

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Reps. Johnson, Bankes, Gilmer, Godchaux, Jansen and Bobier

ENROLLED HOUSE BILL No. 4306

AN ACT 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, 1998; 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:

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 1998, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	7,587.0	
Average population	2,091.0	
GROSS APPROPRIATION		\$ 7,308,149,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 81,400,400
ADJUSTED GROSS APPROPRIATION		\$ 7,226,749,000
Federal revenues:		
Total federal revenues		3,471,537,000
Special revenue funds:		
Total local revenues		906,475,100
Total private revenues		41,404,800
Total other state restricted revenues		322,262,100
State general fund/general purpose		\$ 2,485,070,000

DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	(46.0)	
Community health advisory council		\$ 28,900
Director and other unclassified—7.0 FTE positions		524,500
Department-wide reorganization savings—(46.0) FTE positions		(2,604,900)
GROSS APPROPRIATION		\$ (2,051,500)

For Fiscal Year
Ending Sept. 30,
1998

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ (1,358,900)
State general fund/general purpose	\$ (692,600)
EXECUTIVE PROGRAM	
Full-time equated classified positions	276.0
Departmental administration and management—276.0 FTE positions	\$ 26,109,600
Revenue recapture	750,000
GROSS APPROPRIATION	\$ 26,859,600
Appropriated from:	
Federal revenues:	
Total federal revenues	2,114,300
Special revenue funds:	
Total other state restricted revenues	510,000
State general fund/general purpose	\$ 24,235,300
EARLY RETIREMENT SAVINGS	
Early retirement	\$ (13,056,700)
GROSS APPROPRIATION	\$ (13,056,700)
Appropriated from:	
State general fund/general purpose	\$ (13,056,700)
FEDERAL AND PRIVATE FUNDED PROJECTS	
Full-time equated classified positions	10.0
Developmental disabilities council and projects—10.0 FTE positions	\$ 2,254,700
Central fund for acquiring additional federal and private funds	2,500,000
Gifts and bequests for patient living and treatment environment	2,000,000
IDEA, federal special education	55,000
GROSS APPROPRIATION	\$ 6,809,700
Appropriated from:	
Federal revenues:	
Total federal revenues	4,609,700
Special revenue funds:	
Total private	2,200,000
State general fund/general purpose	\$ 0
FAMILY AND CONSUMER SUPPORT SERVICES	
Full-time equated classified positions	4.0
Homelessness formula grant program—2.0 FTE positions	\$ 1,091,800
Family support subsidy	13,401,200
Dental program for persons with developmental disabilities	151,000
Pilot projects in prevention for adults and children—2.0 FTE positions	1,515,800
Consumer involvement program	166,600
Foster grandparent and senior companion program	1,972,400
Protection and advocacy services support	818,300
Mental health initiatives for older persons	1,165,800
GROSS APPROPRIATION	\$ 20,282,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG, family independence agency	7,007,500
Federal revenues:	
Total federal revenues	383,000
State general fund/general purpose	\$ 12,892,400
COMMUNITY MENTAL HEALTH SERVICES PROGRAMS	
Full-time equated classified positions	13.0
Community mental health programs	\$ 1,179,895,900

		For Fiscal Year Ending Sept. 30, 1998
Respite services	\$	3,318,600
CMHSP, purchase of state services contracts		202,198,000
Omnibus reconciliation act implementation—11.0 FTE positions		10,431,600
Federal mental health block grant—2.0 FTE positions		10,772,000
GROSS APPROPRIATION	\$	1,406,616,100
Appropriated from:		
Federal revenues:		
Total federal revenues		440,728,100
Special revenue funds:		
Total other state restricted revenues		4,882,400
State general fund/general purpose	\$	961,005,600
INSTITUTIONAL SERVICES		
Full-time equated classified positions		5.0
Worker's compensation program—1.0 FTE position	\$	13,577,400
Therapeutic work training program		345,600
Purchase of psychiatric residency training		3,635,100
Purchase of medical services for residents of hospitals and centers		2,874,000
Maintenance of property being leased or rented		95,000
Equipment		300,000
Special maintenance		659,000
Closed site, transition, and related costs—4.0 FTE positions		5,551,500
Severance pay		1,896,000
GROSS APPROPRIATION	\$	28,933,600
Appropriated from:		
Special revenue funds:		
Total other state restricted revenues		438,700
State general fund/general purpose	\$	28,494,900
STATE PSYCHIATRIC HOSPITALS		
Total average population		1,319.0
Total full-time equated classified positions		3,042.0
Caro regional mental health center - psychiatric services unit—462.0 FTE positions	\$	28,675,000
Average population		193.0
Clinton Valley center—470.0 FTE positions		33,216,800
Average population		175.0
Detroit psychiatric institute—235.0 FTE positions		17,700,300
Average population		94.0
Kalamazoo psychiatric hospital—428.0 FTE positions		27,662,000
Average population		163.0
Northville psychiatric hospital—943.0 FTE positions		63,450,000
Average population		444.0
Walter P. Reuther psychiatric hospital—504.0 FTE positions		34,328,100
Average population		250.0
GROSS APPROPRIATION	\$	205,032,200
Appropriated from:		
Federal revenues:		
Total federal revenues		4,547,900
Special revenue funds:		
CMHSP, purchase of state services contracts		126,474,300
Total local revenues		61,136,800
Total other state restricted revenues		12,873,200
State general fund/general purpose	\$	0
STATE PSYCHIATRIC HOSPITALS FOR CHILDREN AND ADOLESCENTS		
Total average population		131.0
Total full-time equated classified positions		368.0
Detroit psychiatric institute - children's program—20.0 FTE positions	\$	1,128,700
Average population		12.0

		For Fiscal Year Ending Sept. 30, 1998
Hawthorn center—302.0 FTE positions	\$	19,480,800
Average population	103.0	
Pheasant Ridge children's program at Kalamazoo psychiatric hospital—		
46.0 FTE positions		2,988,200
Average population	16.0	
GROSS APPROPRIATION	\$	23,597,700
Appropriated from:		
Federal revenues:		
Total federal revenues		4,071,100
Special revenue funds:		
CMHSP, purchase of state services contracts		13,418,200
Total local revenues		5,654,400
Total other state restricted revenues		454,000
State general fund/general purpose	\$	0
STATE CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES		
Total average population	431.0	
Total full-time equated classified positions	1,032.0	
Community residential and support services for persons with developmental		
disabilities—59.0 FTE positions	\$	69,701,200
Caro mental health center - developmental and alternative services—		
195.0 FTE positions		12,804,000
Average population	89.0	
Mount Pleasant center—517.0 FTE positions		30,208,200
Average population	242.0	
Southgate center—261.0 FTE positions		16,092,000
Average population	100.0	
GROSS APPROPRIATION	\$	128,805,400
Appropriated from:		
Federal revenues:		
Total federal revenues		46,697,800
Special revenue funds:		
CMHSP, purchase of state services contracts		62,305,500
Total local revenues		16,699,900
Total other state restricted revenues		3,102,200
State general fund/general purpose	\$	0
FORENSIC AND PRISON MENTAL HEALTH SERVICES		
Total average population	210.0	
Full-time equated classified positions	1,475.0	
Center for forensic psychiatry—479.0 FTE positions	\$	31,885,800
Average population	210.0	
Center for forensic psychiatry - outpatient evaluation—40.0 FTE positions		3,087,000
Forensic mental health services provided to the department of corrections—		
956.0 FTE positions		67,493,800
GROSS APPROPRIATION	\$	102,466,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG, department of corrections		67,493,800
Federal revenues:		
Total federal revenues		15,800
Special revenue funds:		
Total local revenues		1,570,300
Total other state restricted revenues		226,900
State general fund/general purpose	\$	33,159,800
EXECUTIVE SERVICES		
Total full-time equated positions	241.0	

		For Fiscal Year Ending Sept. 30, 1998
Executive administration—69.0 FTE positions	\$	4,598,900
Contractual services, supplies, and materials		268,000
Building occupancy charges		2,927,700
Equipment		800,100
Rent		253,000
Worker's compensation		302,500
Health planning—14.8 FTE positions		2,961,600
Management information systems—56.4 FTE positions		6,281,800
Maternal and infant health data and evaluation—6.5 FTE positions		538,300
Minority health grants and contracts		650,000
Office of general services—18.0 FTE positions		1,056,200
Office of minority health—3.0 FTE positions		271,800
Vital records and health statistics—73.3 FTE positions		5,760,500
GROSS APPROPRIATION	\$	26,670,400
Appropriated from:		
Interdepartmental grant revenues:		
Intradepartmental transfer - automated data processing charges		3,510,400
Interdepartmental grant from family independence agency		132,500
Federal revenues:		
Total federal revenues		3,647,800
Special revenue funds:		
Total other state restricted revenues		3,992,100
State general fund/general purpose	\$	15,387,600
INFECTIOUS DISEASE CONTROL ADMINISTRATION		
Total full-time equated positions	4.0	
Infectious disease control administration—4.0 FTE positions	\$	333,900
Contractual services, supplies, and materials		22,100
GROSS APPROPRIATION	\$	356,000
Appropriated from:		
State general fund/general purpose	\$	356,000
INFECTIOUS DISEASE CONTROL		
Total full-time equated positions	86.8	
AIDS counseling and testing	\$	4,237,600
AIDS education and outreach		3,013,800
AIDS/HIV risk reduction		1,000,000
AIDS program administration—13.0 FTE positions		1,139,600
AIDS referral and care network grants		6,694,700
AIDS surveillance and prevention program—16.0 FTE positions		2,845,500
Disease surveillance—4.0 FTE positions		366,400
Division administration—6.0 FTE positions		491,600
Immunization local agreements		15,837,100
Immunization program management and field support—11.0 FTE positions		2,047,300
Lyme disease grant—0.3 FTE position		75,000
Sexually transmitted disease control local agreements		2,205,700
Sexually transmitted disease control management and field support—32.0 FTE positions		2,690,700
Recalcitrant AIDS and tuberculosis aid		162,000
Tuberculosis control program—4.5 FTE positions		860,900
GROSS APPROPRIATION	\$	43,667,900
Appropriated from:		
Federal revenues:		
Total federal revenues		31,036,800
Special revenue funds:		
Local funds		242,700
Private funds		175,000
Total other state restricted revenues		7,585,200
State general fund/general purpose	\$	4,628,200

For Fiscal Year
Ending Sept. 30,
1998

LABORATORY SERVICES

Total full-time equated positions	106.6	
Laboratory services administration—75.8 FTE positions		\$ 4,387,000
Contractual services, supplies, and materials		1,349,000
EPSDT blood lead screening—6.0 FTE positions.....		665,100
Newborn screening services—24.8 FTE positions		1,765,700
GROSS APPROPRIATION.....		\$ 8,166,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from corrections		232,600
Federal revenues:		
Total federal revenues		506,200
Special revenue funds:		
Total other state restricted revenues		1,847,200
State general fund/general purpose		\$ 5,580,800

ENVIRONMENTAL HEALTH ADMINISTRATION AND SUPPORT SERVICES

Total full-time equated positions	34.2	
Health risk assessment—34.2 FTE positions.....		\$ 4,317,800
GROSS APPROPRIATION.....		\$ 4,317,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of environmental quality		458,800
Federal revenues:		
Total federal revenues		2,283,100
Special revenue funds:		
Total other state restricted revenues		55,100
State general fund/general purpose		\$ 1,520,800

HEALTH SYSTEMS ADMINISTRATION

Total full-time equated positions	29.9	
Health systems administration—20.7 FTE positions		\$ 1,391,300
Contractual services, supplies, and materials		52,100
Administrative hearings—2.5 FTE positions.....		166,900
Health facilities management information system		39,800
Local health services—4.9 FTE positions.....		141,300
Primary care services grant—1.8 FTE positions		218,400
Training and evaluation.....		320,000
GROSS APPROPRIATION.....		\$ 2,329,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from treasury, Michigan state hospital finance authority		92,300
Federal revenues:		
Total federal revenues		287,100
Special revenue funds:		
Total other state restricted revenues		1,075,100
State general fund/general purpose		\$ 875,300

HEALTH SYSTEMS LOCAL GRANTS

Implementation of Act 133 PA 1993		\$ 100,000
Indian health care.....		309,500
Michigan essential health care provider program		1,229,100
Primary care services		1,922,200
Refugee health program.....		142,300
Rural health grant.....		168,800
State/local cost sharing.....		36,412,600
GROSS APPROPRIATION.....		\$ 40,284,500

For Fiscal Year
Ending Sept. 30,
1998

Appropriated from:	
Federal revenues:	
Total federal funds	\$ 2,392,700
Special revenue funds:	
Private funds	40,000
Total other state restricted revenues	500,000
State general fund/general purpose	\$ 37,351,800
CENTER FOR HEALTH PROMOTION	
Total full-time equated positions	63.7
AIDS and risk reduction clearinghouse and media campaign	\$ 1,700,000
Alzheimer's information network	150,000
Cancer prevention and control program—19.0 FTE positions	13,522,700
Center administration—4.0 FTE positions	321,500
Chronic disease prevention—2.5 FTE positions	1,609,800
Diabetes local agreements	2,409,900
Employee wellness program grants (includes \$50.00 per diem and expenses for the risk reduction and AIDS policy commission)	4,250,000
Health education, promotion, and research programs—23.0 FTE positions	2,155,300
Injury control intervention project—1.0 FTE position	437,300
Physical fitness, nutrition, and health	1,750,000
Public health traffic safety coordination—1.0 FTE position	152,600
School health curriculum	2,000,000
School health education project	80,000
Smoking prevention program—6.2 FTE positions	7,174,700
Survey and analysis—5.0 FTE positions	468,000
Violence prevention—2.0 FTE positions	2,846,300
GROSS APPROPRIATION	\$ 41,028,100
Appropriated from:	
Federal revenues:	
Total federal funds	12,057,200
Special revenue funds:	
Total other state restricted revenues	25,108,600
State general fund/general purpose	\$ 3,862,300
BUREAU OF CHILD AND FAMILY SERVICES	
Total full-time equated positions	103.8
Child and family services administration—92.8 FTE positions	\$ 6,076,700
Contractual services, supplies, and materials	1,572,500
Automated data processing	3,730,000
Lead abatement program—3.0 FTE positions	4,900,000
Special projects—8.0 FTE positions	3,128,000
GROSS APPROPRIATION	\$ 19,407,200
Appropriated from:	
Federal revenues:	
Total federal revenues	15,773,700
Special revenue funds:	
Private funds	434,000
State general fund/general purpose	\$ 3,199,500
CHILD AND FAMILY SERVICES GRANTS	
Adolescent health care services	\$ 2,892,300
Dental programs	260,400
Early and periodic screening, diagnosis, and treatment outreach	6,200,000
Family planning local agreements	7,392,600
Lead paint program	491,800
Local MCH services	1,271,200
Maternity, infant, and children's health care local agreements	7,083,000

		For Fiscal Year Ending Sept. 30, 1998
Medical services cost reimbursement to local health departments.....	\$	1,800,000
Migrant health care		166,100
Pregnancy prevention program		7,296,100
Prenatal care community demonstration projects.....		58,200
Prenatal care outreach and service delivery support		7,929,700
Sudden infant death syndrome program.....		121,300
Women, infants, and children program local agreements and food costs		141,359,200
GROSS APPROPRIATION.....	\$	184,321,900
Appropriated from:		
Federal revenues:		
Total federal revenues		128,792,600
Special revenue funds:		
Private funds		37,200,000
Total other state restricted revenues		5,600,000
State general fund/general purpose	\$	12,729,300
CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Total full-time equated positions	86.5	
Program administration—84.5 FTE positions.....	\$	5,064,600
Contractual services, supplies, and materials		883,100
Amputee program		184,600
Bequests for care and services—2.0 FTE positions.....		1,004,600
Case management services		3,923,500
Conveyor contract		559,100
Medical care and treatment		116,070,100
Pediatric AIDS prevention and control.....		582,200
Follow-up and treatment services for newborn screening		1,729,400
GROSS APPROPRIATION.....	\$	130,001,200
Appropriated from:		
Federal revenues:		
Total federal revenues		61,669,100
Special revenue funds:		
Private - bequests.....		650,000
Total other state restricted revenues		6,019,100
State general fund/general purpose	\$	61,663,000
SUBSTANCE ABUSE PROGRAM ADMINISTRATION		
Total full-time equated positions	45.0	
Substance abuse program administration—32.5 FTE positions	\$	1,886,000
Contractual services, supplies, and materials		120,300
Federal projects—12.5 FTE positions		1,384,300
GROSS APPROPRIATION.....	\$	3,390,600
Appropriated from:		
Federal revenues:		
Total federal revenues		1,261,400
Special revenue funds:		
Total other state restricted revenues		198,200
State general fund/general purpose	\$	1,931,000
SUBSTANCE ABUSE GRANTS AND CONTRACTS		
Chemically-dependent pregnant women and children program	\$	2,100,000
Community substance abuse prevention, education, and treatment grants.....		72,840,400
Federal and other special projects		7,427,200
Highway safety projects		337,200
Program enhancement, evaluation, and data services		1,137,600
State disability assistance program substance abuse services		6,600,000
GROSS APPROPRIATION.....	\$	90,442,400

For Fiscal Year
Ending Sept. 30,
1998

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 64,369,100
Special revenue funds:	
Total other state restricted revenues	1,360,000
State general fund/general purpose	\$ 24,713,300
OFFICE OF DRUG CONTROL POLICY	
Total full-time equated positions	13.0
Drug control policy—13.0 FTE positions	\$ 1,028,000
Anti-drug abuse grants	30,931,100
GROSS APPROPRIATION	\$ 31,959,100
Appropriated from:	
Federal revenues:	
Total federal revenues	31,785,400
State general fund/general purpose	\$ 173,700
OFFICE OF SERVICES TO THE AGING	
Total full-time equated positions	44.5
Commission (per diem \$50.00)	\$ 10,500
Office of services to aging administration—44.5 FTE positions	4,270,800
Information systems	957,500
Community services	24,163,400
Nutrition services	28,185,700
Senior volunteer services	4,130,900
Senior citizen centers staffing and equipment	1,140,700
Employment assistance	2,632,700
DAG commodity supplement	6,978,800
Michigan pharmaceutical program	5,000,000
Respite care program	3,500,000
GROSS APPROPRIATION	\$ 80,971,000
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from department of community health	2,472,500
Federal revenues:	
Total federal revenues	39,262,500
Special revenue funds:	
Total private revenues	125,000
Total other state restricted revenues	8,500,000
State general fund/general purpose	\$ 30,611,000
MEDICAL SERVICES ADMINISTRATION	
Full-time equated classified positions	549.0
Salaries and wages—549.0 FTE positions	\$ 31,931,200
Contractual services, supplies, and materials	24,342,600
Rent	2,253,000
Travel and equipment	288,500
Data processing contractual services	100
Facility inspection contract - state police	132,800
GROSS APPROPRIATION	\$ 58,948,200
Appropriated from:	
Federal revenues:	
Total federal revenues	35,378,300
Special revenue funds:	
Total private	80,800
State general fund/general purpose	\$ 23,489,100

For Fiscal Year
Ending Sept. 30,
1998

MEDICAL SERVICES

Hospital services and therapy	\$ 669,496,500
Hospital disproportionate share payments	45,000,000
Physician services	147,639,800
Medicare premium payments	99,203,200
Pharmaceutical services	194,898,900
Home health services	32,703,500
Transportation	4,143,000
Auxiliary medical services	46,573,000
Nursing home services	720,643,900
Chronic care units and county medical care facilities	160,740,800
Substance abuse services	16,339,000
Health plan services	1,251,146,000
Early periodic screening, diagnosis, and treatment outreach	2,582,000
Caring program for children	1,500,000
Personal care services - adult foster care	24,962,000
Personal care services - in-home services	5,500,000
Maternal and child health	9,234,500
Indigent medical care program	22,686,000
Adult home help	139,561,700
Social services to the physically disabled	1,344,900
Subtotal basic medical services program	3,595,898,700
Outpatient hospital adjustor	44,012,800
School-based services	127,341,500
Special adjustor payments	840,337,900
Subtotal special medical services payments	1,011,692,200
GROSS APPROPRIATION	\$ 4,607,590,900
Appropriated from:	
Federal revenues:	
Total federal revenues	2,539,225,200
Special revenue funds:	
Total local	618,973,000
Total private	500,000
Tobacco company litigation fund	50,000
Total other state restricted revenues	237,884,100
State general fund/general purpose	\$ 1,210,958,600

GENERAL SECTIONS FOR FISCAL YEAR 1997-1998

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in section 101 from state sources for fiscal year 1997-98 is estimated at \$2,807,332,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY AND CONSUMER SUPPORT SERVICES

Homelessness formula grant program - state match	\$ 708,800
Family support subsidy	6,393,700
Pilot projects in prevention for adults and children	1,515,800
Foster grandparent and senior companion program	1,972,400

COMMUNITY MENTAL HEALTH SERVICES PROGRAMS

Community mental health programs	747,925,600
Respite services	3,318,600
OBRA implementation	1,673,800

EXECUTIVE SERVICES	
Health planning.....	\$ 1,618,800
INFECTIOUS DISEASE CONTROL	
AIDS counseling and testing.....	687,800
AIDS referral and care network grants.....	779,000
Sexually transmitted disease control local agreements.....	452,900
HEALTH SYSTEMS LOCAL GRANTS	
Refugee health grant	29,600
State/local cost sharing.....	36,412,600
CENTER FOR HEALTH PROMOTION	
Cancer prevention and control program	397,000
Diabetes local agreements	1,275,000
Employee wellness program grants.....	1,545,100
School health curriculum	2,000,000
Smoking prevention program.....	2,880,000
CHILD AND FAMILY SERVICES GRANTS	
Adolescent health care services.....	1,358,000
Family planning local agreements.....	1,230,300
Maternity, infants, and children's health care local agreements	246,100
Pregnancy prevention program	2,511,800
Prenatal care outreach and service delivery support	3,190,000
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Case management services	1,433,200
SUBSTANCE ABUSE GRANTS AND CONTRACTS	
Community substance abuse prevention, education, and treatment grants.....	17,519,700
MEDICAL SERVICES	
Indigent medical program.....	1,383,800
Hospital disproportionate share payments	18,000,000
Hospital services and therapy	20,890,600
Physician services.....	6,311,500
Pharmaceutical services	8,643,300
Home health services.....	1,422,000
Transportation.....	180,500
Auxiliary medical services	2,026,200
Health maintenance organizations.....	54,575,700
OFFICE OF SERVICES TO THE AGING	
Community services.....	11,621,400
Nutrition services	12,363,000
Senior volunteer services	912,200
Senior citizen centers staffing and equipment	970,700
Michigan emergency pharmaceutical program.....	140,000
Respite care program	<u>3,500,000</u>
TOTAL OF PAYMENTS TO LOCAL UNITS	
OF GOVERNMENT	\$ 982,016,500

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

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

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

Sec. 204. As used in this act:

- (a) "AIDS" means acquired immunodeficiency syndrome.
- (b) "CMH" means community mental health.
- (c) "CMHSP" means a community mental health service program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (d) "DAG" means the United States department of agriculture.
- (e) "DAG-FNS" means the United States department of agriculture, food and nutritional services.
- (f) "Department" or "MDCH" means the Michigan department of community health.
- (g) "DOL-CETA" means the United States department of labor, comprehensive employment training act.
- (h) "DSH" means disproportionate share hospital.
- (i) "EPSDT" means early and periodic screening, diagnosis, and treatment.
- (j) "FTE" means full-time equated position.
- (k) "GME" means graduate medical education.
- (l) "HHS-OHDS" means the United States department of health and human services, office of human development services.
- (m) "HIV" means human immunodeficiency virus.
- (n) "IDEA" means individuals with disabilities education act.
- (o) "IDG" means interdepartmental grant.
- (p) "IDT" means intradepartmental transfer.
- (q) "MCH" means maternal and child health.
- (r) "Qualified health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (s) "Title X" means title X of the public health services act, 300 U.S.C. 1001.
- (t) "Title XVIII" means title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395c to 1395i, 1395i-2 to 1395i-4, 1395j to 1395t, 1395u to 1395w-2, 1395w-4 to 1395zz, and 1395bbb to 1395ccc.
- (u) "Title XIX" means title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396g, and 1396i to 1396s.
- (v) "Title XX" means title XX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.

Sec. 205. The department shall provide a report on contractual services to the department of management and budget and to the chairpersons of the senate and house appropriations committees each month. The report shall be based on the monthly civil service statewide contracted services report required by section 281 of the management and budget act, 1984 PA 431, MCL 18.1281. The report shall provide the name of the contractor, the dollar value of the contract, description and location of the service to be provided, and justification for the contract.

Sec. 206. (1) Beginning October 1, 1997, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in the state department or agency being unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the justification for the exclusion.

Sec. 207. If the revenue collected by the department from fees and collections exceeds the amount appropriated in section 101, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 208. Except as provided in section 111b(11) of the social welfare act, 1939 PA 280, MCL 400.111b, relative to medical services providers, the department shall not pay for a billing received from a contractor or service provider that is submitted more than 12 months after the bill for a good or service is provided.

Sec. 209. (1) From the amounts appropriated in section 101, no greater than the following amounts are supported with federal maternal and child health, preventive health and health services, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant.....	\$	20,552,000.
(b) Preventive health and health services block grant.....	\$	6,587,500.
(c) Substance abuse block grant.....	\$	58,057,700.
(d) Healthy Michigan funds	\$	34,811,000.
(e) Michigan health initiative.....	\$	9,600,000.

(2) On or before February 1, 1998, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the department of management and budget on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in section 101 of this act.

(3) Upon the release of the fiscal year 1998-99 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in section 101 of the fiscal year 1998-99 executive budget proposal.

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

Sec. 210. The state departments, agencies, and commissions receiving tobacco tax funds from section 101 shall report by October 1, 1997, to the senate and house appropriations committees, the senate and house fiscal agencies, and the department of management and budget on the following:

- (a) Detailed spending plan by appropriation line item including description of programs.
- (b) Allocations from funds appropriated under these sections.
- (c) Description of allocations or bid processes including need or demand indicators used to determine allocations.
- (d) Eligibility criteria for program participation and maximum benefit levels where applicable.
- (e) Outcome measures to be used to evaluate programs.
- (f) Any other information deemed necessary by the house or senate appropriations committees or the department of management and budget.

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

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

Sec. 213. On October 1, 1997 and April 1, 1998, the department shall make a list available of reports to be prepared pursuant to the provisions of this act. The list shall be distributed to house and senate appropriations subcommittees on community health, house and senate fiscal agencies, house and senate central staffs, and the department of management and budget. The listed parties may request copies of reports from the list and submit the request back to the department. The department shall provide copies of the requested reports no later than the date the report is due to those persons requesting the reports.

Sec. 214. The source of funding for the section 101 appropriation for the Arab-American and Chaldean council, and ACCESS primary care services is the federal preventive health and health services block grant.

Sec. 215. (1) In addition to funds appropriated in section 101 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation deductions in section 101 shall not be limited to collections and accruals pertaining to services provided in fiscal year 1997-98, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

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

Sec. 216. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department.

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

Sec. 217. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services when competitively priced and of comparable quality American goods and/or services are available.

Sec. 218. The department shall provide a report on the progress of medicaid managed mental health services to the members of the senate and house appropriations subcommittees on community health, the senate committee on families, mental health, and human services, and the house committee on mental health by September 30, 1998. The report shall summarize actions taken by the department community mental health services programs and substance abuse coordinating agency networks to implement these specialized managed care programs, and shall include summary information on inpatient and partial hospitalization and costs, access to services, and summary information on consumer satisfaction measures.

Sec. 219. The negative appropriation in section 101 for early retirement compensation savings represents the savings from the state's 1997 early retirement program. Not later than October 15, 1997, the department and the state budget director shall request legislative transfers under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, to apply retirement costs and salary and fringe benefit savings to the appropriated line items affected by the early retirement of state employees.

Sec. 220. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies and the house and senate standing committees having jurisdiction over technology issues, periodic reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond. At the time progress billings are presented for reimbursement, the department shall identify and forward as appropriate the funding sources that should support the work performed.

Sec. 222. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$100,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$10,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$10,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 223. Basic health services for the fiscal year beginning October 1, 1997, for the purpose of part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are those described by the department in its proposed program statement dated October 16, 1981, and in the "prenatal postpartum care, proposed basic health service program statement" included in the department document entitled "A Study of Prenatal Care as a Basic Service," dated March 1, 1986, and for which the legislature has made funds available in amounts necessary to ensure their availability and accessibility. The services described in the statement are: immunizations, communicable disease control, venereal disease control, tuberculosis control, prevention of gonorrhea eye infection in newborns, screening newborns for phenylketonuria, screening newborns for hypothyroidism, health/medical annex of emergency preparedness plan, licensing and surveillance of agricultural labor camps, and prenatal care.

Sec. 224. The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute for up to a 3-year period to carry out these purposes. The department shall report on projects to be carried out by the institute, expected project duration, and project cost by November 1, 1997 and May 1, 1998 to the house and senate appropriations subcommittees on community health, senate and house fiscal agencies, and the department of management and budget. If the reports are not received by the specified dates, no funds shall be disbursed. For the purposes of this section, the Michigan public health institute shall be considered a public health agency.

Sec. 225. No funds appropriated in section 101 shall be expended for media activities regarding the alleged dangers of naturally occurring radon gas.

Sec. 226. It is the intent of this legislature to prohibit state contracts with health care agencies, organizations and providers licensed or registered as defined in the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, that use gag rules in their relationships with health care providers.

Sec. 227. The department may receive and expend funds dedicated to the establishment of programs for education, research and treatment services related to pathological gambling addictions.

EXECUTIVE OFFICE

Sec. 301. Funds appropriated in section 101 from the central fund for acquiring additional federal and private funds shall not be expended until the grant money is actually approved by the grantor. Funds accepted under this section shall not be authorized if the receipt of the funds mandates a commitment for state funding at a future date.

Sec. 302. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

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

Sec. 303. Funds appropriated in section 101 for the community health advisory council may be used for member per diems of \$50.00 and other council expenditures.

Sec. 304. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$2,000,000.00 remaining on September 30, 1998 from pay telephone revenues and the amounts appropriated in section 101 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Sec. 305. The department shall provide quarterly reports concerning the department's revenue and expenditure status to the senate and house appropriations committees, the house and senate fiscal agencies, and the department of management and budget.

Sec. 306. The specific amounts indicated in section 101 of this act as restricted revenue for financing appropriations from federal, state restricted, local, private, and CMHSP - purchase of state services contracts are estimates of the proportion of the total amounts expected to be collected, and the department may satisfy any individual restricted revenue deduct amount from the total revenues of all of those revenue sources. A report shall be provided by April 15 to the fiscal agencies and department of management and budget on actual collections by revenue source for each appropriation unit during the previous fiscal year.

Sec. 307. The funds appropriated in section 101 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of

corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in section 101 to fulfill the obligations outlined in the interdepartmental agreements.

Sec. 308. The department shall ensure that fair hearings required under federal law are provided for every recipient receiving services under the managed mental health care program. For purposes of a fair hearing under this section, a denial of service includes a denial of a service appropriate to the condition of the recipient. The department shall include in each contract with a county community mental health board a requirement that the county board provide notice and procedures for the required fair hearings.

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

Sec. 310. The department shall seek a medicaid waiver from the requirement that prohibits reimbursement for psychiatric services to persons between the ages of 21 and 65 provided by institutions for mental disease. The waiver request shall be for both public and private hospitals providing such services. A copy of the federal waiver request shall be provided to the house and senate appropriations subcommittees on community health, and to the house and senate fiscal agencies at the time of submission.

COMMUNITY MENTAL HEALTH SERVICES PROGRAM

Sec. 401. (1) Funds appropriated in section 101 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs. The department shall ensure that each board provides all of the following:

- (a) A system of single entry and single exit.
 - (b) A complete array of mental health services which shall include, but shall not be limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.
 - (c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.
 - (d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's program or through assistance with locating and obtaining services to meet these needs.
 - (e) A system of case management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.
 - (f) A system of continuous quality improvement.
 - (g) A system to monitor and evaluate the mental health services provided.
- (2) In partnership with CMHSPs, the department shall establish a process to ensure the long-term viability of a single entry and exit and locally controlled community mental health system.

Sec. 402. (1) From funds appropriated in section 101, final authorizations to CMHSPs shall be made upon the execution of contracts between the department and CMHSPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts.

(2) The funds appropriated in section 101 for the purchase of state service contracts are for the purchase of state hospital and center services, state administered community residential services, or for approved community-based programs that reduce utilization of state provided services. These funds shall be authorized to CMHSPs based on estimates approved by the department as part of the negotiated contract.

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

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

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

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

(7) The funds appropriated in section 101 from purchase of state service contracts shall not result in increased costs to counties in excess of the local match required under section 302 and section 308 of the mental health code, 1974 PA 258, MCL 330.1302 and 330.1308.

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

Sec. 404. The amount appropriated in section 101 for CMHSP services is intended for funding of CMHSPs in accordance with contracts between the department and the CMHSPs for the current fiscal year. The department shall establish such total accounts payable and receivable amounts as may be appropriate to represent the expected final state obligation for all such contracts. After final review of the expenditure reports required by the contracts, any amounts advanced to the board which are returned to the department and any amounts paid to the boards in accordance with the provisions of the contracts shall be considered to be adjustments to the program expenditures for the prior fiscal year. These prior year transactions shall be recorded in a separate account established for that purpose. CMHSPs' prior year revenue recognized in the current fiscal year may be restricted to finance related prior year expenditures not previously recorded.

Sec. 405. Funds appropriated in section 101 for CMHSP services and community demand may be reserved and carried forward pursuant to provisions in the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

Sec. 406. From the funds appropriated for CMHSP, \$3,160,000.00 will be directed toward providing multicultural special needs projects.

Sec. 407. (1) Not later than April 10 of each fiscal year, the department shall provide a report on the community mental health services programs to the members of the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the department of management and budget which shall include information required by this section. This report will be updated to the extent possible, based on available data, by September 30.

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

(a) A demographic description of service recipients which, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures by client population group.

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

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

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

(i) The number of people receiving requested services.

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

(f) The number of second opinions requested under the code and the determination of any appeals.

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

(3) The report shall include a progress report on each CMHSP's status with regard to implementation of the Michigan mission-based performance indicator system and state plans for further implementation, including plans for service outcomes in other domains.

Sec. 408. (1) By April 10, 1998, the department shall report the following data from FY 1996-97 on community mental health services programs to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the department of management and budget:

(a) An estimate of the number of FTEs employed or contracted directly by the CMHSPs as of September 30, 1997 and an estimate of the number of FTEs employed through contracts with provider organizations as of September 30, 1997.

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

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

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

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

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

Sec. 409. (1) Effective January 1, 1998, from the funds appropriated in section 101 for community mental health programs, and community residential and support services for persons with developmental disabilities, money shall be utilized to establish a pool of funds available to local community mental health services programs and state administered residential programs sufficient to provide for increasing the wages of direct care staff by \$0.75 per hour per employee in local residential service settings.

(2) Each CMHSP or provider of a state administered residential program may make application to the department to receive funds for the direct care worker wage pass-through fund, not to exceed their proportionate share of the monies allocated for this purpose. The application shall specify the amount of funds requested and the agencies/programs to receive the wage pass-through funds requested.

(3) Each CMHSP or provider of a state administered residential program awarded wage pass-through funds shall report on the actual expenditure of such funds in the format to be determined by the department. Any funds not utilized by the CMHSP or provider for the purpose specified in wage pass-through application shall be deducted from the base allocation to the CMHSP or provider in the subsequent fiscal year.

COMMUNITY RESIDENTIAL SERVICES

Sec. 501. The funds appropriated in section 101 for community residential services programs may be used for basic care in cases where individuals are not eligible to receive social security benefits and are not otherwise capable of supporting themselves out of their own resources. Funds may be used for aftercare services or to prevent admissions to state hospitals and centers through residential and support services. Expenditures and allocations may be authorized for CMHSPs and state hospitals, centers, and placement agencies.

Sec. 502. The department shall not enter into new contracts with private attorneys for legal services for the purposes of gaining and maintaining occupancy to a specialized residential facility. The department may enter into a contract with the protection and advocacy service, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a specialized residential facility which is under lease or contract with the department or a community mental health services program board to provide services to persons with mental illness or developmental disability. State funds shall not be used for legal services to represent private investors purchasing homes for these purposes.

Sec. 503. The department shall take steps to ensure that the administrative costs of purchase of service residential contracts do not exceed previous levels. The department shall report annually to the house and senate appropriations subcommittees on community health information about administrative and other provider costs.

Sec. 504. Over the next 4 years, the department shall establish as a funding priority increases for residential service providers in order to assure the provision of quality services through a more stable workforce.

INSTITUTIONAL SERVICES, HOSPITALS, AND CENTERS

Sec. 601. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage/salary and related fringe benefits for employees who return to work under limited duty assignments. Employees returning to work under limited duty assignments who are funded under this section will be in addition to the facility's existing staffing authorization.

Sec. 602. (1) Subject to the funds appropriated in section 101 for hospitals and centers, the department shall authorize FTEs and funds to each hospital and center on the basis of the actual utilization of each of the hospitals and centers.

(2) Funds that become available as a result of reductions in the utilization of state-operated hospitals and centers are intended to be retained by CMHSP to support community-based services.

Sec. 603. (1) In addition to the amounts appropriated in section 101, revenues received during fiscal year 1997-98 from the sale or rental of land, supplies, equipment, or other property under the jurisdiction of the department of community health during fiscal year 1997-98 or during any fiscal year before fiscal year 1997-98 because of a facility's closure are appropriated to be expended to enhance and expand community-based services in the catchment area that was served by the facility prior to its closure. The unspent balance on the last day of the fiscal year ending September 30, 1998, shall be carried forward into the subsequent fiscal years.

(2) All land, supplies, equipment, or other property under the jurisdiction of the department of community health that is not needed for present or future use by the department of community health shall not be conveyed during fiscal year 1997-98 for less than fair market value. The department shall not declare any such property surplus or otherwise relinquish jurisdiction over such property in such a manner as to defeat the purposes of subsection (1).

Sec. 604. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

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

(3) Four months after the certification of closure required in section 19(6) of 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees.

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

Sec. 605. (1) The department, in conjunction with the CMHSPs, will continue to assure the provision of a complete array of services on a statewide basis. Such an array of services shall include, but is not limited to, residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.

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

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

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

EXECUTIVE SERVICES

Sec. 701. Of the amount appropriated in section 101 from revenues from fees and collections, not more than \$250,000.00 received from the sale of vital records death data shall be used for improvements in the vital records and health statistics program. The amount described in this section shall not revert to the general fund at the end of the fiscal year ending September 30, 1998. Not later than December 1, 1998, the amount of any unexpended balances and the proposed uses for those balances shall be reported to the senate and house fiscal agencies.

INFECTIOUS DISEASE CONTROL

Sec. 801. State funds appropriated in any other account in section 101 may be used to supplant not more than \$350,000.00 in federal funds projected for immunization, if the federal funds are unavailable. The department shall

inform the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the department of management and budget of the specific line items reduced pursuant to this section.

Sec. 802. In the expenditure of funds appropriated in section 101 for AIDS programs, the department and its subcontractors shall ensure that adolescents receive priority for prevention, education, and outreach services.

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

Sec. 804. If an employee of the department of corrections comes in contact with a prisoner and that contact involves the risk of exposure to the prisoner's blood or bodily fluids, upon the employee's request the department of corrections shall inform the employee of the results of the prisoner's HIV test if known by the department.

Sec. 805. From the funds appropriated in section 101 for immunization local agreements, the department shall implement a statewide immunization registry. The registry shall be available to both public and private providers.

HEALTH SYSTEMS LOCAL GRANTS

Sec. 901. The funds appropriated in section 101 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

Sec. 902. The department is directed to continue support of multicultural agencies which provide primary care services from the funds appropriated in section 101.

Sec. 903. The amount appropriated in section 101 for implementation of the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local health departments for costs incurred related to implementation of section 17015(15) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 904. The amount appropriated in section 101 for state/local cost sharing may be used for special grants to local health departments to satisfy minimum funding levels prescribed by section 2477 of the public health code, 1978 PA 368, MCL 333.2477, and any other authorized supplement. The special grants shall not exceed a total of \$250,000.00. If proposed changes to sections 2471 to 2498 of the public health code, 1978 PA 368, MCL 333.2471 to 333.2498, are enacted during fiscal year 1997-98, the department shall adjust funding from the amount appropriated in section 101 for state/local cost sharing to comply with those revisions.

Sec. 905. If a county receiving funding from the amount appropriated in section 101 for local public health infrastructure is part of a district health department or in an associated arrangement with other local health departments on June 1, 1992 and then ceases to be part of such an arrangement, the allocation to that county from the local public health infrastructure appropriation shall be reduced by 50% from the amount originally allocated.

Sec. 906. Of the amount appropriated in section 101 for state/local cost sharing, \$18,508,100.00 is an increase from fiscal year 1993-94. Distributions from the increased appropriation shall be made only in the counties that maintain local spending in fiscal year 1997-98 of at least the amount expended in fiscal year 1992-93.

Sec. 907. (1) Funds appropriated in section 101 for state/local cost sharing shall be allocated as follows:

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

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

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

(2) By April 1, 1998, the department shall provide to the senate and house fiscal agencies the funding schedule for the 9 required services, core service grants, and public health improvement block grants to local health departments.

CENTER FOR HEALTH PROMOTION

Sec. 1001. (1) From the state funds appropriated in section 101 for the center for health promotion, the department shall allocate funds to promote awareness, education, and early detection of breast, cervical, and prostate cancer, and provide for other health promotion media activities.

(2) The department shall increase funds allocated to promote awareness, education, and early detection of breast, cervical, and prostate cancer by \$750,000.00 above the amount allocated for this purpose in fiscal year 1996-97.

Sec. 1002. (1) The amount appropriated in section 101 for the school health curricula shall be allocated in 1997-98 to provide grants to or contract with certain districts and intermediate districts for the provision of a school health education curriculum. Provision of the curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

- (a) The department of education.
- (b) The department of community health.
- (c) The public health agency in the department of community health.
- (d) The office of substance abuse services in the department of community health.
- (e) The family independence agency.
- (f) The department of state police.

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

Sec. 1003. Funds appropriated in section 101 for the Alzheimer's information network shall be used to provide information and referral services through regional networks for persons with Alzheimer's disease or related disorders, their families, and health care providers.

Sec. 1004. From the amounts appropriated in section 101 for the cancer prevention and control program, the department shall allocate funds to the Hurley and Harper hospitals' prostate cancer demonstration projects in fiscal year 1997-98.

Sec. 1005. From the funds appropriated in section 101 for physical fitness, nutrition, and health, up to \$1,000,000.00 may be allocated to the Michigan physical fitness and sports foundation. The allocation to the Michigan physical fitness and sports foundation is contingent upon the foundation providing at least a 20% cash match.

Sec. 1006. In spending the funds appropriated in section 101 for the smoking prevention program, priority shall be given to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents.

Sec. 1007. (1) The funds appropriated in section 101 for violence prevention shall be used for, but not be limited to, the following:

- (a) Programs aimed at the prevention of spouse, partner, or child abuse and rape.
- (b) Programs aimed at the prevention of workplace violence.

(2) In awarding grants from the amounts appropriated in section 101 for violence prevention, the department shall give equal consideration to public and private nonprofit applicants.

(3) From the funds appropriated in section 101 for violence prevention, the department may include local school districts as recipients of the funds for family violence prevention programs.

Sec. 1008. (1) From the amount appropriated in section 101 for the cancer prevention and control program, funds shall be allocated to the Karmanos cancer institute/Wayne State University, to the Michigan interactive health kiosk/University of Michigan, and to the Michigan State University college of human medicine for cancer prevention activities.

(2) The department shall provide a report to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies by January 1, 1998, on how these funds were allocated and spent in fiscal year 1996-97. Also, the report shall detail outcomes resulting from the use of such funds.

Sec. 1009. From the funds appropriated in section 101 for diabetes local agreements, a portion of the funds may be allocated to the national kidney foundation of Michigan for kidney disease prevention programming including early identification and education programs and kidney disease prevention demonstration projects.

Sec. 1011. Of the funds appropriated in section 101 for the health education, promotion, and research programs, the department shall allocate \$150,000.00 to implement the osteoporosis prevention and treatment education program. As part of the program, the department shall design and implement strategies for raising public awareness on the causes and nature of osteoporosis, personal risk factors, value of prevention and early detection, and options for diagnosing and treating osteoporosis.

Sec. 1012. The department shall apply to the federal health resources and services administration, maternal and child health bureau for a state planning grant to conduct statewide needs assessment and to develop a statewide plan for traumatic brain injury services and activities.

BUREAU OF CHILD AND FAMILY SERVICES

Sec. 1050. The department shall provide a report quarterly to the house and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the department of management and budget on the expenditures and activities undertaken by the lead abatement program. The report shall include but not be limited to a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

CHILD AND FAMILY SERVICES GRANTS

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

Sec. 1102. (1) Agencies receiving funds appropriated from section 101 for adolescent health care services shall meet all of the following criteria:

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

- (i) Funding sources of the adolescent health clinic.
- (ii) Demographic information of populations served including sex, age, and race.
- (iii) Utilization data that reflects the number of visits and repeat visits and types of services provided per visit.
- (iv) Types and number of referrals to other health care agencies.

(b) Require each local school board funded by the agency to establish a local advisory committee before the planning phase of an adolescent health clinic intended to provide services within that school district. The advisory committee shall be comprised of not less than 50% residents of the local school district, and shall not be comprised of more than 50% health care providers. A person who is employed by the sponsoring agency shall not have voting privileges as a member of the advisory committee. All advisory committee meetings shall be open to the public with at least a 1-week notice of the meeting date published in the local newspaper.

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

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

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

(2) A local advisory committee established under subsection (1)(b), in cooperation with the sponsoring agency, shall submit written recommendations regarding the implementation and types of services rendered by an adolescent health

clinic to the local school board for approval of adolescent health services rendered in a public school building where instruction is provided in grades kindergarten through 12.

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

Sec. 1103. Of the funds appropriated in section 101 for adolescent health care services, \$1,840,830.00 shall be allocated to teen centers as follows: \$90,000.00 base funding, and of the remaining funding 25% distributed on the number of users, 50% distributed on the number of visits, and 25% distributed on the number of services. This formula does not apply to the alternative models.

Sec. 1104. Before April 1, 1998, the department shall submit a report to the house and senate fiscal agencies on planned allocations from the amounts appropriated in section 101 for maternity, infant, and children's health care local agreements, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

- (a) Funding allocations.
- (b) Basis for grantee selection.
- (c) Expected cost per client served by grantee.
- (d) Number of women, children, and/or adolescents expected to be served.
- (e) Expected first- and third-party collections by source of payment.
- (f) The extent to which grantees meet federal indicators, when applicable.
- (g) Actual numbers served and amounts expended in the categories described in subdivisions (a) to (e) for the fiscal year 1996-97.

Sec. 1105. For all programs for which an appropriation is made in section 101 for child and family services grants, the department shall contract with those local public and private nonprofit agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section shall include ability to serve high-risk population groups; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, where applicable.

Sec. 1106. Each family planning program receiving federal title X family planning funds shall be in compliance with all performance and quality assurance indicators that the United States bureau of community health services specifies as its common reporting requirements. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1107. Of the amount appropriated in section 101 for prenatal care outreach and service delivery support, not more than 10% shall be expended for local administration, data processing, and evaluation.

Sec. 1108. A clinic, institution, or other health facility receiving state funding for family planning purposes shall provide to a client seeking family planning services, at initial contact, a pamphlet containing educational information to assist the patient in making responsible parenting decisions. The pamphlet shall include, but not be limited to, information regarding the physical, financial, and time commitment involved in parenting. The pamphlets required by this section shall be provided by the department. The pamphlets shall be written in English and in clear, nontechnical terms. Copies of the pamphlets shall also be printed in Spanish and distributed upon request to the clinics, institutions, and other health facilities described in this section.

Sec. 1109. The department shall maintain comprehensive health care programs to communicate to preteens the importance of delaying sexual activity and to address teen sexual activity, teenage pregnancy, and sexually transmitted diseases.

Sec. 1110. The funds appropriated in section 101 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1111. (1) From the amounts appropriated in section 101 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that would provide dental services to the uninsured in an amount that is no less than the amount allocated to that program in fiscal year 1996-97.

(2) Not later than November 1, 1997, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on public health the number of individual patients treated, the number of procedures performed, and approximate total market value of those procedures through September 30, 1997.

Sec. 1112. The department shall make a grant of \$53,000.00 to pregnancy services of Michigan.

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

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. Money appropriated in section 101 for medical care and treatment of children with special health care needs shall be paid according to reimbursement policies determined by the Michigan medical services program. Exceptions to these policies may be taken with the prior approval of the department of management and budget.

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

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide genetic diagnostic and counseling services for eligible families.
- (d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

SUBSTANCE ABUSE GRANTS AND CONTRACTS

Sec. 1301. (1) The funds appropriated in section 101 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall be determined in accordance with section 805 of 1992 PA 168.

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

Sec. 1302. (1) The amount appropriated in section 101 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies or designated service providers.

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

Sec. 1303. (1) By April 15, 1998, the department shall report the following data from fiscal year 1996-97 on substance abuse prevention, education, and treatment programs to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency and by subcontractor shall be reported.

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

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

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

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all coordinating agencies.

Sec. 1304. The funding in section 101 for substance abuse services shall be distributed in a manner so as to provide priority to service providers which furnish child care services to clients with children.

Sec. 1305. If a person licensed to provide substance abuse services receives federal substance abuse prevention block grant funds, any priority positions established under state statute for recipients of their services shall apply only after serving those priority positions granted under the conditions of the federal block grant.

MEDICAL SERVICES

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

Sec. 1602. (1) Except as provided in subsection (2), for care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including medicare part A and excluding medicare part B, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be deemed to affect the level of payment from a third-party source other than the medical services program. The department 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 and direct medical education payments.

Sec. 1603. (1) Effective October 1, 1997, the pharmaceutical dispensing fee shall be \$3.72 or the usual and customary cash charge, whichever is less. If a recipient is 21 years of age or older, the department shall require a \$1.00 per prescription client copayment, except as prohibited by federal or state law or regulation.

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

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

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

Sec. 1605. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services means those services which produce the maximum reduction of physical and mental limitations and restoration of an individual to his or her best functional level. At a minimum, remedial services include basic self-care and rehabilitation training for a resident.

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

Sec. 1609. (1) From the funds appropriated in section 101 for the indigent medical care program, the department shall establish a program which provides for the basic health care needs of indigent persons as delineated in the following subsections.

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

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

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

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

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

- (a) Physician services provided in private, clinic, or outpatient office settings.
- (b) Diagnostic laboratory and x-ray services.
- (c) Pharmaceutical services.

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

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

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

Sec. 1610. (1) The department may require medical services recipients to receive psychiatric services through a managed care system.

(2) The department may implement managed care programs for specialty mental health, substance abuse, and developmental disabilities services. Such programs shall be operated through CMHSPs and substance abuse coordinating agencies as specialty service carve-outs to maintain accountability for the system to local units of government and to preserve the services and supports for persons with severe and persistent mental illnesses, for persons with substance abuse addictions, and for persons with developmental disabilities.

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

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

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

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

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

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

Sec. 1613. The department shall not implement a mail-order pharmacy program.

Sec. 1614. The department shall assure that all eligible children assigned to medical services managed care programs have timely access to early and periodic screening, diagnosis, and treatment (EPSDT) services as required by federal law.

Sec. 1615. (1) The department of community health is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal medicaid program. The department and the department of management and budget are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

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

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

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

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

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

Sec. 1616. The special adjustor appropriation in section 101 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation and receives an indication of approval of the amendment from the health care financing administration. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1617. The department of community health shall obtain from those health maintenance organizations and clinic plans with which the department contracts patient-based utilization data, including immunizations, early and periodic screenings, diagnoses, and treatments, substance abuse services, blood lead level testing, and maternal and infant support services referrals. The format and frequency of reporting shall be specified by the department. The reports shall be distributed to the members of the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the director of each local health department.

Sec. 1618. It is the intent of the legislature that at least 50% of inflation increases in rates shall be used for a wage and benefit pass-through to nursing home workers, based on a plan developed by the department and substantially similar to a plan implemented in the 1989-1990 fiscal year. The rate increase for enhanced wages and benefits shall be provided to those facilities which make application for it to fund the medicaid program share of wage and benefit increases up to \$0.75 per employee hour. The pass-through shall only be used to increase wages and benefits. Nursing facilities shall be required to document that these wage and benefit increases were actually provided.

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

Sec. 1620. The department may fund home and community-based services in lieu of nursing home services, for individuals seeking long-term care services, from the nursing home or personal care in-home services line items.

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

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

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

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

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

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

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

Sec. 1626. (1) From the funds appropriated in section 101 for outpatient hospital indigent adjustor, the department, subject to the requirements and limitations in this section, shall establish a funding pool of up to \$44,012,800.00 for the purpose of enhancing the aggregate payment for medical services hospital outpatient services. Such payments, if any, may be made as a gross adjustment to hospital outpatient payments or by another mechanism or schedule as determined by the department, which meets the intent of this section.

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

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

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

Sec. 1632. From the funds appropriated in section 101, the department shall maintain an infant support service program. The department shall provide a report by March 31, 1998 which indicates how these funds are used and the number of children served. The report is to be submitted to the senate and house appropriations subcommittees on community health and the department of management and budget.

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

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

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in section 101.

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

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

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

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

(c) The department shall require contracted health plans to submit data determined necessary for the evaluation on a timely basis. A report of the independent evaluation shall be provided to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies no later than September 30, 1998.

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

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

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

(g) Maternal and infant support services shall continue to be provided through state-certified providers. The department shall continue to reimburse state-certified maternal and infant support services providers on a fee-for-service basis to be charged back to health plans until such time as health plans have contracts with state-certified providers.

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

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

(j) Enrollment of recipients of children's special health care services in qualified health plans shall be voluntary during fiscal year 1997-98.

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

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

- (a) An emphasis on health outcomes.
- (b) Establishment of written protocols for utilization review based on current standards of medical practice.
- (c) Review by physicians and other health care professionals of the process followed in the provision of such health care services.
- (d) Evaluation of the continuity and coordination of care that enrollees receive.
- (e) Mechanisms to detect overutilization and underutilization of services.
- (f) Actions to improve quality and assess the effectiveness of such action through systematic follow-up.
- (g) Provision of information on quality and outcome measures to facilitate enrollee comparison and choice of health coverage options.
- (h) Ongoing evaluation of the plans' effectiveness.
- (i) Consumer involvement in the development of the quality assurance program and consideration of enrollee complaints and satisfaction survey results.

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

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

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

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

(6) Medicaid qualified health plans shall provide access to appropriate providers, including qualified specialists for all medically necessary services.

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

(8) Medicaid qualified health plans shall provide assurances to the department that it will not deny enrollment to, expel, or refuse to reenroll any individual because of the individual's health status or need for services, and that it will notify all eligible persons of such assurances at the time of enrollment.

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

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

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

Sec. 1638. (1) From the funds appropriated in section 101 for health plan services, the department may contract for the assessment of quality in qualified health plans which enroll medicaid recipients. Organizations providing such quality reviews shall meet the requirements of the department and include the following functions:

- (a) Review of plan performance based on accepted quality performance criteria.
- (b) Utilization of quality indicators and standards developed specifically for the medicaid population.
- (c) Promote accountability for improved plan performance.

(2) The department shall report the findings and recommendations of the external quality assurance contractor to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies by March 31, 1998.

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

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

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

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

Sec. 1641. (1) The department shall provide an expedited complaint review procedure for medicaid eligible persons enrolled in qualified health plans for situations where failure to receive any health care service would result in significant harm to the enrollee.

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

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

Sec. 1642. The department shall contract for beneficiary services to assist medicaid recipients in medicaid managed care plans to access appropriate health care services. The department may contract with the enrollment counseling service contractor to provide these beneficiary services. The department may also contract with different organizations for beneficiary services to different populations. All of the following apply to this program:

(a) Such organizations shall be private organizations and shall not be involved in providing, managing, determining eligibility, or accrediting health care services delivered through qualified health plans.

(b) Beneficiary services shall include the provision of information to medicaid recipients regarding the health plans available to them, their rights under law, how to access services, the complaint and grievance procedures available to them, and if requested, advocate for the recipient in all complaint, grievance, and proceedings.

(c) A report on beneficiary services activities and findings shall be provided to the health plans advisory council and to the house and senate appropriations subcommittees on community health, and the house and senate fiscal agencies no later than January 31, 1998.

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

(a) In determining eligible contractors, the department shall consider provider-sponsored networks, along with health maintenance organizations, and other organizations. All eligible contractors shall meet the same standards for quality, access, benefits, financial, and organizational capability.

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

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

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

Sec. 1645. (1) The protected income level for medicaid coverage determined pursuant to section 106(1)(b)(iii) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

(2) The department shall notify the senate and house appropriations subcommittees on community health of any proposed revisions to the protected income level for medicaid coverage related to the public assistance standard 90 days prior to implementation.

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

Sec. 1650. In cooperation with other appropriate departments, the department shall initiate a pilot project for the use of medicaid program eligibility cards which simplify eligibility verification and assist in tracking and controlling medicaid utilization.

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

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

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

Sec. 1657. The department may require beneficiaries to enroll in a long-term care plan if the following requirements are met:

(a) An eligibility screening/enrollment component is in place at community hospitals, in-home for persons who are homebound, as well as at convenient community locations.

(b) The eligibility screening/enrollment counseling service is performed by an entity(s) selected through a request for proposal.

(c) Enrollment counselor services are available to the clients and their families to ensure clients or their legally authorized representatives have the information necessary to make an informed choice of plans, to appropriately access care within the plan, to file grievances with the plan and the state, and to access care out of network if appropriate.

(d) Quality outcome measures and consumer satisfaction measures are developed based on the minimum data sets for home care and nursing home care.

(e) Services offered will include a range of home and community services including adult day care, respite care homemaker, chore, personal care, personal care supervision, personal emergency response systems, community living supports, services in nursing home settings.

(f) There will be 2 long-term care plan contractors in all areas of the state except in areas with sparse population and when the long-term care plan network includes at least 85% of the providers in the region.

(g) Long-term care plans are selected through a request for proposal process that identifies organizations capable of organizing and managing a continuum of services.

(h) The department reviews and approves provider contracts used by the plan to ensure that the plan's risk/incentive arrangements do not provide incentives to withhold appropriate medical services.

(i) The department establishes criteria for the plan's provider network that take into consideration the unique needs of the population to be enrolled and ensure that the network has adequate capacity to provide home and community-based service alternatives and is in place before enrollment begins.

(j) The department establishes requirements for encounter data collection and reporting that ensure the department has the ability to closely monitor care provided to enrollees to assure quality and appropriate access to care.

(k) The department contracts for an independent, external quality review of the services provided through the managed care plans. The protocols used in the review shall be appropriate for the specialized population enrolled in the plan and shall be at least as rigorous as those used by national committee on quality assurance.

(l) The department conducts annual patient satisfaction surveys using statistically valid sampling techniques that focus on this population and a survey tool that is appropriate to the population being surveyed.

(m) The department maintains an exception process that allows clients meeting established medical criteria to be exempt from enrollment in managed care.

(n) The department maintains an expedited grievance process that provides a response to urgent requests within 1 business day.

(o) Eligibility for the long-term plan is based on medicaid financial eligibility criteria and medical/functional determination of necessity to qualify for nursing facility level of care. The initial eligible group would include those persons eligible for medicaid now in licensed nursing facilities and those eligible for the medicaid home and community-based waiver. Eligible persons (and their families if incapacitated), in conjunction with the managed care organization and medical caregivers, shall choose their preferred care setting, to live at home, in other home-like settings, or in a skilled nursing facility. Eligible persons will be offered choices by the managed care plan that emphasize the individual's dignity and independence, quality of life, and reflect the principles of person-centered planning.

(p) An area agency on aging may bid for either the eligibility screening/enrollment counseling service contract or the long-term care managed care organization contract. An area agency on aging may continue to provide case management/care coordination services for non-medicare-eligible persons with funds appropriated in section 101.

(q) The managed care program for long-term care services shall assure that the services provided are coordinated with those available under the medicare program.

(r) At least 30 days prior to implementation of any long-term managed care program, the department shall conduct public hearings and submit its plan to the senate and house appropriations subcommittees on community health, the appropriate senate and house standing committees, and the senate and house fiscal agencies. The plan shall include a summary of the public comments received by the department regarding the managed care program.

Sec. 1658. Funds appropriated for substance abuse services shall be contracted in full to coordinating agencies through CMHSPs unless such a pass-through is held to be in violation of federal or state law or rules. If such a pass-through is not permissible, the department shall contract directly with coordinating agencies. CMHSPs shall not assume any contractual or financial liability associated with the pass-through of substance abuse services funds provided to eligible recipients with these funds. The coordinating agencies shall retain financial program responsibilities and liabilities consistent with contract requirements.

Sec. 1659. From the funds appropriated in section 101 for hospital services and therapy, the department shall increase graduate medical education payments to hospitals by \$8,300,000.00.

OFFICE OF SERVICES TO THE AGING

Sec. 1701. The appropriation in section 101 to the office of services to the aging, for community and nutrition services and home services, shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX of the social security act, chapter 531, 49 Stat. 620.

Sec. 1702. (1) The office of services to the aging may receive and expend funds in addition to those authorized in section 101 for the additional purposes described in this section.

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

(3) The office of services to the aging shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies the status, use, and results of the revenue collected on April 30 and December 30. Money appropriated in section 101 for the Michigan pharmaceutical program shall be used to purchase generic medicine when available and medically practicable.

Sec. 1703. The office of services to the aging shall require each region to report home delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

- (a) The recipient's degree of frailty.
- (b) The recipient's inability to prepare his or her own meals safely.
- (c) Whether the recipient has another care provider available.
- (d) Any other qualifications normally necessary for the recipient to receive home delivered meals.

Sec. 1704. The office of services to the aging may receive and expend fees for the provision of day care, care management, and respite care. The office of services to the aging shall base the fees on a sliding scale taking into consideration the client income. The office of services to the aging shall use the fees to expand services.

Sec. 1705. The office of services to the aging may receive and expend medicaid funds for care management services.

Sec. 1706. (1) Of the amount appropriated in section 101 to the office of services to the aging for community services, sufficient funds shall be allocated to fund statewide care management or case coordination projects in the following regions:

Region 1A	\$	600,000
Region 1B.....		720,000
Region 1C.....		420,000
Region 2.....		180,000
Region 3.....		300,000
Region 4.....		180,000
Region 5.....		300,000
Region 6.....		180,000
Region 7.....		360,000
Region 8.....		360,000
Region 9.....		360,000
Region 10.....		360,000
Region 11.....		360,000
Region 14.....		180,000

(2) The office of services to the aging shall provide a report to the senate and house appropriations subcommittees on general government by November 1, 1997, summarizing the accomplishments of each program in the 1996-97 fiscal year.

Sec. 1707. Each area agency on aging may expend up to 15% of their allocations of increased state service dollars to operate an access to services system performed by services-neutral organizations.

Sec. 1710. From the additional funds appropriated in the community services line, a total of \$1,723,400.00 shall be used for providing in-home services for seniors.

Sec. 1712. The home and community-based services waiver program, including all projects in counties with populations of 400,000 or more, shall be expanded to include not less than 1/3 of the counties which are currently not being served by the program.

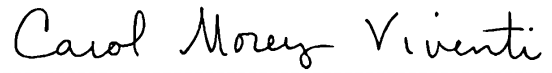
Sec. 1713. The office of services to the aging shall award contracts and distribute funds only to those projects that are cost effective, meet minimum operational standards, and serve the greatest number of eligible people.

Sec. 1714. The office of services to the aging shall provide that funds appropriated under this act shall be awarded on a local level in accordance with locally determined needs.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.