluation of substance abuse services provided by the department of cor-
23 rections shall be provided by this agency in cooperation with other
24 entities.

25 Sec. 370. The funds appropriated in part 1 for community residen-
26 tial services programs may be used for basic care in cases where
27 individuals are not eligible to receive social security benefits and are

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1 not otherwise capable of supporting themselves out of their own
2 resources. Funds may be used for aftercare services or to prevent admis-
3 sions to state hospitals and centers through residential and support
4 services. Expenditures and allocations may be authorized for CMHSPs and
5 state hospitals, centers, and placement agencies.

6 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

7 PROGRAMS

8 Sec. 401. (1) Funds appropriated in part 1 are intended to support
9 a system of comprehensive community mental health services under the full
10 authority and responsibility of local CMHSPs. The department shall
11 ensure that each board provides all of the following:

12 (a) A system of single entry and single exit.

13 (b) A complete array of mental health services which shall include,
14 but shall not be limited to, all of the following services: residential
15 and other individualized living arrangements, outpatient services, acute
16 inpatient services, and long-term, 24-hour inpatient care in a struc-
17 tured, secure environment.

18 (c) The coordination of inpatient and outpatient hospital services
19 through agreements with state-operated psychiatric hospitals, units, and
20 centers in facilities owned or leased by the state, and privately-owned
21 hospitals, units, and centers licensed by the state pursuant to sections
22 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to
23 330.1149b.

24 (d) Individualized plans of service that are sufficient to meet the
25 needs of individuals, including those discharged from psychiatric

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1 hospitals or centers, and that ensure the full range of recipient needs
2 is addressed through the CMHSP's program or through assistance with
3 locating and obtaining services to meet these needs.

4 (e) A system of case management to monitor and ensure the provision
5 of services consistent with the individualized plan of services or
6 supports.

7 (f) A system of continuous quality improvement.

8 (g) A system to monitor and evaluate the mental health services
9 provided.

10 (2) In partnership with CMHSPs, the department shall establish a
11 process to ensure the long-term viability of a single entry and exit and
12 locally controlled community mental health system.

13 Sec. 402. (1) From funds appropriated in part 1, final authoriza-
14 tions to CMHSPs shall be made upon the execution of contracts between the
15 department and CMHSPs. The contracts shall contain an approved plan and
16 budget as well as policies and procedures governing the obligations and
17 responsibilities of both parties to the contracts.

18 (2) The funds appropriated in part 1 for the purchase of state serv-
19 ice contracts are for the purchase of state hospital and center services,
20 or for approved community-based programs that reduce utilization of state
21 provided services. These funds shall be authorized to CMHSPs based on
22 estimates approved by the department as part of the negotiated contract.

23 (3) Funds that are authorized to CMHSPs, when used to purchase state
24 services, shall be provided to state hospitals, centers, and placement
25 agencies based on the per diem and billing arrangements approved by the
26 department in the negotiated contract.

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1 (4) The department shall advance to each CMHSP an amount not to
2 exceed 1/12 of its estimated total collections from Medicaid and may
3 establish a separate accounts receivable for the total of these amounts.
4 Advances made pursuant to this subsection shall be repaid in the same
5 fiscal year and before any advance is provided for a subsequent year.

6 (5) Current billing and collection procedures for the net cost of
7 state provided services shall continue as specified in chapter 3 of the
8 mental health code, 1974 PA 258, MCL 330.1302 to 330.1320.

9 (6) The department may access funds from the appropriation directly
10 for patients who have no county affiliation or for whom county charges
11 are exempted.

12 (7) The funds appropriated in part 1 from purchase of state service
13 contracts shall not result in increased costs to counties in excess of
14 the local match required under section 302 and section 308 of the mental
15 health code, 1974 PA 258, MCL 330.1302 and 330.1308.

16 Sec. 403. The funds appropriated in this act for county community
17 mental health service programs shall not be used to replace funds no
18 longer available because the local government or CMHSP reduced its base
19 of support for state and local mental health services, as defined in
20 chapter 2 of the mental health code, 1974 PA 258, MCL 330.1200 to
21 330.1246, below that of the previous year.

22 Sec. 404. The amount appropriated in part 1 for CMHSP services is
23 intended for funding of CMHSPs in accordance with contracts between the
24 department and the CMHSPs for the current fiscal year. The department
25 shall establish such total accounts payable and receivable amounts as may
26 be appropriate to represent the expected final state obligation for all
27 such contracts. After final review of the expenditure reports required

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1 by the contracts, any amounts advanced to the board which are returned to
2 the department and any amounts paid to the boards in accordance with the
3 provisions of the contracts shall be considered to be adjustments to the
4 program expenditures for the prior fiscal year. These prior year trans-
5 actions shall be recorded in a separate account established for that
6 purpose. CMHSPs' prior year revenue recognized in the current fiscal
7 year may be restricted to finance related prior year expenditures not
8 previously recorded.

9 Sec. 405. Funds appropriated in part 1 for CMHSP services and com-
10 munity demand may be reserved and carried forward pursuant to provisions
11 in the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

12 Sec. 406. From the funds appropriated for CMHSP, \$3,560,000.00 will
13 be directed toward providing multicultural special needs projects.

14 Sec. 407. (1) Not later than April 10 of each fiscal year, the
15 department shall provide a report on the community mental health services
16 programs to the members of the house and senate appropriations subcommit-
17 tees on community health, the house and senate fiscal agencies, and the
18 state budget director which shall include information required by this
19 section. This report will be updated to the extent possible, based on
20 available data, by September 30.

21 (2) The report shall contain information for each community mental
22 health services board and a statewide summary, each of which shall
23 include at least the following information:

24 (a) A demographic description of service recipients which, minimal-
25 ly, shall include reimbursement eligibility, client population, age, eth-
26 nicity, housing arrangements, and primary diagnosis by specifically named

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1 condition according to the latest version of the American psychiatric
2 association diagnostic and statistical manual.

3 (b) Per-client expenditures categorized according to adults with
4 mental illness, minors with emotional disorders, and persons with devel-
5 opmental disabilities.

6 (c) Financial information which, minimally, shall include a descrip-
7 tion of funding authorized; expenditures by client group and fund source;
8 and cost information by service category, including administration.
9 Service category shall include all department approved services.

10 (d) Data describing service outcomes which shall include but not be
11 limited to an evaluation of consumer satisfaction, consumer choice, and
12 quality of life concerns including but not limited to housing and
13 employment.

14 (e) Information about access to community mental health services
15 programs which shall include but not be limited to:

16 (i) The number of people receiving requested services.

17 (ii) The number of people who requested services but did not receive
18 services.

19 (f) The number of second opinions requested under chapters 4 and 7
20 of the mental health code, 1974 PA 258, MCL 330.1400 to 330.1408 and
21 330.1700 to 330.1754, and the determination of any appeals.

22 (g) An analysis of information provided by community mental health
23 service programs in response to the needs assessment requirements of the
24 mental health code, including information about the number of persons in
25 the service delivery system who have requested and are clinically appro-
26 priate for different services.

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1 (3) The report shall include information on each CMHSP's status with
2 regard to implementation of the Michigan mission-based performance
3 indicator system.

4 Sec. 408. (1) By April 10, 1999, the department shall report the
5 following data from fiscal year 1997-1998 on community mental health
6 services programs to the senate and house appropriations subcommittees on
7 community health, the senate and house fiscal agencies, and the state
8 budget director:

9 (a) An estimate of the number of FTEs employed or contracted
10 directly by the CMHSPs as of September 30, 1998 and an estimate of the
11 number of FTEs employed through contracts with provider organizations as
12 of September 30, 1998.

13 (b) Lapses and carryforwards for CMHSPs, including historical lapse
14 and carryforward data.

15 (c) Contracts for mental health services entered into by CMHSPs with
16 providers, including amounts and rates, organized by type of service
17 provided.

18 (2) The department shall include these data reporting requirements
19 in the annual contract with individual CMHSPs.

20 (3) The department shall take all reasonable actions to ensure that
21 the requested data reported are complete and consistent among all
22 CMHSPs.

23 (4) Agencies contracting with CMHSPs shall provide 3 days' notice to
24 the CMHSP of all committee and full board meetings and shall conduct all
25 portions of meetings pertaining to CMHSPs funded programs in the same
26 manner as required for meetings of public bodies under the open meetings
27 act, 1976 PA 267, MCL 15.261 to 15.275.

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1 Sec. 409. (1) From the funds appropriated in part 1 for community
2 mental health programs, the 75 cents per hour per employee wage
3 pass-through for workers in local residential settings that was funded to
4 local community mental health services programs beginning January 1, 1998
5 shall continue to be paid to direct care workers in fiscal year
6 1998-1999.

7 (2) From the funds appropriated in part 1 for community mental
8 health programs, money shall be utilized to establish a pool of funds
9 available to local community mental health services programs sufficient
10 to provide for increasing the wages of direct care staff by 75 cents per
11 hour per employee for those employees of day programs, supported employ-
12 ment, and other vocational service programs who were not eligible for the
13 increase in fiscal year 1997-1998.

14 (3) From the funds appropriated in part 1 for community mental
15 health programs, money shall be utilized to establish a pool of funds
16 available to local community mental health services programs sufficient
17 to provide for increasing the wages of direct care staff by \$1.00 per
18 hour per employee in local residential service settings, day programs,
19 supported employment, and other vocational service programs for fiscal
20 year 1998-1999.

21 (4) Each CMHSP may make application to the department to receive
22 funds for the direct care worker wage pass-through fund, not to exceed
23 their proportionate share of the money allocated for this purpose. The
24 application shall specify the amount of funds requested and the
25 agencies/programs to receive the wage pass-through funds requested.

26 (5) Each CMHSP awarded wage pass-through funds shall report on the
27 actual expenditures of such funds in the format to be determined by the

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1 department. Any funds not utilized by the CMHSP for the purpose
2 specified in the wage pass-through application shall be deducted from the
3 base allocation to the CMHSP in the subsequent fiscal year.

4 (6) For purposes of this section, a direct care worker is defined as
5 an employee of a local residential service setting, day program, sup-
6 ported employment, and other vocational services programs who is involved
7 in 1 or more of the following activities or services:

8 (a) Personal care.

9 (b) Nutrition.

10 (c) Toileting skills.

11 (d) Feeding and clothing.

12 (e) Making and changing beds.

13 (f) Administration of medications.

14 (g) Assistance with ambulation, walking, and transferring from 1
15 position to another position.

16 (h) Other activities or services that enhance the client's quality
17 of life.

18 (7) A direct care worker does not include administrative and profes-
19 sional staff of a local residential service setting, day program, sup-
20 ported employment, and other vocational service programs.

21 Sec. 410. The department shall take steps to ensure that the admin-
22 istrative costs of purchase of service residential contracts do not
23 exceed previous levels. The department shall report annually to the
24 house and senate appropriations subcommittees on community health infor-
25 mation about administrative and other provider costs.

26 Sec. 411. (1) The funds appropriated in part 1 for the state
27 disability assistance substance abuse services program shall be used to

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1 support per diem room and board payments in substance abuse residential
2 facilities. Eligibility of clients for the state disability assistance
3 substance abuse services program shall be determined in accordance with
4 section 805 of 1992 PA 168.

5 (2) The department shall reimburse all licensed substance abuse pro-
6 grams eligible to participate in the program at a rate equivalent to that
7 paid by the family independence agency to adult foster care providers.
8 Programs accredited by department-approved accrediting organizations
9 shall be reimbursed at the personal care rate, while all other eligible
10 programs shall be reimbursed at the domiciliary care rate.

11 Sec. 412. (1) The amount appropriated in part 1 for substance abuse
12 prevention, education, and treatment grants shall be expended for con-
13 tracting with coordinating agencies or designated service providers.

14 (2) The department shall establish a fee schedule for providing sub-
15 stance abuse services and charge participants in accordance with their
16 ability to pay. The mechanisms and fee schedule shall be developed by
17 the department with input from substance abuse coordinating agencies.

18 Sec. 413. (1) By April 15, 1999, the department shall report the
19 following data from fiscal year 1997-1998 on substance abuse prevention,
20 education, and treatment programs to the senate and house appropriations
21 subcommittees on community health and the senate and house fiscal
22 agencies:

23 (a) Expenditures stratified by coordinating agency, by central diag-
24 nosis and referral agency, by fund source, by subcontractor, by popula-
25 tion served, and by service type. Additionally, data on administrative
26 expenditures by coordinating agency and by subcontractor shall be
27 reported.

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1 (b) Expenditures per state client, with data on the distribution of
2 expenditures reported using a histogram approach.

3 (c) Number of services provided by central diagnosis and referral
4 agency, by subcontractor, and by service type. Additionally, data on
5 length of stay, referral source, and participation in other state
6 programs.

7 (d) Collections from other first- or third-party payers, private
8 donations, or other state or local programs, by coordinating agency, by
9 subcontractor, by population served, and by service type.

10 (2) The department shall take all reasonable actions to ensure that
11 the required data reported are complete and consistent among all coordi-
12 nating agencies.

13 Sec. 414. The funding in part 1 for substance abuse services shall
14 be distributed in a manner so as to provide priority to service providers
15 which furnish child care services to clients with children.

16 Sec. 415. If the state's fiscal year 1998-99 federal block grant
17 allocation for substance abuse services is increased by \$1,900,000.00 or
18 more from the prior fiscal year and federal funding is not awarded to the
19 Odyssey House residential substance abuse treatment program, the depart-
20 ment shall allocate no less than \$1,900,000.00 to the Odyssey House resi-
21 dential substance abuse treatment program.

22 Sec. 416. (1) From the funds appropriated in part 1 for community
23 substance abuse prevention, education, and treatment grants, the addi-
24 tional \$8,000,000.00 general fund/general purpose shall be targeted to
25 underserved populations which may include:

26 (a) Families involved with protective services.

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1 (b) Persons at risk of involvement with the corrections system.

2 (c) Dually diagnosed persons with mental health and substance abuse
3 problems.

4 (d) Eleven- to twenty-year-old persons experiencing substance abuse
5 problems.

6 (2) By September 30, 1999, the department shall report to the house
7 and senate appropriations subcommittees on community health and the house
8 and senate fiscal agencies on how the existing and new substance abuse
9 funding was utilized, the amount of services provided, and their impact
10 on reducing substance abuse problems.

11 Sec. 417. If a person licensed to provide substance abuse services
12 receives federal substance abuse prevention block grant funds, any prior-
13 ity positions established under state statute for recipients of their
14 services shall apply only after serving those priority positions granted
15 under the conditions of the federal block grant.

16 Sec. 418. Community mental health services programs are prohibited
17 from employing procedures related to recipient rights and consumer griev-
18 ances that are not authorized by applicable federal law, state statute,
19 or legislative budget boilerplate.

20 Sec. 419. It is the intent of the legislature that the department
21 shall establish as a funding priority that employees of providers with
22 which the department contracts, directly or indirectly, are not compen-
23 sated at less than the poverty level for a family of 4, as that poverty
24 level is determined in accordance with criteria established by the direc-
25 tor of the United States office of management and budget to assure the
26 provision of quality services through a more stable workforce. The
27 department shall also not provide health care benefits less than that

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1 provided by MIChild program to assure the provisions of quality services
2 through a more stable workforce.

3 Sec. 420. The department shall contract directly with the Salvation
4 Army harbor light program for the provision of substance abuse services
5 at not less than the amount provided in fiscal year 1997-1998.

6 Sec. 421. The department shall assure that substance abuse treat-
7 ment is provided to applicants and recipients of public assistance
8 through the family independence agency who are required to obtain sub-
9 stance abuse treatment as a condition of eligibility for public
10 assistance.

11 Sec. 422. (1) The department shall ensure that each contract with a
12 CMHSP shall require the CMHSP to implement programs to encourage waiver
13 and diversion of persons with serious mental illness, serious emotional
14 disturbance, or developmental disability from juvenile detention facili-
15 ties, jails, and prisons. The programs shall concentrate on the entry
16 point of the person into the criminal justice system and the juvenile
17 court system.

18 (2) Each contract shall require, at a minimum, the CMHSP to provide
19 training for law enforcement officers, personnel at jails and juvenile
20 detention facilities, judges, prosecuting attorneys, and defense counsel
21 regarding all of the following:

22 (a) Recognition of symptoms of serious mental illness, serious emo-
23 tional disturbance, and developmental disability.

24 (b) Provide a list of services in each catchment area on the avail-
25 ability of mental health services and encourage utilization of CMHSP
26 screening services as an alternative to jails and juvenile detention
27 facilities.

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1 (c) Facilitate court-related diversion agreements in the catchment
2 area to encourage that charges against, sentencing, or incarceration of a
3 person with serious mental illness, serious emotional disturbance, or
4 developmental disability who is in a juvenile detention facility or jail
5 may be dismissed or held in abeyance or later avoided or dismissed, upon
6 completion of a course of treatment by the person that is appropriate to
7 the person's condition.

8 (3) The department shall develop written criteria setting forth
9 standards that courts, prosecutors, and defense counsel may consider in
10 determining whether a person would be appropriate for treatment in lieu
11 of juvenile detention, jail or prison incarceration, and criminal
12 prosecution. Such criteria shall include consideration of the public
13 safety, the person's prior mental health record, or applications for
14 mental health treatment; psychological evaluations or reports about the
15 person's mental health and whether he or she would benefit from treat-
16 ment; consideration of any objections the person may have to hospitaliza-
17 tion, outpatient treatment, or continued prosecution; information from
18 family members; the likelihood the person would benefit from mental
19 health treatment or services and other information the court would con-
20 sider relevant. The department shall disseminate these criteria to all
21 circuit, probate, and district courts; to all prosecuting attorneys'
22 offices; and to the defense bar of the state bar of Michigan and each
23 county bar association.

24 (4) The department shall report annually to the house and senate
25 fiscal agencies regarding the number of programs described in this sec-
26 tion and the services provided, the number of attendees at the training
27 sessions described in that section, the agencies or organization through

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1 which the training session attendees are employed, the amount of funds
2 expended on such programs by each CMHSP, and the amount of funds expended
3 on dissemination of written materials to courts, prosecuting attorneys,
4 and the bar associations described in this section.

5 STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH

6 DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON

7 MENTAL HEALTH SERVICES

8 Sec. 601. (1) In funding of staff in the financial support divi-
9 sion, reimbursement, and billing and collection sections, priority shall
10 be given to obtaining third-party payments for services. Collection from
11 individual recipients of services and their families shall be handled in
12 a sensitive and nonharassing manner.

13 (2) The department shall continue a revenue recapture project to
14 generate additional revenues from third parties related to cases which
15 have been closed or are inactive. Revenues collected through project
16 efforts are appropriated to the department for departmental costs and
17 contractual fees associated with these retroactive collections and to
18 improve ongoing departmental reimbursement management functions so that
19 the need for retroactive collections will be reduced or eliminated.

20 Sec. 602. Unexpended and unencumbered amounts and accompanying
21 expenditure authorizations up to \$2,000,000.00 remaining on September 30,
22 1999 from pay telephone revenues and the amounts appropriated in part 1
23 for gifts and bequests for patient living and treatment environments
24 shall be carried forward for 1 fiscal year. The purpose of gifts and
25 bequests for patient living and treatment environments is to use

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1 additional private funds to provide specific enhancements for individuals
2 residing at state-operated facilities. Use of the gifts and bequests
3 shall be consistent with the stipulation of the donor. The expected com-
4 pletion date for the use of gifts and bequests donations is within 3
5 years unless otherwise stipulated by the donor.

6 Sec. 603. The funds appropriated in part 1 for forensic mental
7 health services provided to the department of corrections are in accord-
8 ance with the interdepartmental plan developed in cooperation with the
9 department of corrections. The department is authorized to receive and
10 expend funds from the department of corrections in addition to the appro-
11 priations in part 1 to fulfill the obligations outlined in the interde-
12 partmental agreements.

13 Sec. 605. (1) The department shall not implement any closures or
14 consolidations of state hospitals, centers, or agencies until CMHSPs have
15 programs and services in place for those persons currently in those
16 facilities and a plan for service provision for those persons who would
17 have been admitted to those facilities.

18 (2) All closures or consolidations are dependent upon adequate
19 department-approved CMHSP plans which include a discharge and aftercare
20 plan for each person currently in the facility. A discharge and after-
21 care plan shall address the person's housing needs. A homeless shelter
22 or similar temporary shelter arrangements are inadequate to meet the
23 person's housing needs.

24 (3) Four months after the certification of closure required in sec-
25 tion 19(6) of 1943 PA 240, MCL 38.19, the department shall provide a clo-
26 sure plan to the house and senate appropriations subcommittees.

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1 (4) Upon the closure of state-run operations and after transitional
2 costs have been paid, the remaining balances of funds appropriated for
3 that operation shall be transferred to CMHSPs responsible for providing
4 services for persons previously served by the operations.

5 Sec. 606. (1) The department, in conjunction with the CMHSPs, will
6 continue to assure the provision of a complete array of services on a
7 statewide basis. Such an array of services shall include, but is not
8 limited to, residential and other individualized living arrangements,
9 outpatient services, acute inpatient services, and long-term, 24-hour
10 inpatient care in a structured, secure environment.

11 (2) Long-term psychiatric beds, whether occupied or unoccupied,
12 whether operated by the state or an agency with whom the department or a
13 CMHSP contracts, will be available at various locations across the
14 state.

15 (3) The department and CMHSPs shall continue to develop and facili-
16 tate community placement opportunities for persons with developmental
17 disabilities, adults with mental illness, and children with emotional
18 disturbance for whom such placement is clinically appropriate.

19 (4) The department and CMHSPs shall not discriminate against the
20 placement of an individual in a state psychiatric hospital when long-term
21 psychiatric inpatient care is appropriate. This subsection does not pro-
22 hibit the department and CMHSPs from considering consumer choice, quality
23 of care, and cost of care in making the hospital referral.

24 Sec. 607. (1) In addition to the amounts appropriated in part 1,
25 revenues received during fiscal year 1998-1999 from the sale or rental of
26 land, supplies, equipment, or other property under the jurisdiction of
27 the department of community health during fiscal year 1998-1999 or during

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1 any fiscal year before fiscal year 1997-1998 because of a facility's
2 closure are appropriated to be expended to enhance and expand
3 community-based services in the catchment area that was served by the
4 facility prior to its closure. The unspent balance on the last day of
5 the fiscal year ending September 30, 1999 shall be carried forward into
6 the subsequent fiscal years.

7 (2) All land, supplies, equipment, or other property under the
8 jurisdiction of the department of community health that is not needed for
9 present or future use by the department of community health shall not be
10 conveyed during fiscal year 1998-1999 for less than fair market value.
11 The department shall not declare any such property surplus or otherwise
12 relinquish jurisdiction over such property in such a manner as to defeat
13 the purposes of subsection (1).

14 Sec. 608. The department, in cooperation with the substance abuse
15 coordinating agencies, shall assist the department of corrections in
16 developing a plan to address the substance abuse needs of individuals
17 under the supervision of the department of corrections, whether or not
18 those substance abuse needs are addressed through funds authorized in an
19 interdepartmental grant to the department or funds authorized directly to
20 the department of corrections.

[Sec. 609. (1) Subject to subsection (2), if a patient is transferred from a closing hospital or center operated by the department to another hospital or center within 240 days before the closing, the department shall file a report with each house of the legislature by January 15 of the year following the calendar year in which the patient was transferred. The report shall contain all of the following:

(a) The name of the facility to which the patient was transferred.

(b) The location of the facility to which the patient was transferred.

(c) The number of patients or residents in the facility to which the patient was transferred at the time of the transfer.

(d) The total number of patients transferred to that facility from the closing hospital or center.

(e) The total number of patients transferred from the closing hospital or center who received community placements, but whose placement plans noted barriers to community placement.

(2) By January 15, 1999, the department shall file a report with each house of the legislature that contains the information described in subsection (1) regarding all patients released from Clinton Valley Center, Detroit Psychiatric Institute, and the Pheasant Ridge Center within 240 days before each of those facilities closed in calendar year 1997.

(3) As used in this section, "facility" means a hospital licensed or operated by the department, a center operated by the department, or a dependent living setting.]

21 **PUBLIC HEALTH ADMINISTRATION**

22 Sec. 701. Of the amount appropriated in part 1 from revenues from
23 fees and collections, not more than \$250,000.00 received from the sale of
24 vital records death data shall be used for improvements in the vital
25 records and health statistics program. The amount described in this

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1 section shall not revert to the general fund at the end of the fiscal
2 year ending September 30, 1999. Not later than December 1, 1999, the

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3 amount of any unexpended balances and the proposed uses for those bal-
4 ances shall be reported to the senate and house fiscal agencies.

[Sec. 702. Before January 1, 1999, the department shall submit to the house and senate appropriations subcommittees on community health a report on all of the following:

(a) The adequacy of staffing levels for both the certificate of need application review staff and the certificate of need commission administrative support staff.

(b) The cost effectiveness of the certificate of need program.

Sec. 703. When the department and a local public health department enter into and sign a contract a representative from both parties must be present at the negotiation of the contract.]

5 INFECTIOUS DISEASE CONTROL

6 Sec. 801. State funds appropriated in any other account in part 1
7 may be used to supplant not more than \$350,000.00 in federal funds
8 projected for immunization, if the federal funds are unavailable. The
9 department shall inform the senate and house appropriations subcommittees
10 on community health, the senate and house fiscal agencies, and the state
11 budget director of the specific line items reduced pursuant to this
12 section.

13 Sec. 802. In the expenditure of funds appropriated in part 1 for
14 AIDS programs, the department and its subcontractors shall ensure that
15 adolescents receive priority for prevention, education, and outreach
16 services.

17 Sec. 803. In developing and implementing AIDS provider education
18 activities, the department may provide funding to the Michigan state med-
19 ical society to continue to serve as lead agency to convene a consortium
20 of health care providers, to design needed educational efforts, to fund
21 other statewide provider groups, and to assure implementation of these
22 efforts, in accordance with a plan approved by the department.

23 Sec. 804. If an employee of the department of corrections comes in
24 contact with a prisoner and that contact involves the risk of exposure to
25 the prisoner's blood or bodily fluids, upon the employee's request the

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1 department of corrections shall inform the employee of the results of the
2 prisoner's HIV test if known by the department.

3 Sec. 805. From the funds appropriated in part 1 for immunization
4 local agreements, the department shall implement a statewide immunization
5 registry. The registry shall be available to both public and private
6 providers.

7 Sec. 806. The department shall report to the legislature by
8 November 1, 1998 and annually thereafter on hospital and
9 antibiotic-resistant infection surveillance and enforcement activities.

10 Sec. 807. From the funds appropriated in part 1, \$112,000.00 shall
11 be used to support a 5-year pilot project to vaccinate 2-year-old chil-
12 dren, countywide with hepatitis A vaccine, for the prevention of future
13 outbreaks of hepatitis A in Calhoun County.

14 Sec. 808. Of the funds appropriated in part 1 for AIDS/HIV risk
15 reduction, the department shall allocate \$500,000.00 for the Michigan
16 AIDS fund and \$200,000.00 for laboratory services. The department shall
17 also allocate up to \$600,000.00 to create a state contingency fund for
18 the AIDS drug assistance program (ADAP). The department shall analyze
19 when this contingency fund will become necessary to sustain ADAP at its
20 current eligibility criteria and at the current drug formulary and shall
21 inform the legislature of its analysis during the second quarter of
22 fiscal year 1998-1999.

23 Sec. 809. Of the funds appropriated in part 1, \$2,500,000.00 from
24 the sexually transmitted disease control local agreements line shall be
25 allocated to the hepatitis B vaccine program for the purpose of testing
26 and vaccination of all individuals attending sexually transmitted disease

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1 clinics in an effort to reduce the spread of hepatitis B, and for
2 administration of the program by the local clinics.

3 LOCAL HEALTH ADMINISTRATION AND GRANTS

4 Sec. 903. The amount appropriated in part 1 for implementation of
5 the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and
6 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221,
7 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local
8 health departments for costs incurred related to implementation of sec-
9 tion 17015(15) of the public health code, 1978 PA 368, MCL 333.17015.

10 Sec. 904. The amount appropriated in part 1 for state/local cost
11 sharing may be used for special grants to local health departments to
12 satisfy minimum funding levels prescribed by section 2477 of the public
13 health code, 1978 PA 368, MCL 333.2477, and any other authorized
14 supplement. The special grants shall not exceed a total of \$250,000.00.
15 If proposed changes to sections 2471 to 2498 of the public health code,
16 1978 PA 368, MCL 333.2471 to 333.2498, are enacted during fiscal year
17 1998-1999, the department shall adjust funding from the amount appropri-
18 ated in part 1 for state/local cost sharing to comply with those
19 revisions.

20 Sec. 905. If a county receiving funding from the amount appropri-
21 ated in part 1 for local public health infrastructure is part of a dis-
22 trict health department or in an associated arrangement with other local
23 health departments on June 1, 1992 and then ceases to be part of such an
24 arrangement, the allocation to that county from the local public health

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1 infrastructure appropriation shall be reduced by 50% from the amount
2 originally allocated.

3 Sec. 906. Of the amount appropriated in part 1 for state/local cost
4 sharing, \$26,795,500.00 is an increase from fiscal year 1993-1994.

5 Distributions from the increased appropriation shall be made only in the
6 counties that maintain local spending in fiscal year 1998-1999 of at
7 least the amount expended in fiscal year 1992-1993.

8 Sec. 907. (1) Funds appropriated in part 1 for state/local cost
9 sharing shall be allocated as follows:

10 (a) To reimburse local health departments on a 50% basis of the net
11 allowable costs for providing the following 9 required services: immuni-
12 zations, infectious disease control, sexually transmitted disease con-
13 trol, hearing screening, vision services, food protection, public water
14 supply, private groundwater supply, and on-site sewage management.

15 (b) As grants for core services based upon an agreed modified
16 formula.

17 (c) As public health improvement block grants to insure that all
18 local health departments will be held harmless.

19 (2) By April 1, 1999, the department shall provide to the senate and
20 house fiscal agencies the funding schedule for the 9 required services,
21 core service grants, and public health improvement block grants to local
22 health departments.

23 Sec. 908. The department shall provide a report quarterly to the
24 house and senate appropriations subcommittees on community health, the
25 senate and house fiscal agencies, and the state budget director on the
26 expenditures and activities undertaken by the lead abatement program.
27 The report shall include but not be limited to a funding allocation

1 schedule, expenditures by category of expenditure and by subcontractor,
2 revenues received, description of program elements, and description of
3 program accomplishments and progress.

4 Sec. 910. The department shall conduct unannounced compliance
5 inspections at no less than 10% of lead abatement project sites for which
6 the department receives written notice of lead-based paint abatement
7 activity. The purpose of the unannounced inspections is to ensure com-
8 pliance with applicable state certification requirements and protection
9 of the workers and public health and safety.

[Sec. 911. The department shall not allow any money appropriated
under this act to lapse into the general fund unless all valid claims for
reimbursement under section 2475 of the public health code, 1978 PA 368,
MCL 333.2475, are paid.]

10 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH**

11 **PROMOTION**

12 Sec. 1001. (1) From the state funds appropriated in part 1, the
13 department shall allocate funds to promote awareness, education, and
14 early detection of breast, cervical, and prostate cancer, and provide for
15 other health promotion media activities.

16 (2) The department shall increase funds allocated to promote aware-
17 ness, education, and early detection of breast, cervical, and prostate
18 cancer by \$750,000.00 above the amount allocated for this purpose in
19 fiscal year 1996-1997.

[(3) Any excess funds not authorized or allocated in the cancer
prevention and control line item part 1, shall be utilized for prostate
cancer prevention programs.]

20 Sec. 1002. (1) The amount appropriated in part 1 for the school
21 health curricula shall be allocated in 1998-1999 to provide grants to or
22 contract with certain districts and intermediate districts for the provi-
23 sion of a school health education curriculum. Provision of the curricu-
24 lum, such as the Michigan model or another comprehensive school health
25 education curriculum, shall be in accordance with the health education

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1 goals established by the Michigan model for the comprehensive school
2 health education state steering committee. The state steering committee
3 shall be comprised of a representative from each of the following offices
4 and departments:

5 (a) The department of education.

6 (b) The department of community health.

7 (c) The public health agency in the department of community health.

8 (d) The office of substance abuse services in the department of com-
9 munity health.

10 (e) The family independence agency.

11 (f) The department of state police.

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

22 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's infor-
23 mation network shall be used to provide information and referral services
24 through regional networks for persons with Alzheimer's disease or related
25 disorders, their families, and health care providers.

26 Sec. 1004. From the amounts appropriated in part 1 for the cancer
27 prevention and control program, the department shall allocate funds to

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1 the Hurley and Harper hospitals' prostate cancer demonstration projects
2 in fiscal year 1998-1999.

3 Sec. 1005. From the funds appropriated in part 1 for physical fit-
4 ness, nutrition, and health, up to \$1,000,000.00 may be allocated to the
5 Michigan physical fitness and sports foundation. The allocation to the
6 Michigan physical fitness and sports foundation is contingent upon the
7 foundation providing at least a 20% cash match.

8 Sec. 1006. In spending the funds appropriated in part 1 for the
9 smoking prevention program, priority shall be given to prevention and
10 smoking cessation programs for pregnant women, women with young children,
11 and adolescents.

12 Sec. 1007. (1) The funds appropriated in part 1 for violence pre-
13 vention shall be used for, but not be limited to, the following:

14 (a) Programs aimed at the prevention of spouse, partner, or child
15 abuse and rape.

16 (b) Programs aimed at the prevention of workplace violence.

17 (2) In awarding grants from the amounts appropriated in part 1 for
18 violence prevention, the department shall give equal consideration to
19 public and private nonprofit applicants.

20 (3) From the funds appropriated in part 1 for violence prevention,
21 the department may include local school districts as recipients of the
22 funds for family violence prevention programs.

23 Sec. 1008. (1) From the amount appropriated in part 1 for the
24 cancer prevention and control program, funds shall be allocated to the
25 Karmanos cancer institute/Wayne State University, to the Michigan inter-
26 active health kiosk/University of Michigan, and to Michigan State
27 University for cancer prevention activities.

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1 (2) The department shall provide a report to the house and senate
2 appropriations subcommittees on community health and the house and senate
3 fiscal agencies by January 1, 1999, on how these funds were allocated and
4 spent in fiscal year 1997-1998. Also, the report shall detail outcomes
5 resulting from the use of such funds.

6 Sec. 1009. From the funds appropriated in part 1 for diabetes local
7 agreements, a portion of the funds may be allocated to the national
8 kidney foundation of Michigan for kidney disease prevention programming
9 including early identification and education programs and kidney disease
10 prevention demonstration projects.

11 Sec. 1011. Of the funds appropriated in part 1 for the health edu-
12 cation, promotion, and research programs, the department shall allocate
13 \$400,000.00 to implement the osteoporosis prevention and treatment educa-
14 tion program [targeting women and high school health education]. As part
of the program, the department shall design and
15 implement strategies for raising public awareness on the causes and
16 nature of osteoporosis, personal risk factors, value of prevention and
17 early detection, and options for diagnosing and treating osteoporosis.

18 Sec. 1012. [(1)] The department shall apply to the federal health
19 resources and services administration, maternal and child health bureau
20 for a state planning grant to conduct statewide needs assessment and to
21 develop a statewide plan for traumatic brain injury services and
22 activities.

 [(2) Of the funds appropriated in part 1 for the injury control
intervention project, \$100,000.00 is allocated for state matching funds for
federal traumatic brain injury implementation grants, for which the
department may apply.]

23 Sec. 1013. From the funds appropriated in part 1 for improving the
24 health of African American men in Michigan, the department shall allocate
25 the funds to the center of medical treatment effectiveness programs in
26 diverse populations (MEDTEP) for screening and patient self-care

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1 activities for diabetes, hypertension and stroke, and glaucoma and other
2 eye diseases.

3 COMMUNITY LIVING, CHILDREN, AND FAMILIES

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

12 Sec. 1102. (1) Agencies receiving funds appropriated from part 1
13 for adolescent health care services shall meet all of the following
14 criteria:

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

18 (i) Funding sources of the adolescent health clinic.

19 (ii) Demographic information of populations served including sex,
20 age, and race.

21 (iii) Utilization data that reflects the number of visits and repeat
22 visits and types of services provided per visit.

23 (iv) Types and number of referrals to other health care agencies.

24 (b) Require each local school board funded by the agency to
25 establish a local advisory committee before the planning phase of an

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1 adolescent health clinic intended to provide services within that school
2 district. The advisory committee shall be comprised of not less than 50%
3 residents of the local school district, and shall not be comprised of
4 more than 50% health care providers. A person who is employed by the
5 sponsoring agency shall not have voting privileges as a member of the
6 advisory committee. All advisory committee meetings shall be open to the
7 public with at least a 1-week notice of the meeting date published in the
8 local newspaper.

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

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

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

22 (2) A local advisory committee established under subsection (1)(b),
23 in cooperation with the sponsoring agency, shall submit written recommen-
24 dations regarding the implementation and types of services rendered by an
25 adolescent health clinic to the local school board for approval of ado-
26 lescent health services rendered in a public school building where
27 instruction is provided in grades kindergarten through 12.

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1 (3) The department shall submit a report to the members of the
2 senate and house fiscal agencies based on the information provided under
3 subsection (1)(a). The report is due 90 days after the end of the calen-
4 dar year.

5 Sec. 1103. Of the funds appropriated in part 1 for adolescent
6 health care services, \$1,840,830.00 shall be allocated to teen centers as
7 follows: \$90,000.00 base funding, and of the remaining funding 25% dis-
8 tributed on the number of users, 50% distributed on the number of visits,
9 and 25% distributed on the number of services. This formula does not
10 apply to the alternative models.

11 Sec. 1104. Before April 1, 1999, the department shall submit a
12 report to the house and senate fiscal agencies on planned allocations
13 from the amounts appropriated in part 1 for maternity, infant and
14 children's health care local agreements, prenatal care outreach and serv-
15 ice delivery support, family planning local agreements, and pregnancy
16 prevention programs. Using applicable federal definitions, the report
17 shall include information on all of the following:

18 (a) Funding allocations.

19 (b) Basis for grantee selection.

20 (c) Expected cost per client served by grantee.

21 (d) Number of women, children, and/or adolescents expected to be
22 served.

23 (e) Expected first- and third-party collections by source of
24 payment.

25 (f) The extent to which grantees meet federal indicators, when
26 applicable.

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1 (g) Actual numbers served and amounts expended in the categories
2 described in subdivisions (a) to (e) for the fiscal year 1997-1998.

3 Sec. 1105. For all programs for which an appropriation is made in
4 part 1, the department shall contract with those local public and private
5 nonprofit agencies best able to serve clients. Factors to be used by the
6 department in evaluating agencies under this section shall include abil-
7 ity to serve high-risk population groups; ability to serve low-income
8 clients, where applicable; availability of, and access to, service sites;
9 management efficiency; and ability to meet federal standards, where
10 applicable.

11 Sec. 1106. Each family planning program receiving federal title X
12 family planning funds shall be in compliance with all performance and
13 quality assurance indicators that the United States bureau of community
14 health services specifies in the family planning annual report. An
15 agency not in compliance with the indicators shall not receive supplemen-
16 tal or reallocated funds.

17 Sec. 1107. Of the amount appropriated in part 1 for prenatal care
18 outreach and service delivery support, not more than 10% shall be
19 expended for local administration, data processing, and evaluation.

20 Sec. 1109. The department shall maintain comprehensive health care
21 programs to communicate to preteens the importance of delaying sexual
22 activity and to address teen sexual activity, teenage pregnancy, and sex-
23 ually transmitted diseases.

24 Sec. 1110. The funds appropriated in part 1 for pregnancy preven-
25 tion programs shall not be used to provide abortion counseling, refer-
26 rals, or services.

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1 Sec. 1111. (1) From the amounts appropriated in part 1 for dental
2 programs, funds shall be allocated to the Michigan dental association for
3 the administration of a volunteer dental program that would provide
4 dental services to the uninsured in an amount that is no less than the
5 amount allocated to that program in fiscal year 1997-1998.

6 (2) Not later than November 1, 1998, the department shall report to
7 the senate and house appropriations subcommittees on community health and
8 the senate and house standing committees on public health the number of
9 individual patients treated, the number of procedures performed, and
10 approximate total market value of those procedures through September 30,
11 1998.

12 Sec. 1113. Agencies that currently receive pregnancy prevention
13 funds and either receive or are eligible for other family planning funds
14 shall have the option of receiving all of their family planning funds
15 directly from the department of community health and be designated as
16 delegate agencies.

17 Sec. 1114. The department shall allocate no less than 90% of the
18 funds appropriated in part 1 for family planning local agreements and the
19 pregnancy prevention program for the direct provision of family
20 planning/pregnancy prevention services.

21 Sec. 1115. (1) From the funds appropriated in part 1, up to
22 \$2,000,000.00 may be used to fund community based collaborative preven-
23 tion services designed to do any of the following:

24 (a) Foster positive parenting skills especially for parents of chil-
25 dren under 3 years of age.

26 (b) Improve parent/child interaction.

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1 (c) Promote access to needed community services.

2 (d) Increase local capacity to serve families at risk.

3 (e) Improve school readiness.

4 (f) Support healthy family environments that discourage alcohol,
5 tobacco, and other drug use.

6 (2) The appropriation provided for in subsection (1) is to fund sec-
7 ondary prevention programs as defined in the children's trust fund's pre-
8 application materials for fiscal year 1997-1998 direct services grants.

9 (3) Projects funded through the appropriation provided for in sub-
10 section (1) shall meet all of the following criteria:

11 (a) Be awarded through a joint request for proposal process con-
12 ducted annually and established by the directors of the department of
13 community health, the department of education, and the family indepen-
14 dence agency in conjunction with the children's trust fund.

15 (b) Be secondary prevention initiatives. Funds are not intended to
16 be expended in cases in which neglect or abuse has been substantiated.

17 (c) Demonstrate that the planned services are part of a community's
18 integrated comprehensive family support strategy endorsed by the local
19 multipurpose collaborative body.

20 (d) Provide a 25% local match of which not more than 10% is in-kind
21 goods or services unless the maximum percentage is waived by the state
22 human services directors.

23 Sec. 1116. From the funds appropriated in part 1, the department
24 shall provide education and outreach to targeted populations on the dan-
25 gers of neonatal addiction and fetal alcohol syndrome and further develop
26 its infant support services to target families with infants with fetal
27 alcohol syndrome or suffering from drug addiction.

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1 Sec. 1117. (1) From the funds appropriated for prenatal care
2 outreach and service delivery support, the department shall allocate at
3 least \$1,000,000.00 to communities with infant mortality rates above 20.0
4 per 1,000 births.

5 (2) From the funds appropriated in part 1, the amount of \$450,000.00
6 shall be appropriated to Michigan State University, college of human med-
7 icine, for the establishment of the state infant mortality review network
8 to establish a process dedicated to the identification and examination of
9 factors that contribute to infant death. The process shall consist of
10 the systematic evaluation of individual cases to determine outcome vari-
11 ables to measure such factors as infant mortality rates, low birth rates,
12 prematurity rates, tobacco, alcohol and drug abuse, teen pregnancy rates,
13 and levels of prenatal care.

14 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

15 Sec. 1201. Money appropriated in part 1 for medical care and treat-
16 ment of children with special health care needs shall be paid according
17 to reimbursement policies determined by the Michigan medical services
18 program. Exceptions to these policies may be taken with the prior
19 approval of the state budget director.

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

21 (a) Provide special formula for eligible clients with specified met-
22 abolic and allergic disorders.

23 (b) Provide medical care and treatment to eligible patients with
24 cystic fibrosis who are 21 years of age or older.

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1 (c) Provide genetic diagnostic and counseling services for eligible
2 families.

3 (d) Provide medical care and treatment to eligible patients with
4 hereditary coagulation defects, commonly known as hemophilia, who are 21
5 years of age or older.

6 Sec. 1203. All children who are determined medically eligible for
7 the children's special health care services program shall be referred to
8 the appropriate locally based services program in their community.

9 OFFICE OF DRUG CONTROL POLICY

10 Sec. 1250. The purpose of the office of drug control policy (ODCP)
11 is to develop programs, in conjunction with the substance abuse coordi-
12 nating agencies and the department of education, that will promote inten-
13 sive and immediate efforts to prevent, intervene, and treat substance
14 abuse by focusing on adolescents and "families with adolescents" who are
15 at-risk for engaging in substance abuse. The ODCP shall report to the
16 substance abuse coordinating agencies and the ODCP shall provide leader-
17 ship and encourage intervention and treatment within school and home
18 settings.

19 Sec. 1251. The office of drug control policy is required to approve
20 grants for the federal safe and drug free schools program within 60 days
21 from the date in which the grant application is submitted.

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1 CRIME VICTIM SERVICES COMMISSION

2 Sec. 1301. The per diem amount authorized for the crime victim
3 services commission is \$100.00.

4 OFFICE OF SERVICES TO THE AGING

5 Sec. 1401. The appropriation in part 1 to the office of services to
6 the aging, for community and nutrition services and home services, shall
7 be restricted to eligible individuals at least 60 years of age who fail
8 to qualify for home care services under title XVIII, XIX, or XX of the
9 social security act, chapter 531, 49 Stat. 620.

10 Sec. 1402. (1) The office of services to the aging may receive and
11 expend funds in addition to those authorized in part 1 for the additional
12 purposes described in this section.

13 (2) The office of services to the aging may establish and collect
14 fees for publications, videos, and related materials. Collected fees
15 shall be used to pay for the printing and mailing costs of the publica-
16 tions, videos, and related materials, which costs shall not exceed the
17 revenues collected.

18 (3) The office of services to the aging shall report to the senate
19 and house of representatives standing committees on appropriations and
20 the senate and house fiscal agencies the status, use, and results of the
21 revenue collected on April 30 and December 30. Money appropriated in
22 part 1 for the Michigan pharmaceutical program shall be used to purchase
23 generic medicine when available and medically practicable.

24 Sec. 1403. The office of services to the aging shall require each
25 region to report to the office of services to the aging home delivered

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1 meals waiting lists based upon standard criteria. Determining criteria
2 shall include all of the following:

3 (a) The recipient's degree of frailty.

4 (b) The recipient's inability to prepare his or her own meals
5 safely.

6 (c) Whether the recipient has another care provider available.

7 (d) Any other qualifications normally necessary for the recipient to
8 receive home delivered meals.

9 Sec. 1404. The office of services to the aging may receive and
10 expend fees for the provision of day care, care management, and respite
11 care. The office of services to the aging shall base the fees on a slid-
12 ing scale taking into consideration the client income. The office of
13 services to the aging shall use the fees to expand services.

14 Sec. 1405. The office of services to the aging may receive and
15 expend Medicaid funds for care management services.

16 Sec. 1406. (1) Of the amount appropriated in part 1 to the office
17 of services to the aging for community services, sufficient funds shall
18 be allocated to fund statewide care management or case coordination
19 projects in the following regions:

20	Region 1A.....	\$	900,000
21	Region 1B.....		1,080,000
22	Region 1C.....		630,000
23	Region 2.....		270,000
24	Region 3.....		450,000
25	Region 4.....		270,000
26	Region 5.....		450,000

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1	Region 6.....	270,000
2	Region 7.....	540,000
3	Region 8.....	540,000
4	Region 9.....	540,000
5	Region 10.....	540,000
6	Region 11.....	540,000
7	Region 14.....	270,000

8 (2) The office of services to the aging shall provide a report to
9 the senate and house appropriations subcommittees on community health,
10 and the senate and house fiscal agencies by November 1, 1998, summarizing
11 the accomplishments of each program in the 1997-1998 fiscal year.

12 Sec. 1407. The office of services to the aging shall award con-
13 tracts and distribute funds only to those projects that are cost effec-
14 tive, meet minimum operational standards, and serve the greatest number
15 of eligible people.

16 Sec. 1408. The office of services to the aging shall provide that
17 funds appropriated under this act shall be awarded on a local level in
18 accordance with locally determined needs.

19 Sec. 1409. From the additional funds appropriated in the community
20 services line, a total of \$5,000,000.00 shall be used for providing
21 in-home services for seniors.

22 Sec. 1410. The home and community based services waiver program
23 shall be subject to the following provisions:

24 (a) The department shall submit a written request to the health care
25 financing administration for an additional 21,000 slots for the home and
26 community based services waiver program.

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1 (b) Organizations administering the home and community based
2 services waiver program shall not provide directly, or through a
3 subsidiary, any of the 14 services available through that program, unless
4 they are the only willing provider of that service in all or part of
5 their region. Care management services are not subject to this
6 prohibition.

7 (c) An organization selected to administer the home and community
8 based services waiver program shall not subcontract with an entity to
9 perform care management, or any other functions required of the waiver
10 administrator, unless the entity is service neutral and has a proven
11 track record in providing care management services to frail elderly
12 adults which meet the department's care management performance criteria.

13 (d) A statewide contract for screening and enrollment services shall
14 not be implemented until capitated managed long-term care is
15 implemented.

16 (e) The home and community based waiver cost per day, computed in
17 the aggregate, shall be capped at the most recently estimated net
18 Medicaid nursing facility cost per day for residents.

19 (f) Residents in licensed adult foster care homes and homes for the
20 aged shall be included in the home and community based services waiver,
21 if they meet other eligibility criteria.

22 (g) Not later than October 1, 1998, the department shall notify all
23 Medicaid nursing home patients about the availability of home and commu-
24 nity based services and provide a telephone number to obtain information
25 and assistance in enrolling in the home and community based services
26 waiver program.

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1 (h) Not later than December 1, 1998, the department shall report its
2 progress in fulfilling the requirements of this section to the house and
3 senate appropriations subcommittees, the house and senate standing com-
4 mittees on senior citizens, and the house and senate fiscal agencies.

5 Sec. 1411. Each area agency on aging may expend up to 6% of their
6 allocations of state in-home service dollars to operate an access to
7 services system performed by services-neutral organizations, as recom-
8 mended by the auditor general in their 1996 performance audit of the
9 office of services to the aging. In-home service dollars includes
10 home-delivered meals and alternative care services.

11 Sec. 1412. (1) The department shall increase annual funding for the
12 long-term care ombudsman program by no less than \$1,260,000.00.

13 (2) By October 15, 1998, the department shall award a 3-year con-
14 tract for the long-term care ombudsman program.

15 **MEDICAL SERVICES ADMINISTRATION**

16 Sec. 1501. The funds appropriated in part 1 for the Michigan essen-
17 tial health care provider program may also provide loan repayment for
18 dentists that fit the criteria established by part 27 of the public
19 health code, 1978 PA 368, MCL 333.2701 to 333.2727.

20 Sec. 1502. The department is directed to continue support of multi-
21 cultural agencies which provide primary care services from the funds
22 appropriated in part 1.

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1 MEDICAL SERVICES

2 Sec. 1601. The department of community health shall provide an
3 administrative procedure for the review of grievances by medical services
4 providers with regard to reimbursement under the medical services
5 program. Settlements of properly submitted cost reports shall be paid
6 not later than 9 months from receipt of the final report.

7 [Sec. 1602. (1) Except as provided in subsection (2), for care
8 provided to medical services recipients with other third-party sources of
9 payment, medical services reimbursement shall not exceed, in combination
10 with such other resources, including medicare, those amounts established
11 for medical services-only patients. The medical services payment rate
12 shall be accepted as payment in full. Other than an approved medical
13 services co-payment, no portion of a provider's charge shall be billed to
14 the recipient or any person acting on behalf of the recipient. Nothing in
15 this section shall be deemed to affect the level of payment from a third-
16 party source other than the medical services program. The department
17 shall require a nonenrolled provider to accept medical services payments
as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement
for hospital services provided to dual medicare/medical services
recipients with medicare Part B coverage only shall equal, when combined
with payments for medicare and other third-party resources, if any, those
amounts established for medical services-only patients, including capital
payments.]

18 Sec. 1603. (1) Effective October 1, 1998, the pharmaceutical dis-
19 pensing fee shall be \$3.72 or the usual and customary cash charge, which-
20 ever is less. If a recipient is 21 years of age or older, the department
21 shall require a \$1.00 per prescription client copayment, except as pro-
22 hibited by federal or state law or regulation.

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

26 (3) The copayments in subsections (1) and (2) may be waived for
27 recipients who participate in a program of medical case management such

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1 as enrollment in a health maintenance organization or the primary
2 physician sponsor plan program.

3 (4) Usual and customary charges for pharmacy providers are defined
4 as the pharmacy's charges to the general public for like or similar
5 services.

6 Sec. 1605. The cost of remedial services incurred by residents of
7 licensed adult foster care homes and licensed homes for the aged shall be
8 used in determining financial eligibility for the medically needy.

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

13 Sec. 1606. Medicaid adult dental services, podiatric services, and
14 chiropractic services shall continue at not less than the level in effect
15 on October 1, 1996, except that reasonable utilization limitations may be
16 adopted in order to prevent excess utilization. The department shall not
17 impose utilization restrictions on chiropractic services unless a recipi-
18 ent has exceeded 18 office visits within 1 year.

19 Sec. 1609. (1) From the funds appropriated in part 1 for the indi-
20 gent medical care program, the department shall establish a program which
21 provides for the basic health care needs of indigent persons as delin-
22 eated in the following subsections.

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

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

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

4 (3) All potentially eligible persons, except those defined in sub-
5 section (2)(a), who shall be automatically enrolled, may apply for
6 enrollment in this program at local family independence agency offices or
7 other designated sites.

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

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

12 (b) Diagnostic laboratory and x-ray services.

13 (c) Pharmaceutical services.

14 (5) Notwithstanding subsection (2)(b), the state may continue to
15 provide nursing facility coverage, including medically necessary ancil-
16 lary services, to individuals categorized as permanently residing under
17 color of law and who meet either of the following requirements:

18 (a) The individuals were medically eligible and residing in such a
19 facility as of August 22, 1996 and qualify for emergency medical
20 services.

21 (b) The individuals were Medicaid eligible as of August 22, 1996,
22 and admitted to a nursing facility before a new eligibility determination
23 was conducted by the family independence agency.

24 Sec. 1610. (1) The department may require medical services recip-
25 ients to receive psychiatric services through a managed care system.

26 (2) The department may implement managed care programs for specialty
27 mental health, substance abuse, and developmental disabilities services.

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1 Such programs shall be operated through CMHSPs and substance abuse
2 coordinating agencies as specialty service carve-outs to maintain
3 accountability for the system to local units of government and to pre-
4 serve the services and supports for persons with severe and persistent
5 mental illnesses, for persons with substance abuse addictions, and for
6 persons with developmental disabilities.

7 (3) The substance abuse coordinating agencies shall arrange for
8 clinical reviews to assure appropriate continuity of care for recipients
9 of substance abuse treatment services.

10 (4) The Medicaid managed care carve-out for specialty mental health
11 and substance abuse services may be implemented on a pilot basis in up to
12 3 areas across the state. The 3 areas selected for the pilot projects
13 shall include 1 community mental health service program that is desig-
14 nated as an "authority" under section 205 of the mental health code, 1974
15 PA 258, MCL 330.1205, 1 community mental health service program that is
16 not designated as an "authority" under section 205 of the mental health
17 code, 1974 PA 258, MCL 330.1205, and 1 regional pilot project consisting
18 of 2 or more community mental health service programs. The department
19 shall contract with an outside entity to provide an independent evalu-
20 ation of the pilot projects regarding cost, access, quality, and patient
21 satisfaction. Statewide expansion of the pilot projects shall not occur
22 until the independent evaluation is completed and the results have been
23 reported to the house and senate appropriations subcommittees on commu-
24 nity health and the house and senate fiscal agencies.

25 (5) Funds saved in the implementation of carve-out specialty serv-
26 ices for persons with developmental disabilities shall be used by the

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1 CMHSPs to further reduce the waiting list for specialty services provided
2 to persons with developmental disabilities.

3 Sec. 1611. (1) The department may continue to implement managed
4 care and may require medical services recipients residing in counties
5 offering managed care options to choose the particular managed care plan
6 in which they wish to be enrolled. Persons not expressing a preference
7 may be assigned to a managed care provider.

8 (2) Persons to be assigned a managed care provider shall be informed
9 in writing of the criteria for exceptions to capitated managed care
10 enrollment, their right to change health plans for any reason within the
11 initial 30 days of enrollment, the toll-free telephone number for prob-
12 lems and complaints, and information regarding grievance and appeals
13 rights.

14 (3) The criteria for medical exceptions to qualified health plans
15 shall be based on submitted documentation that indicates a recipient has
16 a serious medical condition, and is undergoing active treatment for that
17 condition with a physician who does not participate in 1 of the qualified
18 health plans. If the person meets the criteria established by this sub-
19 section, the department shall grant an exception to mandatory enrollment
20 at least through the current prescribed course of treatment, subject to
21 periodic review of continued eligibility.

22 (4) Unless the department can demonstrate by November 1, 1998 that
23 all Medicaid enrollees received, at the time of enrollment, notice of the
24 criteria for exceptions to capitated managed care enrollment, their right
25 to change health plans for any reason within 30 days of their enrollment,
26 the toll-free telephone number for problems and complaints, and
27 information regarding grievance and appeals rights, the department shall,

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1 by November 15, 1998, notify all enrollees pursuant to subsection (2).

2 If the enrollee was in a course of treatment with a physician who is not
3 a participant in any of the qualified health plans available to the
4 enrollee, then the enrollee, within 60 days of receiving the notice, may
5 disenroll and return to that physician for up to 1 year.

6 Sec. 1612. (1) The department shall not preauthorize or in any way
7 restrict single-source pharmaceutical products except those single-source
8 pharmaceuticals that have been subject to prior authorization by the
9 department prior to January 1, 1992 and those single-source pharmaceuti-
10 cals within the categories specified in section 1927(d)(2) of the social
11 security act, 42 U.S.C. 1396s(d), or for the reasons delineated in
12 section 1927(d)(3) of the social security act.

13 (2) The department may implement drug utilization review and moni-
14 toring programs that may cover renewals of prescriptions of anti-ulcer
15 agents; these programs shall not be expanded to other therapeutic
16 classes. Such programs shall have physician oversight through the drug
17 utilization and review board to ensure proper determination.

18 Sec. 1613. The department shall not implement a mail-order pharmacy
19 program for the noncapitated portion of the Medicaid program.

20 Sec. 1614. [(1)] The department shall assure that all eligible
children
21 assigned to medical services managed care programs have timely access to
22 Medicaid covered services including, but not limited to, early and
23 periodic screening, diagnosis, and treatment (EPSDT) services as required
24 by federal law, and to screening services required of Head Start program
25 participants.

[(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider will provide age appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments will be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.]

26 Sec. 1615. (1) The department of community health is authorized to
27 pursue reimbursement for eligible services provided in Michigan schools

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1 from the federal Medicaid program. The department and the department of
2 management and budget are authorized to negotiate and enter into agree-
3 ments, together with the department of education, with local and interme-
4 diate school districts regarding the sharing of federal Medicaid services
5 funds received for these services. The department is authorized to
6 receive and disburse funds to participating school districts pursuant to
7 such agreements and state and federal law.

8 (2) From the funds appropriated in part 1 for medical services
9 school services payments, the department is authorized to do all of the
10 following:

11 (a) Finance activities within the medical services administration
12 related to this project.

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

16 (c) Offset general fund costs associated with the medical services
17 program.

18 (3) The department shall not make distributions from the funds pro-
19 vided for this purpose in part 1 until it has filed the necessary state
20 plan amendments, made required notifications, received an indication of
21 approval from the health care financing administration, and received
22 approval from the state budget director.

23 Sec. 1616. The special adjustor appropriation in part 1 may be
24 increased if the department submits a medical services state plan amend-
25 ment pertaining to this line item at a level higher than the appropria-
26 tion and receives an indication of approval of the amendment from the
27 health care financing administration. The department is authorized to

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1 appropriately adjust financing sources in accordance with the increased
2 appropriation.

[Sec. 1616a. From the amount appropriated for inflationary increases in health plan services in section 117, \$4,660,000.00 is allocated to the health plans for a pass through of provider rate increases to ensure access to care and adequate provider networks for consumer choice.]

3 Sec. 1617. The department of community health shall obtain from
4 those health maintenance organizations and clinic plans with which the
5 department contracts patient-based utilization data, including immuniza-
6 tions, early and periodic screenings, diagnoses, and treatments, sub-
7 stance abuse services, blood lead level testing, and maternal and infant
8 support services referrals. The department shall submit quarterly
9 reports on patient-based utilization data to the members of the senate
10 and house appropriations subcommittees on community health, the senate
11 and house fiscal agencies, the state budget director, and the director of
12 each local health department.

13 Sec. 1618. It is the intent of the legislature that payment
14 increases for enhanced wages and benefits shall be provided to those
15 facilities which make application for it to fund the Medicaid program
16 share of wage increases up to 75 cents per employee hour. The
17 pass-through shall only be used to increase wages. Nursing facilities
18 shall be required to document that these wage and benefit increases were
19 actually provided.

20 Sec. 1619. Medical services shall be provided to elderly and dis-
21 abled persons with incomes less than or equal to 100% of the official
22 poverty line, pursuant to the state's option to elect such coverage set
23 out at section 1902(a)(10)(A)(ii) and (m) of title XIX of the social
24 security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396a.

25 Sec. 1620. The department shall fund home and community-based serv-
26 ices in lieu of nursing home services, for individuals seeking long-term

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1 care services, from the nursing home or personal care in-home services
2 line items.

3 Sec. 1621. The department of community health shall distribute
4 \$695,000.00 to children's hospitals that have a high indigent care
5 volume. The amount to be distributed to any given hospital shall be
6 based on a formula determined by the department of community health.

7 Sec. 1622. (1) The department shall implement enforcement actions
8 as specified in the nursing facility enforcement provisions of 42
9 U.S.C. 1396r.

10 (2) The department is authorized to receive and spend penalty money
11 received as the result of noncompliance with medical services certifica-
12 tion regulations. Penalty money, characterized as private funds,
13 received by the department shall increase authorizations and allotments
14 in the long-term care accounts.

15 (3) Any unexpended penalty money, at the end of the year, shall
16 carry forward to the following year.

17 Sec. 1623. The department shall notify the medical services managed
18 care provider of an address for each enrolled recipient at the time of
19 enrollment and whenever there is a subsequent address change.

20 Sec. 1624. (1) Medical services patients who are enrolled in quali-
21 fied health plans or capitated clinic plans have the choice to elect hos-
22 pice services or other services for the terminally ill that are offered
23 by the qualified health plan or clinic plan. If the patient elects hos-
24 pice services, those services shall be provided in accordance with
25 part 214 of the public health code, 1978 PA 368, MCL 333.21401 to
26 333.21420.

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1 (2) The department shall not amend the medical services hospice
2 manual in a manner that would allow hospice services to be provided
3 without making available all comprehensive hospice services described in
4 42 C.F.R. part 418.

5 Sec. 1626. (1) From the funds appropriated in part 1 for outpatient
6 hospital indigent adjustor, the department, subject to the requirements
7 and limitations in this section, shall establish a funding pool of up to
8 \$44,012,800.00 for the purpose of enhancing the aggregate payment for
9 medical services hospital outpatient services. Such payments, if any,
10 may be made as a gross adjustment to hospital outpatient payments or by
11 another mechanism or schedule as determined by the department, which
12 meets the intent of this section.

13 (2) For counties with populations in excess of 2,000,000 persons,
14 the department shall distribute \$44,012,800.00 to hospitals if
15 \$15,026,700.00 is received by the state from such counties, which meets
16 the criteria of an allowable state matching share as determined by appli-
17 cable federal laws and regulations. If the state receives a lesser sum
18 of an allowable state matching share from these counties, the amount dis-
19 tributed shall be reduced accordingly.

20 (3) The department may establish county-based, indigent health care
21 programs that are at least equal in eligibility and coverage to the
22 fiscal year 1996 state medical program.

23 (4) The department is authorized to establish similar programs in
24 additional counties if the expenditures for the programs do not increase
25 state general fund/general purpose costs and local funds are provided.

26 (5) If a locally administered indigent health care program replaces
27 the state medical program authorized by section 1609 for a given county

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1 on or before December 31, 1998, the state general fund/general purpose
2 dollars allocated for that county under this section shall not be less
3 than the general fund/general purpose expenditures for the state medical
4 program in that county in the previous fiscal year.

5 Sec. 1627. An institutional provider that is required to submit a
6 cost report under the medical services program shall submit cost reports
7 completed in full within 5 months after the end of its fiscal year.

8 Sec. 1632. From the funds appropriated in part 1, the department
9 shall maintain a maternal support program and an infant support service
10 program. The department shall provide a report by March 31, 1999 which
11 indicates how these funds are used and the number of women and children
12 served. The report is to be submitted to the senate and house appropria-
13 tions subcommittees on community health and the house and senate fiscal
14 agencies.

15 Sec. 1633. All nursing home rates, class I and class III, must have
16 their respective fiscal year rate set 30 days prior to the beginning of
17 their rate year. The rates shall be set based on the most recent cost
18 report prepared and filed timely in accordance with Medicaid policy and
19 certified by the preparer, provider corporate owner, or representative as
20 being true, accurate, prepared with knowledge and consent, and containing
21 no untrue, misleading, or deceptive information. If the audited version
22 of the last report is available, it shall be used. Any rates set based
23 on the filed cost report may be retroactively adjusted upon completion of
24 the audit of that cost report.

25 Sec. 1634. (1) The department shall establish a program for persons
26 who work their way off welfare to purchase medical coverage at a rate
27 determined by the department.

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1 (2) The department may receive and expend premiums for the buy-in of
2 medical coverage in addition to the amounts appropriated in part 1.

3 (3) The premiums described in this section shall be classified as
4 private funds.

5 Sec. 1635. The implementation of all Medicaid managed care plans by
6 the department are subject to the following conditions:

7 (a) Continuity of care is assured by allowing enrollees to continue
8 receiving required medically necessary services from their current pro-
9 viders for a period not to exceed 1 year if enrollees meet the managed
10 care medical exception criteria.

11 (b) A contract for an independent evaluation is in place to measure
12 cost, access, quality, and patient satisfaction.

13 (c) The department shall require contracted health plans to submit
14 data determined necessary for the evaluation on a timely basis. A report
15 of the independent evaluation shall be provided to the house and senate
16 appropriations subcommittees on community health and the house and senate
17 fiscal agencies no later than September 30, 1999.

18 (d) A health plans advisory council is functioning which meets all
19 applicable federal and state requirements for a medical care advisory
20 committee. The council shall review at least quarterly the implementa-
21 tion of the department's managed care plans.

22 (e) Contracts for enrollment services and beneficiary services, and
23 the complaint/grievance procedures are in place for the geographic area
24 and populations affected. An annual report on enrollment services and
25 beneficiary services and recipient problems/complaints shall be provided
26 to the house and senate appropriations subcommittees on community health
27 and the house and senate fiscal agencies.

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1 (f) Mandatory enrollment is prohibited until there are at least 2
2 qualified health plans with the capacity to adequately serve each geo-
3 graphic area affected. Exceptions may be considered in areas where at
4 least 85% of all area providers are in 1 plan.

5 (g) Maternal and infant support services shall continue to be pro-
6 vided through state-certified providers. The department shall reimburse
7 state-certified maternal and infant support services providers on a
8 fee-for-service basis.

9 (h) The department shall develop a case adjustment to its rate meth-
10 odology that considers the costs of persons with HIV/AIDS, end stage
11 renal disease, organ transplants, epilepsy, and other high-cost diseases
12 or conditions and shall implement the case adjustment when it is proven
13 to be actuarially and fiscally sound. Implementation of the case adjust-
14 ment must be budget neutral.

15 (i) The department may encourage bids for multicounty regions
16 through the use of preference points but shall not initially require a
17 plan provider to submit a bid for a multicounty region.

18 (j) Enrollment of recipients of children's special health care serv-
19 ices in qualified health plans shall be voluntary during fiscal year
20 1998-1999.

21 Sec. 1636. The department shall establish uniform quality and
22 reporting standards for all qualified or capitated health plans with
23 which it contracts. At least 30 days prior to the implementation of such
24 standards, the department shall report on the standards developed to the
25 house and senate appropriations subcommittees on community health and the
26 house and senate fiscal agencies.

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1 Sec. 1637. (1) Medicaid qualified health plans shall establish an
2 ongoing internal quality assurance program for health care services
3 provided to Medicaid recipients which includes:

4 (a) An emphasis on health outcomes.

5 (b) Establishment of written protocols for utilization review based
6 on current standards of medical practice.

7 (c) Review by physicians and other health care professionals of the
8 process followed in the provision of such health care services.

9 (d) Evaluation of the continuity and coordination of care that
10 enrollees receive.

11 (e) Mechanisms to detect overutilization and underutilization of
12 services.

13 (f) Actions to improve quality and assess the effectiveness of such
14 action through systematic follow-up.

15 (g) Provision of information on quality and outcome measures to
16 facilitate enrollee comparison and choice of health coverage options.

17 (h) Ongoing evaluation of the plans' effectiveness.

18 (i) Consumer involvement in the development of the quality assurance
19 program and consideration of enrollee complaints and satisfaction survey
20 results.

21 (2) Medicaid qualified health plans shall apply for accreditation by
22 an appropriate external independent accrediting organization requiring
23 standards recognized by the department once those plans have met the
24 application requirements. The state shall accept accreditation of a plan
25 by an approved accrediting organization as proof that the plan meets some
26 or all of the state's requirements, if the state determines that the

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1 accrediting organization's standards meet or exceed the state's
2 requirements.

3 (3) Medicaid qualified health plans shall report encounter data,
4 including data on inpatient and outpatient hospital care, physician
5 visits, pharmaceutical services, and other services specified by the
6 department.

7 (4) Medicaid qualified health plans shall assure that all covered
8 services are available and accessible to enrollees with reasonable
9 promptness and in a manner which assures continuity. Medically necessary
10 services shall be available and accessible 24 hours a day and 7 days a
11 week.

12 (5) Medicaid qualified health plans shall provide for reimbursement
13 of plan covered services delivered other than through the plan's provid-
14 ers if medically necessary and approved by the plan, immediately
15 required, and which could not be reasonably obtained through the plan's
16 providers on a timely basis. Such services shall be deemed approved if
17 the plan does not respond to a request for authorization within 24 hours
18 of the request. Reimbursement shall not exceed the Medicaid
19 fee-for-service payment for such services.

20 (6) Medicaid qualified health plans shall provide access to appro-
21 priate providers, including qualified specialists for all medically nec-
22 essary services.

23 (7) Medicaid qualified health plans shall provide the department
24 with a demonstration of the plan's capacity to adequately serve the
25 plan's expected enrollment of Medicaid enrollees.

26 (8) Medicaid qualified health plans shall provide assurances to the
27 department that it will not deny enrollment to, expel, or refuse to

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1 reenroll any individual because of the individual's health status or need
2 for services, and that it will notify all eligible persons of such assur-
3 ances at the time of enrollment.

4 (9) Medicaid qualified health plans shall provide procedures for
5 hearing and resolving grievances between the plan and members enrolled in
6 the plan on a timely basis.

7 (10) Medicaid qualified health plans shall meet other standards and
8 requirements contained in state laws, administrative rules, and policies
9 promulgated by the department. The department may establish alternative
10 standards and requirements that specify financial safeguards for organi-
11 zations not otherwise covered by existing law which assure that the
12 organization has the ability to accept financial risk.

13 (11) Medicaid qualified health plans shall develop written plans for
14 providing nonemergency medical transportation services funded through
15 supplemental payments made to the plans by the department, and shall
16 include information about transportation in their member handbook.

[(12) If a qualified health plan designates nurse practitioners or
physician's assistants as primary care providers, the qualified health plan
shall provide for appropriate physician supervision of the nurse
practitioners and the physician's assistants pursuant to article 15 of the
public health code, 1978 PA 368, MCL 333.16101 to 333.22260.]

17 Sec. 1638. (1) From the funds appropriated in part 1 for health
18 plan services, the department may contract for the assessment of quality
19 in qualified health plans which enroll Medicaid recipients.
20 Organizations providing such quality reviews shall meet the requirements
21 of the department and include the following functions:

22 (a) Review of plan performance based on accepted quality performance
23 criteria.

24 (b) Utilization of quality indicators and standards developed spe-
25 cifically for the Medicaid population.

26 (c) Promote accountability for improved plan performance.

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1 (2) The department shall report the findings and recommendations of
2 the external quality assurance contractor to the house and senate
3 appropriations subcommittees on community health and the house and senate
4 fiscal agencies by March 31, 1999.

5 Sec. 1639. (1) Medicaid qualified health plans shall not directly
6 market their services to or enroll Medicaid eligible persons. The
7 department shall provide or arrange for assistance to Medicaid enrollees
8 in understanding, electing, and using the managed care plans available.
9 Upon request of the Medicaid recipient, such assistance shall be provided
10 in person through a face-to-face interview prior to enrollment, when
11 practicable.

12 (2) Information regarding the available health plans and enrollment
13 materials shall be provided through local family independence agency
14 offices during the eligibility determination and redetermination process,
15 and at other locations specified by the department. The enrollment mate-
16 rials shall clearly explain covered services, recipient rights, grievance
17 and appeal procedures, exception criteria to mandatory enrollment, and
18 information regarding managed care enrollment broker and beneficiary
19 services.

20 Sec. 1640. (1) The department may require a 6-month lock-in to the
21 qualified health plan selected by the recipient during the initial and
22 subsequent open enrollment periods, but allow for good cause exceptions
23 during the lock-in period.

24 (2) Medicaid recipients shall be allowed to change health plans for
25 any reason within the initial 30 days of enrollment.

26 Sec. 1641. (1) The department shall provide an expedited complaint
27 review procedure for Medicaid eligible persons enrolled in qualified

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1 health plans for situations where failure to receive any health care
2 service would result in significant harm to the enrollee.

3 (2) The department shall provide for a toll-free telephone number
4 for Medicaid recipients enrolled in managed care to assist with resolving
5 problems and complaints. If warranted, the department shall immediately
6 disenroll persons from managed care and approve fee-for-service
7 coverage.

8 (3) Quarterly reports summarizing the problems and complaints
9 reported and their resolution shall be provided to the house and senate
10 appropriations subcommittees on community health, the house and senate
11 fiscal agencies, and the department's health plans advisory council.

12 Sec. 1642. [(1) The department shall require the enrollment
13 contractor to provide beneficiary services. These services shall include:

14 (a) Contacting eligible Medicaid beneficiaries.

15 (b) Providing education on managed care.

16 (c) Providing information through a toll-free number regarding
17 available health plans and their primary care providers available in the
18 Medicaid beneficiaries area.

19 (d) Entering the beneficiaries health plan choice in the information
20 system for communication to the state and the health plan, written
21 notification to the beneficiary regarding their health plan choice and
22 notice of their right to change plans consistent with federal guidelines.

23 (e) Guiding beneficiaries through both health plan and state
24 complaint and fair hearing processes, including helping the beneficiary
25 fill out required forms.

26 (f) Being available to attend a hearing with a beneficiary if
27 requested by the beneficiary to provide objective information regarding
events that have occurred pertinent to the beneficiary.]

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1 (2) The department shall not contract for enrollment counseling
2 services unless the contract complies with and includes provisions for
3 all beneficiary services defined in subsection (1)(b).

4 Sec. 1643. (1) The department may develop a program for providing
5 services to medical assistance recipients under a risk sharing capitation
6 arrangement, through contracts with provider-sponsored networks, health
7 maintenance organizations, and other organizations. The department shall
8 award contracts under the program at least every 5 years based on a com-
9 petitive bidding process. In developing a program under this section,
10 the department shall consult with providers, medical assistance recip-
11 ients, and other interested parties. The following provisions shall be
12 considered in any program:

13 (a) In determining eligible contractors, the department shall con-
14 sider provider-sponsored networks, along with health maintenance organi-
15 zations, and other organizations. All eligible contractors shall meet
16 the same standards for quality, access, benefits, financial, and organi-
17 zational capability.

18 (b) The department may make separate payments directly to qualifying
19 hospitals serving a disproportionate share of indigent patients, and to
20 hospitals providing graduate medical education training programs. If
21 direct payment for GME and DSH is made to qualifying hospitals for serv-
22 ices to Medicaid clients, hospitals will not include GME costs or DSH
23 payments in their contracts with HMOs.

24 (2) Whenever economical and feasible, the department shall give
25 preference to programs that provide a choice of qualified contractors and
26 at least an annual open enrollment in the program.

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1 Sec. 1644. The mother of an unborn child shall be eligible for
2 medical services benefits for herself and her child if all other
3 eligibility factors are met. To be eligible for these benefits, the
4 applicant shall provide medical evidence of her pregnancy. If she is
5 unable to provide the documentation, payment for the examination may be
6 at state expense. The department of community health shall undertake
7 such measures as may be necessary to ensure that necessary prenatal care
8 is provided to medical services eligible recipients.

9 Sec. 1645. (1) The protected income level for Medicaid coverage
10 determined pursuant to section 106(1)(b)(iii) of the social welfare act,
11 1939 PA 280, MCL 400.106, shall be the maximum allowed under federal law
12 including the inflation adjustment authorized in the personal responsi-
13 bility and work opportunity reconciliation act of 1996, Public Law
14 104-193, 110 Stat. 2105.

15 (2) The department shall notify the senate and house appropriations
16 subcommittees on community health of any proposed revisions to the pro-
17 tected income level for Medicaid coverage related to the public assist-
18 ance standard 90 days prior to implementation.

19 Sec. 1646. For the purpose of guardian and conservator charges, the
20 department of community health may deduct up to \$60.00 per month as an
21 allowable expense against a recipient's income when determining medical
22 services eligibility and patient pay amounts.

23 Sec. 1651. The department shall immediately seek a waiver from the
24 health care financing administration to allow semiannual redetermination
25 of continuing Medicaid eligibility once the initial Medicaid eligibility
26 has been determined.

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1 Sec. 1654. A qualified health plan that requires a Medicaid
2 recipient to designate a participating primary care provider shall permit
3 a female Medicaid recipient to access a participating
4 obstetrician-gynecologist for annual "well-woman" examinations and rou-
5 tine obstetrical and gynecologic services. This access would not require
6 prior authorization or referral, but may be limited by participation of
7 obstetricians-gynecologists in the plan network. A referral to an
8 out-of-plan physician will require plan approval.

[Sec. 1655. The department shall conduct a study to develop appropriate performance measures that would be used to evaluate the quality of well women health preventive services such as breast cancer screening.]

9 Sec. 1656. The department shall promote activities that preserve
10 the dignity and rights of terminally ill and chronically ill
11 individuals. Priority shall be given to programs, such as hospice, that
12 focus on individual dignity and quality of care provided persons with
13 terminal illness and programs serving persons with chronic illnesses that
14 reduce the rate of suicide through the advancement of the knowledge and
15 use of improved, appropriate pain management for these persons; and ini-
16 tiatives that train health care practitioners and faculty in managing
17 pain, providing palliative care and suicide prevention.

18 Sec. 1657. The department shall not implement a capitated managed
19 care program for long-term care services.

20 Sec. 1658. Funds appropriated for substance abuse services through
21 the Medicaid program shall be contracted in full to coordinating agencies
22 through CMHSPs unless such a pass-through is held to be in violation of
23 federal or state law or rules. If such a pass-through is not permissi-
24 ble, the department shall contract directly with coordinating agencies.
25 CMHSPs shall not assume any contractual or financial liability associated
26 with the pass-through of substance abuse services funds provided to
27 eligible recipients with these funds. The coordinating agencies shall

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1 retain financial program responsibilities and liabilities consistent with
2 contract requirements.

3 Sec. 1659. From the amounts appropriated in part 1 for hospital
4 services, the department shall allocate for graduate medical education no
5 less than was allocated for graduate medical education in fiscal year
6 1997-1998.

7 Sec. 1661. Graduate medical education innovative pool grants shall
8 give priority to meeting the needs of underserved areas, primary care,
9 interdisciplinary and rural health care, and training in palliative care
10 and pain management [, including neonatal and infant pain management,] in a
11 variety of settings including but not limited to
12 hospice, hospital, nursing homes, and home care.

13 [Sec. 1662. (1) The department shall include provision in the
14 contracts with health plans for full responsibility for well child visits
15 and maternal and infant support services as described in Medicaid policy.
16 This responsibility will also be included in the information distributed
17 by the health plans to the members.

18 (2) The department shall require reporting from the health plans
19 on their performance in the delivery services for well child visits and
20 referrals for maternal and infant support services.

21 (3) The department shall develop a method of providing budget
22 neutral incentives for health plans that demonstrate improved
23 performance in the delivery of immunizations, well child services, and
24 maternal and infant support programs. The department shall communicate
25 the state's expectation that a continuous improvement is expected in the
26 performance of these services.

27 (4) The department shall revise appropriate standards of care

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1 used for well child visits based upon recognized national authorities of
2 care, such as the American academy of pediatrics.

3]

4 Sec. 1663. The department shall contract with the Michigan public
5 health institute to establish a technical assistance workgroup on EPSDT
6 and maternal and infant support services. The workgroup shall be made up
7 of consumers, advocates, health care providers, and health plan
8 representatives. The workgroup shall, at a minimum, establish a standard
9 report for EPSDT services, an outreach program to educate providers on
10 the requirements of EPSDT screening, and a mechanism to provide targeted
11 assistance to health plans that are screening less than 60% of the child
12 members that are eligible for EPSDT services and recommend strategies to
13 improve access to maternal and infant support services.

14 Sec. 1664. Any unexpended and unencumbered funds remaining on
15 September 30, 1999 from the amounts appropriated for medical services
16 including additional savings from Medicaid managed care shall not lapse
17 on September 30, 1999 but shall be deposited in a contingency fund estab-
18 lished to expand health care to the uninsured.

19 Sec. 1665. The Medicaid outpatient indigent volume adjustor policy
20 in effect prior to April 1, 1998 shall be restored effective October 1,
21 1998.

22 Sec. 1666. (1) Not more than 5% of state funds for each community
23 mental health service program (CMHSP) shall be expended for administra-
24 tive costs. A community mental health service program that meets all of
25 the following criteria in providing specialty services for persons with
26 developmental disabilities and specialty services for persons with mental

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1 illness may transfer a maximum of 1% of its funding from program to
2 administrative costs:

3 (a) Providing the full array of services required by state law and
4 policy for persons with developmental disabilities and for persons with
5 mental illness, and providing the full array of services required by the
6 carve-out under state law and policy for specialty services to persons
7 with developmental disabilities or mental illness.

8 (b) Meeting the performance objectives outlined by the department in
9 its contract with the CMHSP.

10 (c) Demonstrating that anyone with a developmental disability or
11 mental illness who requests, or who is known to have requested pursuant
12 to departmental guidelines, services from the CMHSP has participated in a
13 person-centered planning process that leads to the development of a writ-
14 ten plan, including appropriate supports and services, and that this plan
15 has been, or is scheduled to be, implemented in accordance with the con-
16 tract between the department and the CMHSP.

17 (2) A CMHSP which does not meet the criteria outlined in subsection
18 (1) shall transfer 1% of its administrative budget to program costs to
19 implement the criteria outlined in subsection (1).

20 (3) The department shall consult with at least 1 local independent
21 advocacy organization for persons with developmental disabilities and at
22 least 1 state or local independent advocacy organization for persons with
23 mental illness to determine whether the provisions of this section have
24 been met by the CMHSP.

25 Sec. 1667. Qualified health plans are required to pay not less than
26 90% of clean claims from subcontractors for medicaid covered services
27 within 30 days of receipt and pay not less than 99% of clean claims

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1 within 90 days of receipt from all in-plan and out-of-plan providers.
2 Failure to meet these requirements will result in a reduction in the
3 qualified health plan's monthly capitation payment of \$100.00 per
4 incident.

5 Sec. 1668. From the funds appropriated in part 1 for medical serv-
6 ices, the department shall appropriate \$150,000.00 to the Michigan
7 Alzheimer's disease research center to continue its outreach initiative.

8 Sec. 1669. The proposed capitation rates for qualified health plans
9 under the medicaid comprehensive health plan shall be submitted to the
10 state insurance bureau for review to determine that the rates are not
11 excessive or inadequate.

12 Sec. 1670. (1) The appropriation in part 1 for the MICHild program
13 is to be used to provide comprehensive health care to all children under
14 age 19 who reside in families with income at or below 200% of the federal
15 poverty level, who are uninsured and have not had coverage by other com-
16 prehensive health insurance within 6 months of making application for
17 MICHild benefits, and who are residents of this state. The department
18 shall develop detailed eligibility criteria through the medical services
19 administration public concurrence process, consistent with the provisions
20 of this act. Health care coverage for children in families below 150% of
21 the federal poverty level shall be provided through expanded eligibility
22 under the state's Medicaid program. Health coverage for children in fam-
23 ilies between 150% and 200% of the federal poverty level shall be pro-
24 vided through a state-based private health care program.

25 (2) The department shall enter into a contract to obtain MICHild
26 services from any health maintenance organization, dental care
27 corporation, or any other entity that offers to provide the managed

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1 health care benefits for MICHild services at the MICHild capitated rate.

2 As used in this subsection:

3 (a) "Dental care corporation", "health care corporation", "insurer",
4 and "prudent purchaser agreement" mean those terms as defined in section
5 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

6 (b) "Entity" means a health care corporation or insurer operating in
7 accordance with a prudent purchaser agreement.

8 (3) The department may enter into contracts to obtain certain
9 MICHild services from community mental health service programs.

10 (4) The department may make payments on behalf of children enrolled
11 in the MICHild program from the line-item appropriation associated with
12 the program as described in the MICHild state plan approved by the United
13 States department of health and human services, or from other medical
14 services line-item appropriations providing for specific health care
15 services.

16 Sec. 1671. For families applying for a MICHild benefit, the depart-
17 ment shall do all of the following:

18 (a) Provide a single application for determining family eligibility
19 for MICHild, Medicaid, and other health programs offered by the state.

20 (b) Allow families to submit applications for the program by mail.

21 (c) Provide immediate and simultaneous determinations of a family's
22 eligibility for MICHild or Medicaid benefits.

23 (d) Provide MICHild or Medicaid coverage when eligibility is estab-
24 lished under subdivision (c).

25 Sec. 1672. (1) The department may seek a waiver from the United
26 States department of health and human services that would allow the state
27 to conduct demonstrations on expanding health coverage to families whose

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1 income is at or below 200% of poverty by allowing those families to
2 purchase private health insurance through the use of vouchers or other
3 cost sharing mechanisms.

4 (2) From the funds appropriated under 1997 PA 94 for a medical serv-
5 ices buy-in program, the department shall provide coverage to adults in
6 MICHild eligible families no longer receiving transitional Medicaid cov-
7 erage due to employment.

8 Sec. 1673. (1) From the funds appropriated in part 1, the depart-
9 ment shall develop a comprehensive approach to the marketing and outreach
10 of the MICHild program. The marketing and outreach required under this
11 section shall be coordinated with current outreach, information dissemi-
12 nation, and marketing efforts and activities conducted by the
13 department.

14 (2) The department shall fund allowable education and outreach
15 activities for Medicaid eligibility determinations authorized by the per-
16 sonal responsibility and work opportunity reconciliation act of 1996,
17 Public Law 104-193, 110 Stat. 2105.

18 Sec. 1674. The department may provide up to 1 year of continuous
19 eligibility to a family made eligible for the MICHild program unless the
20 family's status changes and its members no longer meet the eligibility
21 criteria as specified in the federally approved MICHild state plan.

22 Sec. 1675. The department shall continue eligibility for all bene-
23 ficiaries in the caring program for children until their eligibility for
24 the MICHild program is established.

25 Sec. 1676. The department may establish premiums for MICHild eligi-
26 ble persons in families with income above 150% of the federal poverty
27 level. The monthly premiums shall not exceed \$5.00 for a family.

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1 Sec. 1677. The department shall not require copayments under the
2 MIChild program.

3 Sec. 1678. Families whose category of eligibility changes between
4 the Medicaid and MIChild programs shall be assured of keeping their cur-
5 rent health care providers through the current prescribed course of
6 treatment for up to 1 year, subject to periodic reviews by the department
7 if the beneficiary has a serious medical condition and is undergoing
8 active treatment for that condition.

9 Sec. 1679. A department employee shall determine eligibility for
10 each MIChild applicant.

11 Sec. 1680. Within 120 days after the health care financing
12 administration's approval of the state's MIChild plan, the department
13 shall implement the MIChild program in each county of the state in which
14 a MIChild provider is willing to provide the MIChild benefits at or below
15 the regionally adjusted capitation rate.

16 Sec. 1681. To be eligible for the MIChild program, a child must be
17 residing in a family with an adjusted gross income of less than or equal
18 to 200% of the federal poverty level. The parent's income, including
19 stepparents' income when living with the child, or other responsible
20 relative's income is to be used. The following verification shall be
21 used:

22 (a) For annual income, a W-2 form or most recent pay stub.

23 (b) For child support, a court order. However, the custodial parent
24 shall supply the department with proof of efforts to obtain that
25 court-ordered support. Verification from the friend of the court will be
26 considered proof of this effort. If the child support is not paid to the

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1 parent after this effort, the unpaid child support income shall not be
2 considered for purposes of determining eligibility for MICHild.

3 (c) For SSI/RSDI income, a yearly statement or bank statements.

4 (d) For self-employed persons, a completed internal revenue service
5 1040 form, first page, line 31, showing gross adjusted income.

6 Sec. 1682. The MICHild program shall provide all benefits available
7 under the state employee insurance plan that are delivered through the
8 qualified health plans and consistent with federal law, including but not
9 limited to the following medically necessary services:

10 (a) Inpatient mental health services, other than substance abuse
11 treatment services, including services furnished in a state-operated
12 mental hospital and residential or other 24-hour therapeutically planned
13 structured services.

14 (b) Outpatient mental health services, other than substance abuse
15 services, including services furnished in a state-operated mental hospi-
16 tal and community-based services.

17 (c) Durable medical equipment and prosthetic and orthotic devices.

18 (d) Dental services as outlined in the approved MICHild state plan.

19 (e) Substance abuse treatment services that may include inpatient,
20 outpatient, and residential substance abuse treatment services.

21 (f) Care management services for mental health diagnoses.

22 (g) Physical therapy, occupational therapy, and services for indi-
23 viduals with speech, hearing, and language disorders.

24 (h) Emergency ambulance services.

25 Sec. 1683. The MICHild program shall be the payer of last resort
26 for children who have coverage through other state or federal programs or
27 private or commercial health insurance programs.

[Sec. 1685. From the funds appropriated in part 1 for nursing home services, \$10,000,000.00 is included for the medicaid program's share of increased nursing home staffing costs.

Sec. 1686. The department shall prepare and make available to health care providers a pamphlet identifying patient rights and responsibilities described in section 20201 of the public health code, 1978 PA 368, MCL 333.20201.

Sec. 1687. (1) The family independence agency, in conjunction with the department of community health, shall submit a report by March 1, 1999 to the house and senate appropriations subcommittees on the family independence agency budget on the AIDS insurance program. The report shall include, at a minimum, all of the following information:

(a) The number of beneficiaries of the program per year.

(b) Annual costs, including insurance premium payments.

(c) Estimated payments by insurers on behalf of beneficiaries of the program.

(d) Income and asset limitations and other eligibility criteria.

(e) A cost/benefit analysis, if available.

(2) The report required under subsection (1) shall cover the period of time that the program has existed if that information is available.

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Sec. 1688. To assure ongoing involvement of families in the

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policy development and health care services plan provided by kids care of Michigan, the managed care program for children's special health care services, the key administrative role of "family-centered care coordinator" shall be filled by a consumer or by a parent of a child in the children's special health care services plan who is enrolled in the kids care of Michigan health plan. In addition, 1/3 of the governing board and 50% of the member services staff for this plan shall be children's special health care services consumers.]

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