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HOUSE BILL No. 4306

February 12, 1997, Introduced by Reps. Johnson, Bankes, Gilmer, Godchaux, Jansen and Bobier and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal years ending September 30, 1997 and 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:

1 Sec. 101. There is appropriated for the department of community

1 health for the fiscal year ending September 30, 1998, from the following
2 funds:

3 **DEPARTMENT OF COMMUNITY HEALTH**

4 Full-time equated classified positions . . . 6,893.5
5 Full-time equated unclassified positions . . . 6.0
6 Average population 1,720.0
7 GROSS APPROPRIATION \$ 7,000,185,500

8 Total interdepartmental grants and
9 intradepartmental transfers 78,927,900
10 ADJUSTED GROSS APPROPRIATION \$ 6,921,257,600

11 Federal revenues:

12 Total federal revenues 3,298,992,000

13 Special revenue funds:

14 Total local revenues 860,974,200
15 Total private revenues 41,279,800
16 Total local and private revenues 902,254,000
17 Total other state restricted revenues 317,575,000
18 State general fund/general purpose \$ 2,402,436,600

19 EXECUTIVE PROGRAM

20 Full-time equated unclassified positions . . . 6.0
21 Full-time equated classified positions . . . 230.0
22 Director and other unclassified-6.0 FTE
23 positions \$ 449,100
24 Departmental administration and management-
25 230.0 FTE positions 23,533,600
26 Revenue recapture 750,000
27 GROSS APPROPRIATION \$ 24,732,700

28 Appropriated from:

29 Federal revenues:

30 Federal revenues 755,400

31 Special revenue funds:

32 State restricted revenues 510,000
33 State general fund/general purpose \$ 23,467,300

34 EARLY RETIREMENT

35 Early retirement \$ (3,486,900)
36 GROSS APPROPRIATION \$ (3,486,900)

| | | |
|----|-------------------------------------------------------|------------------|
| 1 | Appropriated from: | |
| 2 | Federal revenues: | |
| 3 | Federal revenues | (1,569,700) |
| 4 | State general fund/general purpose | \$ (1,917,200) |
| 5 | FEDERAL AND PRIVATE FUNDED PROJECTS | |
| 6 | Full-time equated classified positions | 10.0 |
| 7 | Developmental disabilities council and | |
| 8 | projects-10.0 FTE positions | \$ 2,254,700 |
| 9 | Central fund for acquiring additional | |
| 10 | federal and private funds | 2,500,000 |
| 11 | Gifts and bequests for patient living | |
| 12 | and treatment environment | 2,000,000 |
| 13 | IDEA-federal special education | <u>55,000</u> |
| 14 | GROSS APPROPRIATION | \$ 6,809,700 |
| 15 | Appropriated from: | |
| 16 | Federal revenues: | |
| 17 | Federal revenues: | 4,609,700 |
| 18 | Special revenue funds: | |
| 19 | Private | 2,200,000 |
| 20 | State general fund/general purpose | \$ 0 |
| 21 | FAMILY AND CONSUMER SUPPORT SERVICES | |
| 22 | Full-time equated classified positions | 4.0 |
| 23 | Homelessness formula grant program-2.0 FTE | |
| 24 | positions | \$ 1,091,800 |
| 25 | Family support subsidy | 13,401,200 |
| 26 | Dental program for persons with | |
| 27 | developmental disabilities | 151,000 |
| 28 | Pilot projects in prevention for | |
| 29 | adults and children-2.0 FTE positions | 1,515,800 |
| 30 | Consumer involvement program | 166,600 |
| 31 | Foster grandparent and senior companion | |
| 32 | program | 1,972,400 |
| 33 | Protection and advocacy services support | 818,300 |
| 34 | Mental health initiatives for older persons | <u>1,165,800</u> |
| 35 | GROSS APPROPRIATION | \$ 20,282,900 |
| 36 | Appropriated from: | |

| | | |
|----|----------------------------------------------------------|-------------------|
| 1 | Interdepartmental grant revenues: | |
| 2 | Interdepartmental grant from the family | |
| 3 | independence agency | 7,007,500 |
| 4 | Federal revenues: | |
| 5 | Federal revenues | 383,000 |
| 6 | State general fund/general purpose | \$ 12,892,400 |
| 7 | COMMUNITY MENTAL HEALTH SERVICES PROGRAMS | |
| 8 | Full-time equated classified positions | 13.0 |
| 9 | Community mental health programs | \$1,284,171,100 |
| 10 | Respite services | 2,568,600 |
| 11 | Omnibus reconciliation act implementation-11.0 | |
| 12 | FTE positions | 10,431,600 |
| 13 | Federal mental health block grant-2.0 FTE positions | <u>10,772,000</u> |
| 14 | GROSS APPROPRIATION | \$1,307,943,300 |
| 15 | Appropriated from: | |
| 16 | Federal revenues: | |
| 17 | Federal revenues | 353,141,600 |
| 18 | Special revenue funds: | |
| 19 | State restricted revenues | 4,132,400 |
| 20 | State general fund/general purpose | \$ 950,669,300 |
| 21 | INSTITUTIONAL SERVICES | |
| 22 | Full-time equated classified positions | 5.0 |
| 23 | Workers' compensation program-1.0 FTE position | \$ 13,577,400 |
| 24 | Therapeutic work training program | 345,600 |
| 25 | Purchase of psychiatric residency training | 3,635,100 |
| 26 | Purchase of medical services for | |
| 27 | residents of hospitals and centers | 2,874,000 |
| 28 | Maintenance of property being leased or | |
| 29 | rented | 95,000 |
| 30 | Equipment | 300,000 |
| 31 | Special maintenance | 659,000 |
| 32 | Closed site, transition, and related | |
| 33 | costs-4.0 FTE positions | 1,000,800 |
| 34 | Severance pay | <u>577,900</u> |
| 35 | GROSS APPROPRIATION | \$ 23,064,800 |
| 36 | Appropriated from: | |

| | | |
|----|----------------------------------------------------------|----------------|
| 1 | Special revenue funds: | |
| 2 | State restricted revenues | 645,800 |
| 3 | State general fund/general purpose | \$ 22,419,000 |
| 4 | STATE PSYCHIATRIC HOSPITALS | |
| 5 | Average population | 1,050.0 |
| 6 | Full-time equated classified positions | 2,575.0 |
| 7 | Caro regional mental health center-psychiatric | |
| 8 | services unit-724.0 FTE positions | \$ 48,071,900 |
| 9 | Average population | 267.0 |
| 10 | Kalamazoo psychiatric hospital-428.0 FTE | |
| 11 | positions | 27,662,000 |
| 12 | Average population | 163.0 |
| 13 | Northville psychiatric hospital-1,046.0 FTE | |
| 14 | positions | 71,589,100 |
| 15 | Average population | 444.0 |
| 16 | Walter P. Reuther psychiatric hospital-377.0 FTE | |
| 17 | positions | 25,433,300 |
| 18 | Average population | 176.0 |
| 19 | GROSS APPROPRIATION | \$ 172,756,300 |
| 20 | Appropriated from: | |
| 21 | Federal revenues: | |
| 22 | Federal revenues | 4,547,900 |
| 23 | Special revenue funds: | |
| 24 | Local revenues | 10,888,600 |
| 25 | CMHSP-purchase of state services contracts | 143,946,600 |
| 26 | State restricted revenues | 13,373,200 |
| 27 | State general fund/general purpose | \$ 0 |
| 28 | STATE PSYCHIATRIC HOSPITALS FOR CHILDREN AND ADOLESCENTS | |
| 29 | Average population | 118.0 |
| 30 | Full-time equated classified positions | 332.0 |
| 31 | Hawthorn center-332.0 FTE positions | 21,363,400 |
| 32 | Average population | 118.0 |
| 33 | GROSS APPROPRIATION | \$ 21,363,400 |
| 34 | Appropriated from: | |
| 35 | Federal revenues: | |
| 36 | Federal revenues | 4,340,400 |

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|----|-------------------------------------------------------------------|------------------|-------|
| 1 | Special revenue funds: | | |
| 2 | CMHSP - Purchase of state services contracts . . . | 15,031,500 | |
| 3 | Local revenues | 1,537,500 | |
| 4 | State restricted revenues | 454,000 | |
| 5 | State general fund/general purpose \$ | 0 | |
| 6 | STATE CENTERS AND RESIDENTIAL CARE FOR PERSONS WITH DEVELOPMENTAL | | |
| 7 | DISABILITIES | | |
| 8 | Average population | 342.0 | |
| 9 | Full-time equated classified positions . . . | 891.0 | |
| 10 | Community residential and support services | | |
| 11 | for persons with developmental | | |
| 12 | disabilities-59.0 FTE positions | 68,250,400 | |
| 13 | Mount Pleasant center-571.0 FTE positions | 34,695,700 | |
| 14 | Average population | 242.0 | |
| 15 | Southgate center-261.0 FTE positions | 16,092,000 | |
| 16 | Average population | 100.0 | <hr/> |
| 17 | GROSS APPROPRIATION \$ | 119,038,100 | |
| 18 | Appropriated from: | | |
| 19 | Federal revenues: | | |
| 20 | Federal revenues | 47,151,900 | |
| 21 | Special revenue funds: | | |
| 22 | CMHSP-Purchase of state services contracts | 64,888,100 | |
| 23 | Local revenues | 3,895,900 | |
| 24 | State restricted revenues | 3,102,200 | |
| 25 | State general fund/general purpose \$ | 0 | |
| 26 | FORENSIC AND PRISON MENTAL HEALTH SERVICES | | |
| 27 | Average population | 210.0 | |
| 28 | Full-time equated classified positions . . . | 1,475.0 | |
| 29 | Center for forensic psychiatry-479.0 FTE | | |
| 30 | positions \$ | 31,885,800 | |
| 31 | Average population | 210.0 | |
| 32 | Center for forensic psychiatry-outpatient | | |
| 33 | evaluation-40.0 FTE positions | 3,087,000 | |
| 34 | Forensic mental health services provided to the | | |
| 35 | department of corrections-956.0 FTE positions . | <hr/> 67,493,800 | |
| 36 | GROSS APPROPRIATION \$ | 102,466,600 | |

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|----|----------------------------------------------------|-------|------------------|
| 1 | Appropriated from: | | |
| 2 | Interdepartmental grant revenues: | | |
| 3 | Interdepartmental grant from the department of | | |
| 4 | corrections | | 67,493,800 |
| 5 | Federal revenues: | | |
| 6 | Federal revenues | | 15,800 |
| 7 | Special revenue funds: | | |
| 8 | Local revenues | | 1,570,300 |
| 9 | State restricted revenues | | 226,900 |
| 10 | State general fund/general purpose | \$ | 33,159,800 |
| 11 | EXECUTIVE SERVICES | | |
| 12 | Full-time equated positions | 241.0 | |
| 13 | Executive administration-69.0 FTE positions . . . | \$ | 4,598,900 |
| 14 | Contractual services, supplies, and materials . . | | 268,000 |
| 15 | Building occupancy charges | | 2,927,700 |
| 16 | Equipment | | 800,100 |
| 17 | Rent | | 253,000 |
| 18 | Workers' compensation | | 302,500 |
| 19 | Health planning-14.8 FTE positions | | 2,861,600 |
| 20 | Management information systems-56.4 FTE | | |
| 21 | positions | | 6,281,800 |
| 22 | Maternal and infant health data and evaluation-6.5 | | |
| 23 | FTE positions | | 538,300 |
| 24 | Minority health grants and contracts | | 650,000 |
| 25 | Office of general services-18.0 FTE positions . . | | 1,056,200 |
| 26 | Office of minority health-3.0 FTE positions . . . | | 271,800 |
| 27 | Vital records and health statistics-73.3 FTE | | |
| 28 | positions | | <u>5,760,500</u> |
| 29 | GROSS APPROPRIATION | \$ | 26,570,400 |
| 30 | Appropriated from: | | |
| 31 | Interdepartmental grant revenues: | | |
| 32 | Interdepartmental grant from the family | | |
| 33 | independence agency | | 132,500 |
| 34 | Intradepartmental transfer - automated data | | |
| 35 | processing charges | | 3,510,400 |
| 36 | Federal revenues: | | |

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|----|----------------------------------------------------|------|----------------|
| 1 | Federal revenues: | | 3,647,800 |
| 2 | Special revenue funds: | | |
| 3 | State restricted revenues | | 3,892,100 |
| 4 | State general fund/general purpose | \$ | 15,387,600 |
| 5 | INFECTIOUS DISEASE CONTROL ADMINISTRATION | | |
| 6 | Full-time equated positions | 4.0 | |
| 7 | Infectious disease control administration-4.0 | | |
| 8 | FTE positions | \$ | 333,900 |
| 9 | Contractual services, supplies, and materials . . | | <u>22,100</u> |
| 10 | GROSS APPROPRIATION | \$ | 356,000 |
| 11 | Appropriated from: | | |
| 12 | State general fund/general purpose | \$ | 356,000 |
| 13 | INFECTIOUS DISEASE CONTROL | | |
| 14 | Full-time equated positions | 86.8 | |
| 15 | AIDS counseling and testing | \$ | 4,237,600 |
| 16 | AIDS education and outreach | | 3,013,800 |
| 17 | AIDS/HIV risk reduction | | 50,000 |
| 18 | AIDS program administration-13.0 FTE positions . . | | 1,139,600 |
| 19 | AIDS referral and care network grants | | 6,694,700 |
| 20 | AIDS surveillance and prevention program-16.0 | | |
| 21 | FTE positions | | 2,845,500 |
| 22 | Disease surveillance-4.0 FTE positions | | 366,400 |
| 23 | Division administration-6.0 FTE positions | | 491,600 |
| 24 | Immunization local agreements | | 12,079,700 |
| 25 | Immunization program management and field | | |
| 26 | support-11.0 FTE positions | | 2,047,300 |
| 27 | Lyme disease grant-0.3 FTE positions | | 75,000 |
| 28 | National vaccine compensation fund | | 9,424,200 |
| 29 | Sexually transmitted disease control local | | |
| 30 | agreements | | 2,205,700 |
| 31 | Sexually transmitted disease control management | | |
| 32 | and field support-32.0 FTE positions | | 2,690,700 |
| 33 | Recalcitrant AIDS and tuberculosis aid | | 162,000 |
| 34 | Tuberculosis control program-4.5 FTE positions . . | | <u>860,900</u> |
| 35 | GROSS APPROPRIATION | \$ | 48,384,700 |
| 36 | Appropriated from: | | |

| | | |
|----|----------------------------------------------------------|------------------|
| 1 | Federal revenues: | |
| 2 | Federal revenues | 31,036,800 |
| 3 | Special revenue funds: | |
| 4 | Local funds | 242,700 |
| 5 | Private funds | 175,000 |
| 6 | State restricted revenues | 12,302,000 |
| 7 | State general fund/general purpose \$ | 4,628,200 |
| 8 | LABORATORY SERVICES | |
| 9 | Full-time equated positions | 106.6 |
| 10 | Laboratory services administration-75.8 FTE | |
| 11 | positions | \$ 4,387,000 |
| 12 | Contractual services, supplies, and materials | 1,349,000 |
| 13 | EPSDT blood lead screening-6.0 FTE positions | 665,100 |
| 14 | Newborn genetic screening-24.8 FTE positions | <u>1,765,700</u> |
| 15 | GROSS APPROPRIATION \$ | 8,166,800 |
| 16 | Appropriated from: | |
| 17 | Interdepartmental grant revenues: | |
| 18 | Interdepartmental grant from corrections | 232,600 |
| 19 | Federal revenues: | |
| 20 | Federal revenues | 506,200 |
| 21 | Special revenue funds: | |
| 22 | State restricted revenues | 1,847,200 |
| 23 | State general fund/general purpose \$ | 5,580,800 |
| 24 | ENVIRONMENTAL HEALTH ADMINISTRATION AND SUPPORT SERVICES | |
| 25 | Total full-time equated positions | 34.2 |
| 26 | Health risk assessment-34.2 FTE positions | <u>4,317,800</u> |
| 27 | GROSS APPROPRIATION \$ | 4,317,800 |
| 28 | Appropriated from: | |
| 29 | Interdepartmental grant revenues: | |
| 30 | Interdepartmental grant from the department | |
| 31 | of environmental quality | 458,800 |
| 32 | Federal revenues: | |
| 33 | Federal revenues | 2,283,100 |
| 34 | Special revenue funds: | |
| 35 | State restricted revenues | 55,100 |
| 36 | State general fund/general purpose \$ | 1,520,800 |

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|----|------------------------------------------------------------|-------------------|
| 1 | HEALTH SYSTEMS ADMINISTRATION | |
| 2 | Full-time equated positions | 29.9 |
| 3 | Health systems administration-20.7 FTE positions | \$ 1,391,300 |
| 4 | Contractual services, supplies, and materials | 52,100 |
| 5 | Administrative hearings-2.5 FTE positions | 166,900 |
| 6 | Health facilities management information | |
| 7 | system | 39,800 |
| 8 | Local health services-4.9 FTE positions | 141,300 |
| 9 | Primary care services grant-1.8 FTE positions | 218,400 |
| 10 | Training and evaluation | <u>251,500</u> |
| 11 | GROSS APPROPRIATION | \$ 2,261,300 |
| 12 | Appropriated from: | |
| 13 | Interdepartmental grant revenues: | |
| 14 | Interdepartmental grant from treasury, Michigan state | |
| 15 | hospital finance authority | 92,300 |
| 16 | Federal revenues: | |
| 17 | Federal revenues | 287,100 |
| 18 | Special revenue funds: | |
| 19 | State restricted revenues | 1,006,600 |
| 20 | State general fund/general purpose | \$ 875,300 |
| 21 | HEALTH SYSTEMS LOCAL GRANTS | |
| 22 | Implementation of Act 133, P.A. of 1993 | 100,000 |
| 23 | Indian health care | 309,500 |
| 24 | Michigan essential health care provider program | 729,100 |
| 25 | Primary care services | 1,922,200 |
| 26 | Refugee health program | 142,300 |
| 27 | Rural health grant | 168,800 |
| 28 | State/local cost sharing | <u>36,412,600</u> |
| 29 | GROSS APPROPRIATION | \$ 39,784,500 |
| 30 | Appropriated from: | |
| 31 | Federal revenues: | |
| 32 | Federal funds | 2,392,700 |
| 33 | Special revenue funds: | |
| 34 | Private funds | 40,000 |
| 35 | State general fund/general purpose | \$ 37,351,800 |
| 36 | CENTER FOR HEALTH PROMOTION | |

| | | | |
|----|---------------------------------------------------------|-------|------------------|
| 1 | Full-time equated positions | 63.7 | |
| 2 | AIDS and risk reduction clearinghouse and | | |
| 3 | media campaign | | \$ 1,700,000 |
| 4 | Alzheimer's information network | | 150,000 |
| 5 | Cancer prevention and control program-19.0 | | |
| 6 | FTE positions | | 12,672,700 |
| 7 | Center administration-4.0 FTE positions | | 321,500 |
| 8 | Chronic disease prevention-2.5 FTE positions | | 1,609,800 |
| 9 | Diabetes local agreements | | 1,434,900 |
| 10 | Employee wellness program grants (include | | |
| 11 | \$50.00 per diem and expenses for the risk | | |
| 12 | reduction and AIDS policy commission) | | 3,950,000 |
| 13 | Health education, promotion, and research | | |
| 14 | programs-23.0 FTE positions | | 2,005,300 |
| 15 | Injury control intervention project-1.0 FTE | | |
| 16 | positions | | 324,800 |
| 17 | Physical fitness, nutrition, and health | | 1,500,000 |
| 18 | Public health traffic safety coordination-1.0 | | |
| 19 | FTE position | | 152,600 |
| 20 | School health curriculum | | 2,000,000 |
| 21 | School health education project | | 80,000 |
| 22 | Smoking prevention program-6.2 FTE positions | | 6,294,700 |
| 23 | Survey and analysis-5.0 FTE positions | | 468,000 |
| 24 | Violence prevention-2.0 FTE positions | | <u>2,346,300</u> |
| 25 | GROSS APPROPRIATION | | \$ 37,010,600 |
| 26 | Appropriated from: | | |
| 27 | Federal revenues: | | |
| 28 | Federal funds | | 11,982,200 |
| 29 | Special revenue funds: | | |
| 30 | State restricted revenues | | 21,166,100 |
| 31 | State general fund/general purpose | | \$ 3,862,300 |
| 32 | BUREAU OF CHILD AND FAMILY SERVICES | | |
| 33 | Full-time equated positions | 103.8 | |
| 34 | Child and family services administration-92.8 | | |
| 35 | FTE positions | | \$ 6,076,700 |
| 36 | Contractual services, supplies, and materials | | 1,572,500 |

| | | |
|----|----------------------------------------------------|--------------------|
| 1 | Automated data processing | 3,730,000 |
| 2 | Lead abatement program-3.0 FTE positions | 4,900,000 |
| 3 | Special projects-8.0 FTE positions | <u>3,128,000</u> |
| 4 | GROSS APPROPRIATION | \$ 19,407,200 |
| 5 | Appropriated from: | |
| 6 | Federal revenues: | |
| 7 | Federal revenue | 15,773,700 |
| 8 | Special revenue funds: | |
| 9 | Private funds | 434,000 |
| 10 | State general fund/general purpose | \$ 3,199,500 |
| 11 | CHILD AND FAMILY SERVICES GRANTS | |
| 12 | Adolescent health care services | \$ 2,892,300 |
| 13 | Dental programs | 260,400 |
| 14 | Early and periodic screening, diagnosis, and | |
| 15 | treatment outreach | 6,200,000 |
| 16 | Family planning local agreements | 7,392,600 |
| 17 | Lead paint program | 491,800 |
| 18 | Local MCH services | 1,271,200 |
| 19 | Maternity, infant, and children's health | |
| 20 | care local agreements | 7,083,000 |
| 21 | Medical services cost reimbursement to local | |
| 22 | health departments | 1,800,000 |
| 23 | Migrant health care | 166,100 |
| 24 | Pregnancy prevention program | 7,596,100 |
| 25 | Prenatal care community demonstration projects . . | 58,200 |
| 26 | Prenatal care outreach and service | |
| 27 | delivery support | 7,929,700 |
| 28 | Sudden infant death syndrome program | 121,300 |
| 29 | Women, infants, and children program local | |
| 30 | agreements and food costs | <u>141,359,200</u> |
| 31 | GROSS APPROPRIATION | \$ 184,621,900 |
| 32 | Appropriated from: | |
| 33 | Federal revenues: | |
| 34 | Federal revenue | 130,539,900 |
| 35 | Special revenue funds: | |
| 36 | Private funds | 37,200,000 |

| | | |
|----|------------------------------------------------------------|------------------|
| 1 | State restricted revenues | 5,400,000 |
| 2 | State general fund/general purpose | \$ 11,482,000 |
| 3 | CHILDREN'S SPECIAL HEALTH CARE SERVICES | |
| 4 | Total full-time equated positions | 86.5 |
| 5 | Program administration-84.5 FTE positions | \$ 5,064,600 |
| 6 | Contractual services, supplies, and materials | 883,100 |
| 7 | Amputee program | 184,600 |
| 8 | Bequests for care and services-2.0 FTE positions | 1,004,600 |
| 9 | Case management services | 3,923,500 |
| 10 | Conveyor contract | 559,100 |
| 11 | Medical care and treatment | 116,070,100 |
| 12 | Pediatric AIDS prevention and control | 582,200 |
| 13 | Sickle cell and other genetic services | <u>1,729,400</u> |
| 14 | GROSS APPROPRIATION | \$ 130,001,200 |
| 15 | Appropriated from: | |
| 16 | Federal revenues: | |
| 17 | Federal revenue | 61,669,100 |
| 18 | Special revenue funds: | |
| 19 | Private-bequests | 650,000 |
| 20 | State restricted revenues | 5,019,100 |
| 21 | State general fund/general purpose | \$ 62,663,000 |
| 22 | SUBSTANCE ABUSE PROGRAM ADMINISTRATION | |
| 23 | Full-time equated positions | 45.0 |
| 24 | Substance abuse program administration-32.5 | |
| 25 | FTE positions | \$ 1,886,000 |
| 26 | Contractual services, supplies, and materials | 120,300 |
| 27 | Federal projects-12.5 FTE positions | <u>1,384,300</u> |
| 28 | GROSS APPROPRIATION | \$ 3,390,600 |
| 29 | Appropriated from: | |
| 30 | Federal revenues: | |
| 31 | Federal revenue | 1,261,400 |
| 32 | Special revenue funds: | |
| 33 | State restricted revenues | 198,200 |
| 34 | State general fund/general purpose | \$ 1,931,000 |
| 35 | SUBSTANCE ABUSE GRANTS AND CONTRACTS | |
| 36 | Chemically-dependent pregnant women and | |

| | | | |
|----|-----------------------------------------------------|-------|-------------------|
| 1 | children program | \$ | 2,100,000 |
| 2 | Community substance abuse prevention, | | |
| 3 | education, and treatment grants | | 72,340,400 |
| 4 | Federal and other special projects | | 7,427,200 |
| 5 | Highway safety projects | | 337,200 |
| 6 | Program enhancement, evaluation, and data | | |
| 7 | services | | 1,137,600 |
| 8 | State disability assistance program | | |
| 9 | substance abuse services | | <u>6,600,000</u> |
| 10 | GROSS APPROPRIATION | \$ | 89,942,400 |
| 11 | Appropriated from: | | |
| 12 | Federal revenues: | | |
| 13 | Federal revenue | | 63,869,100 |
| 14 | Special revenue funds: | | |
| 15 | State restricted revenues | | 1,360,000 |
| 16 | State general fund/general purpose | \$ | 24,713,300 |
| 17 | OFFICE OF DRUG CONTROL POLICY | | |
| 18 | Full-time equated positions | 13.0 | |
| 19 | Drug control policy-13.0 FTE positions | \$ | 1,028,000 |
| 20 | Anti-drug abuse grants | | <u>30,931,100</u> |
| 21 | GROSS APPROPRIATION | \$ | 31,959,100 |
| 22 | Appropriated from: | | |
| 23 | Federal revenues: | | |
| 24 | Federal revenue | | 31,785,400 |
| 25 | State general fund/general purpose | \$ | 173,700 |
| 26 | MEDICAL SERVICES ADMINISTRATION | | |
| 27 | Full-time equated classified positions | 544.0 | |
| 28 | Facility inspection contract-state police | | 132,800 |
| 29 | Medical services administration-544.0 FTE | | |
| 30 | positions | | <u>56,291,400</u> |
| 31 | GROSS APPROPRIATION | \$ | 56,424,200 |
| 32 | Appropriated from: | | |
| 33 | Federal revenues: | | |
| 34 | Federal revenues | | 34,044,800 |
| 35 | Special revenue funds: | | |
| 36 | Private | | 80,800 |

| | | |
|----|------------------------------------------------------|----------------------|
| 1 | State general fund/general purpose | \$ 22,298,600 |
| 2 | MEDICAL SERVICES | |
| 3 | Hospital services and therapy | \$ 664,087,700 |
| 4 | Hospital disproportionate share payments | 45,000,000 |
| 5 | Physician services | 146,352,500 |
| 6 | Medicare premium payments | 102,465,400 |
| 7 | Pharmaceutical services | 200,422,200 |
| 8 | Home health services | 32,973,600 |
| 9 | Transportation | 4,185,500 |
| 10 | Auxiliary medical services | 46,984,700 |
| 11 | Nursing home services | 756,957,700 |
| 12 | Chronic care units and county medical | |
| 13 | care facilities | 163,070,400 |
| 14 | Substance abuse services | 16,339,000 |
| 15 | Health plan services | 1,265,517,200 |
| 16 | Early periodic screening, diagnosis, and | |
| 17 | treatment outreach | 2,685,300 |
| 18 | Caring program for children | 1,500,000 |
| 19 | Personal care services-adult foster care | 24,962,000 |
| 20 | Personal care services-in home services | 5,500,000 |
| 21 | Maternal and child health | 9,234,500 |
| 22 | Indigent medical care program | <u>22,686,000</u> |
| 23 | Subtotal basic medical services program | 3,510,923,700 |
| 24 | Outpatient hospital adjustor | 44,012,800 |
| 25 | School based services | 127,341,500 |
| 26 | Special adjustor payments | 840,337,900 |
| 27 | Subtotal special medical services payments | <u>1,011,692,200</u> |
| 28 | GROSS APPROPRIATION | \$ 4,522,615,900 |
| 29 | Appropriated from: | |
| 30 | Federal revenues: | |
| 31 | Federal revenues | 2,494,536,700 |
| 32 | Special revenue funds: | |
| 33 | Local | 618,973,000 |
| 34 | Private | 500,000 |
| 35 | State restricted | 242,884,100 |
| 36 | State general fund/general purpose | \$1,165,722,100 |

1 Sec. 102. There is appropriated for the department of community health
 2 for the fiscal year ending September 30, 1997, from the following funds:
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For Fiscal Year Ending
 September 30, 1997

MEDICAL SERVICES

| | |
|-----------------------------------------|-----------------------|
| Hospital services and therapy | \$ (53,149,500) |
| Physician services | (2,976,400) |
| Pharmaceutical services | (3,401,600) |
| Home health services | (1,265,700) |
| Auxiliary medical services | (2,083,500) |
| School based services | 72,661,300 |
| Special adjustor payments | <u>93,754,000</u> |
| GROSS APPROPRIATION | \$ 103,538,600 |

Appropriated from:

Federal revenues:

| | |
|-------------------|-------------|
| Federal | 105,770,100 |
|-------------------|-------------|

Special revenue funds:

| | |
|----------------------------------------------|--------------|
| Local | 74,387,100 |
| State restricted | 17,115,900 |
| State general fund/general purpose | (93,734,500) |

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1997-98 is estimated at \$2,720,011,600.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1997-98 is estimated at \$836,314,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF COMMUNITY HEALTH

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 | 1,513,800 |
| Foster grandparent and senior companion program | 1,972,400 |

| | | |
|----|----------------------------------------------------|-------------|
| 1 | COMMUNITY MENTAL HEALTH PROGRAMS | |
| 2 | Community mental health programs | 634,838,700 |
| 3 | Respite services | 2,568,600 |
| 4 | OBRA implementation | 1,673,800 |
| 5 | EXECUTIVE SERVICES | |
| 6 | Health planning | 1,518,800 |
| 7 | INFECTIOUS DISEASE CONTROL | |
| 8 | AIDS counseling and testing | 687,800 |
| 9 | AIDS referral and care network grants | 779,000 |
| 10 | Sexually transmitted disease control local | |
| 11 | agreements | 452,900 |
| 12 | HEALTH SYSTEMS LOCAL GRANTS | |
| 13 | Refugee health grant | 29,600 |
| 14 | State/local cost sharing | 36,412,600 |
| 15 | CENTER FOR HEALTH PROMOTION | |
| 16 | Cancer prevention and control program | 387,000 |
| 17 | Diabetes local agreements | 500,000 |
| 18 | Employee wellness program grants | 1,245,100 |
| 19 | School health curriculum | 2,000,000 |
| 20 | Smoking prevention program | 2,000,000 |
| 21 | CHILD AND FAMILY SERVICES GRANTS | |
| 22 | Adolescent health care services | 1,358,000 |
| 23 | Family planning local agreements | 1,139,800 |
| 24 | Maternity, infant, and children's | |
| 25 | health care local agreements | 246,100 |
| 26 | Pregnancy prevention program | 2,311,800 |
| 27 | Prenatal care outreach and service | |
| 28 | delivery support | 3,190,000 |
| 29 | CHILDREN'S SPECIAL HEALTH CARE SERVICES | |
| 30 | Case management services | 1,433,200 |
| 31 | SUBSTANCE ABUSE GRANTS AND CONTRACTS | |
| 32 | Community substance abuse prevention, | |
| 33 | education, and treatment grants. | 17,519,700 |
| 34 | MEDICAL SERVICES | |
| 35 | Indigent medical program | 1,383,800 |
| 36 | Hospital disproportionate share payments | 18,000,000 |

| | | |
|---|-----------------------------------------|-------------------|
| 1 | Hospital services and therapy | 20,890,600 |
| 2 | Physician services | 6,311,500 |
| 3 | Pharmaceutical services | 8,643,300 |
| 4 | Home health services | 1,422,000 |
| 5 | Transportation | 180,500 |
| 6 | Auxiliary medical services | 2,026,200 |
| 7 | Health plan services | <u>54,575,700</u> |
| 8 | Total | \$ 836,314,800 |

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

14 Sec. 202. The expenditures and funding sources authorized under this
15 bill are subject to the management and budget act, Act No. 431 of the
16 Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan
17 Compiled Laws.

18 Sec. 203. (1) In addition to the funds appropriated in section 101,
19 there is appropriated an amount not to exceed \$100,000,000.00 for federal
20 contingency funds. These funds are not available for expenditure until
21 they have been transferred to another line item in this bill pursuant to
22 section 393 (2) of the management and budget act, Act No. 431 of the
23 Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

24 (2) In addition to the funds appropriated in section 101, there is
25 appropriated an amount not to exceed \$10,000,000.00 for state restricted
26 contingency funds. These funds are not available for expenditure until
27 they have been transferred to another line item in this bill pursuant to
28 section 393(2) of the management and budget act, Act No. 431 of the Public
29 Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

30 (3) In addition to the funds appropriated in section 101, there is
31 appropriated an amount not to exceed \$10,000,000.00 for local funds.
32 These funds are not available for expenditure until they have been
33 transferred to another line item in this bill pursuant to section 393(2)
34 of the management and budget act, Act No. 431 of the Public Acts of 1984,
35 being section 18.1393 of the Michigan Compiled Laws.

36 (4) In addition to the funds appropriated in section 101, there is

1 appropriated an amount not to exceed \$10,000,000.00 for private
2 contingency funds. These funds are not available for expenditure until
3 they have been transferred to another line item in this bill pursuant to
4 section 393(2) of the Management and Budget Act, being section 18.1393 of
5 the Michigan Compiled Laws.

6 Sec. 204. (1) Beginning October 1, 1997, there is a hiring freeze
7 imposed on the state classified civil service. State departments and
8 agencies are prohibited from hiring any new full-time state classified
9 civil service employees or prohibited from filling any vacant state
10 classified civil service positions. This hiring freeze does not apply to
11 internal transfers of classified employees from 1 position to another
12 within a department or to positions that are 80% or more federal or
13 restricted funds.

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

22 Sec. 205. The department of civil service shall bill departments
23 and/or agencies at the end of the first fiscal quarter for the 1% charges
24 authorized by section 5 of article XI of the state constitution of 1963.
25 Payments shall be made for the total amount of the billing by the end of
26 the second fiscal quarter.

27 Section 206. The amount appropriated in section 101 for early
28 retirement savings includes \$4,889,600.00 for retirement costs and
29 \$8,376,518.00 of savings from salaries and fringe benefits resulting from
30 the state's early retirement program. By October 1, 1997, the department
31 of community health shall request cost/price variance transfers as defined
32 in section 393(1) of the Management and Budget Act, Act. No. 431 of the
33 Public Acts of 1984, being section 18.1393(1) of the Michigan Compiled
34 Laws, to apply the retirement costs and salary and fringe benefit savings
35 to the appropriated line items which are affected by the early retirement
36 of state employees. These transfers shall include changes of funding

1 sources as appropriate to support anticipated retirement costs and salary
2 and fringe benefit savings.

3 Section 207. (1) The department of community health must submit to
4 the department of management and budget periodic reports on the efforts to
5 change the department's computer software and hardware as necessary to
6 perform properly in the year 2000 and beyond. These reports must identify
7 actual progress in comparison to the department's approved work plan for
8 this effort.

9 (2) The department of community health may present progress billings
10 to the department of management and budget for the costs incurred in
11 changing computer software and hardware as necessary to perform properly
12 in the year 2000 and beyond. At the time progress billings are presented
13 for reimbursement, the department will identify and forward as appropriate
14 the funding sources which should support the work performed.

15 Sec. 208. As used in this bill:

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

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

18 (c) "CMHSP" means a community mental health service program.

19 (d) "Department" or "MDCH" means the Michigan department of community
20 health.

21 (e) "DSH" means disproportionate share hospital.

22 (f) "EPSDT" means early and periodic screening, diagnosis, and
23 treatment.

24 (g) "FTE" means full-time equated position.

25 (h) "GME" means graduate medical education.

26 (i) "IDEA" means individuals with disabilities education act.

27 (j) "HIV" means human immunodeficiency virus.

28 (k) "IDG" means interdepartmental grant.

29 (l) "IDT" means intradepartmental transfer.

30 (m) "MCH" means maternal and child health.

31 (n) "MDEQ" means Michigan department of environmental quality.

32 (o) "MDOC" means the Michigan department of corrections.

33 (p) "Title IV" means title IV of the social security act, chapter
34 531, 49 Stat. 620, 42 U.S.C. 671.

35 (q) "Title X" means title X of the public health services act, 300
36 U.S.C. 1001.

1 (r) "Title XVIII" means title XVIII of the social security act,
2 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395c to
3 1395i, 1395i-2 to 1395i-4, 1395j to 1395t, 1395u to 1395w-2, 1395w-4 to
4 1395zz, and 1395bbb to 1395ccc.

5 (s) "Title XIX" means title XIX of the Social Security Act, chapter
6 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f to 1396G, and
7 1396i to 1396s.

8 (t) "Title XX" means title XX of the social security act, chapter
9 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.

10 Sec. 209. Funds for which the state is acting as the custodian or
11 agent are not subject to annual appropriation.

12 Sec. 210. (1) From the amounts appropriated in section 101, no
13 greater than the following amounts are supported with federal maternal and
14 child health, preventive health and health services, substance abuse block
15 grant, healthy Michigan fund, and Michigan health initiative funds:

16 (a) Maternal and child health
17 block grant \$ 20,600,000
18 (b) Preventive health and health
19 services block grant \$ 6,300,000
20 (c) Substance abuse block grant \$ 59,700,000
21 (d) Healthy Michigan funds \$ 33,300,000
22 (e) Michigan health initiative \$ 9,600,000

23 (2) On or before February 1, 1998, the department shall report to the
24 house and senate appropriations subcommittees on public health, the house
25 and senate fiscal agencies, and the department of management and budget on
26 the detailed name and amounts of federal, restricted, private, and local
27 sources of revenue that support the appropriations in each of the
28 appropriations units in section 101 of Act Nos. 150, 151, and 156 of the
29 Public Acts of 1995.

30 (3) The department shall report on or before February 1, 1998, to the
31 same parties in subsection (2) on the amounts and detailed sources of
32 federal, restricted, private, and local revenue proposed to support the
33 total federal funds appropriated in each of the appropriation units in
34 section 101 of the fiscal year 1997-98 executive budget proposal.

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

1 request to the department.

2 Sec. 211. Except as provided in section 1116(11) of Act. No. 280 of
3 the Public Acts of 1936, as amended, being MCL 400.111b(11), relative to
4 medical services providers the department shall not pay for a billing
5 received from a contractor or service provider that is submitted more than
6 12 months after the bill for good or service is provided.

7 Sec. 212. The state departments, agencies, and commissions receiving
8 tobacco tax funds from section 101 shall report to the senate and house
9 appropriations committees, the senate and house fiscal agencies, and the
10 department of management and budget on the following:

11 (a) Spending plan by appropriation line item including description of
12 programs.

13 (b) An annual report on services provided and outcomes achieved the
14 previous fiscal year.

15 Sec. 213. The use of state restricted tobacco tax revenue received
16 for the purpose of tobacco prevention, education, and reduction efforts
17 and deposited in the healthy Michigan fund shall not be used for lobbying
18 as defined in Act No. 472 of the Public Acts of 1978, being sections 4.411
19 to 4.431 of the Michigan Compiled Laws.

20 Sec. 214. On October 1, 1997, the department shall make a list
21 available of reports to be prepared pursuant to the provisions of this
22 act. The list shall be distributed to house and senate appropriations
23 subcommittees on community health, house and senate fiscal agencies, house
24 and senate central staffs, and the department of management and budget.
25 The listed parties may request copies of reports from the list and submit
26 the request back to the department. The department shall provide copies
27 of the requested reports no later than the date the report is due to those
28 persons requesting the reports.

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

35 (2) The department's ability to satisfy appropriation deductions in
36 section 101 shall not be limited to collections and accruals pertaining to

1 services provided in fiscal year 1996-97, but shall also include
2 reimbursements, refunds, adjustments, and settlements from prior years.

3 Sec. 216. No funds appropriated in section 101 shall be expended for
4 media activities regarding the alleged dangers of naturally occurring
5 radon gas.

6 Sec. 217. The source of funding for section 101 appropriation for the
7 Arab-American and Chaldean council and ACCESS primary care services is the
8 federal preventive health and health services block grant.

9 **EXECUTIVE OFFICE**

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

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

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

27 Sec. 303. Funds appropriated in section 101 for the mental health
28 advisory council may be used for member per diems of \$50.00 and other
29 council expenditures. Funds may also be used for the expenses of the
30 state mental health advisory council on deafness and other expenses for
31 councils established by the mental health code, Act No. 258 of the Public
32 Acts of 1974, being sections 330.1001 to 330.2106 of the Michigan Compiled
33 Laws.

34 Sec. 304. Unexpended and unencumbered amounts and accompanying
35 expenditure authorizations up to \$2,000,000.00 remaining on September 30,
36 1997, from pay telephone revenues and the amounts appropriated in section

1 101 for gifts and bequests for patient living and treatment environments
2 shall be carried over for 1 fiscal year. The purpose of gifts and
3 bequests for patient living and treatment environments is to use
4 additional private funds to provide specific enhancements for individuals
5 residing at state operated facilities. Use of the gifts and bequests
6 shall be consistent with the stipulation of the donor. The expected
7 completion date for the use of gifts and bequests donations is within 3
8 years unless otherwise stipulated by the donor.

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

13 Sec. 306. The funds appropriated in section 101 for forensic mental
14 health services provided to the department of corrections are in
15 accordance with the interdepartmental plan developed in cooperation with
16 the department of corrections. The department is authorized to receive
17 and expend funds from the department of corrections in addition to the
18 appropriations in section 101 to fulfill the obligations outlined in the
19 interdepartmental agreements.

20 **COMMUNITY MENTAL HEALTH SERVICES PROGRAM**

21 Sec. 401. (1) From funds appropriated in section 101, final
22 authorizations to CMHSP shall be made upon the execution of contracts
23 between the department and CMHSP. The contracts shall contain an approved
24 plan and budget as well as policies and procedures governing the
25 obligations and responsibilities of both parties to the contracts.

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

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

36 (4) The department may advance to each CMHSP an amount not to exceed

1 1/12 of its estimated total collections from medicaid and may establish a
2 separate accounts receivable for the total of these amounts. Advances made
3 pursuant to this subsection shall be repaid in the same fiscal year and
4 before any advance is provided for a subsequent year.

5 (5) Current billing and collection procedures for the net cost of
6 state provided services shall continue as specified in chapter 3 of the
7 mental health code, Act No. 258 of the Public Acts of 1974, being sections
8 330.1300 to 330.1320 of the Michigan Compiled Laws.

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

12 (7) The funds appropriated in section 101 from purchase of state
13 service contracts shall not result in increased costs to counties in
14 excess of the local match required under section 302 and section 308 of
15 the mental health code, Act No. 258 of the Public Acts of 1974, being
16 sections 330.1302 and 330.1308 of the Michigan Compiled Laws.

17 Sec. 402. The funds appropriated in this bill for community mental
18 health service programs shall not be used to replace funds no longer
19 available because the local government or CMHSP board reduced its base of
20 support for state and local mental health services, as defined in chapter
21 2 of the mental health code, Act No. 258 of the Public Acts of 1974, being
22 sections 330.1200 to 330.1246 of the Michigan Compiled Laws, below that of
23 the previous year.

24 Sec. 403. The amount appropriated in section 101 for CMHSP services
25 is intended for funding of CMHSP in accordance with contracts between the
26 department and the CMHSPs for the current fiscal year. The department
27 shall establish such total accounts payable and receivable amounts as may
28 be appropriate to represent the expected final state obligation for all
29 such contracts. After final review of the expenditure reports required by
30 the contracts, any amounts advanced to the board which are returned to the
31 department and any amounts paid to the boards in accordance with the
32 provisions of the contracts shall be considered to be adjustments to the
33 program expenditures for the prior fiscal year. These prior year
34 transactions shall be recorded in a separate account established for that
35 purpose. CMHSPs prior year revenue recognized in the current fiscal year
36 may be restricted to finance related prior year expenditures not

1 previously recorded.

2 Sec. 404. (1) Not later than April 10 of each fiscal year, the
3 department shall provide a report on the community mental health services
4 programs to the members of the house and senate appropriations
5 subcommittees on community health, the house and senate fiscal agencies,
6 and the department of management and budget which shall include
7 information required by this section. This report will be updated to the
8 extent possible, based on available data, by September 30.

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

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

15 (b) Per capita expenditures by client population group.

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

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

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

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

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

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

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

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

5 **COMMUNITY RESIDENTIAL SERVICES**

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

14 Sec. 502. The department shall not enter into new contracts with
15 private attorneys for legal services for the purposes of gaining and
16 maintaining occupancy to a specialized residential facility. The
17 department may enter into a contract with the protection and advocacy
18 service, authorized under section 931 of the mental health code, Act No.
19 258 of the Public Acts of 1974, being section 330.1931 of the Michigan
20 Compiled Laws, or a similar organization to provide legal services for
21 purposes of gaining and maintaining occupancy in a specialized residential
22 facility which is under lease or contract with the department or a
23 community mental health services program board to provide services to
24 persons with mental illness or developmental disability. State funds
25 shall not be used for legal services to represent private investors
26 purchasing homes for these purposes.

27 **INSTITUTIONAL SERVICES, HOSPITALS, AND CENTERS**

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

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

1 the hospitals and centers.

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

5 **EXECUTIVE SERVICES**

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

14 **INFECTIOUS DISEASE CONTROL**

15 Sec. 801. State funds appropriated in any other account in section
16 101 may be used to supplant not more than \$350,000.00 in federal funds
17 projected for immunization, if the federal funds are unavailable. The
18 department shall inform the senate and house appropriations subcommittees
19 on community health, the senate and house fiscal agencies, and the
20 department of management and budget of the specific line items reduced
21 pursuant to this section.

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

26 Sec. 803. If an employee of the department of corrections comes in
27 contact with a prisoner and that contact involves the risk of exposure to
28 the prisoner's blood or bodily fluids, upon the employee's request the
29 department of corrections shall inform the employee of the results of the
30 prisoner's HIV test if known by the department.

31 **HEALTH SYSTEMS LOCAL GRANTS**

32 Sec. 901. The funds appropriated in section 101 for the Michigan
33 essential health care provider program may also provide loan repayment for
34 dentists that fit the criteria established by part 27 of the public health
35 code, Act No. 368 of the Public Acts of 1978, being sections 333.2701 to
36 333.2727 of the Michigan Compiled Laws.

1 Sec. 902. The department is directed to continue support of multi-
2 cultural agencies which provide primary care services from the funds
3 appropriated in section 101.

4 Sec. 903. The amount appropriated in section 101 for implementation
5 of Act No. 133 of the Public Acts of 1993, being sections 333.17014 to
6 333.17515 of the Michigan Compiled Laws, shall reimburse local health
7 departments for costs incurred related to implementation of section
8 17015(15) of the public health code, Act No. 368 of the Public Acts of
9 1978, being section 333.17015 of the Michigan Compiled Laws.

10 Sec. 904. The amount appropriated in section 101 for state/local cost
11 sharing may be used for special grants to local health departments to
12 satisfy minimum funding levels prescribed by section 2477 of the public
13 health code, Act No. 368 of the Public Acts of 1978, being section
14 333.2477 of the Michigan Compiled Laws, and any other authorized
15 supplement. The special grants shall not exceed a total of \$250,000.00.
16 If proposed changes to sections 2471 to 2498 of the public health code,
17 Act No. 368 of the Public Acts of 1978, being sections 333.2471 to
18 333.2498 of the Michigan Compiled Laws, are enacted during fiscal year
19 1997-98, the department shall adjust funding from the amount appropriated
20 in section 101 for state/local cost sharing to comply with the revisions
21 in the public health code.

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

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

34 Sec. 907. (1) Subject to the funds appropriated in section 101 for
35 state/local cost sharing, funds shall be allocated as follows:

36 (a) To reimburse local health departments on a 50% basis of the net

1 allowable costs for providing the following 9 required services:
2 immunizations, infectious disease control, sexually transmitted disease
3 control, hearing screening, vision services, food protection, public water
4 supply, private groundwater supply, and on-site sewage management.

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

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

8 Sec. 908. Basic health services for the fiscal year beginning October
9 1, 1997, for the purpose of part 23 of the public health code, Act No. 368
10 of the Public Acts of 1978, being sections 333.2301 to 333.2321 of the
11 Michigan Compiled Laws, are those described by the department in its
12 proposed program statement dated October 16, 1981, and in the "prenatal
13 postpartum care, proposed basic health service program statement" included
14 in the department document entitled "A Study of Prenatal Care as a Basic
15 Service," dated March 1, 1986, and for which the legislature has made
16 funds available in amounts necessary to ensure their availability and
17 accessibility. The services described in the statement are:

18 immunizations, communicable disease control, venereal disease control,
19 tuberculosis control, prevention of gonorrhoea eye infection in newborns,
20 screening newborns for phenylketonuria, screening newborns for
21 hypothyroidism, health/medical annex of emergency preparedness plan,
22 licensing and surveillance of agricultural labor camps, and prenatal care.

23 **CENTER FOR HEALTH PROMOTION**

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

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

1 following offices and departments:

2 (a) The department of education.

3 (b) The department of community health.

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

5 (d) The office of substance abuse services in the department of
6 community health.

7 (e) The family independence agency.

8 (f) The department of state police.

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

19 Sec. 1003. From the funds appropriated in section 101 for physical
20 fitness, nutrition, and health, up to \$1,000,000.00 may be allocated to
21 the Michigan physical fitness and sports foundation. The allocation to
22 the Michigan physical fitness and sports foundation is contingent upon the
23 foundation providing at least a 20% cash match.

24 Sec. 1004. From the amount appropriated in section 101 for the cancer
25 prevention and control program, funds shall be allocated to a regional
26 cancer program operated jointly by Wayne State University, the Detroit
27 medical center, and the Michigan cancer foundation; to the University of
28 Michigan cancer center, and to the Michigan State University college of
29 human medicine for cancer prevention activities.

30 Sec. 1005. From the funds appropriated in section 101 for diabetes
31 local agreements, a portion of the funds may be allocated to the national
32 kidney foundation of Michigan for kidney disease prevention programming
33 including early identification and education programs and kidney disease
34 prevention demonstration projects.

35 Sec. 1006. The department may contract with the Michigan public
36 health institute for the design and implementation of projects and for

1 other public health related activities prescribed in section 2611 of the
2 public health code, Act No. 368 of the Public Acts of 1978, being section
3 333.2611 of the Michigan Compiled Laws. The department may develop a
4 master agreement with the institute for up to a 3-year period to carry out
5 these purposes. The department shall report on projects to be carried out
6 by the institute, expected project duration, and project cost by November
7 1, 1997 and May 1, 1998 to the house and senate appropriations
8 subcommittees on community health, senate and house fiscal agencies, and
9 the department of management and budget. If the reports are not received
10 by the specified dates, no funds shall be disbursed. For the purposes of
11 this section, the Michigan public health institute shall be considered a
12 public health agency.

13 **CHILD AND FAMILY SERVICES GRANTS**

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

22 Sec. 1102. Before April 1, 1998, the department shall submit a report
23 to the house and senate fiscal agencies on planned allocations, use of
24 funds, and service activity resulting from the amounts appropriated in
25 section 101 for maternity, infant, and children's health care local
26 agreements, prenatal care outreach and service delivery support, family
27 planning local agreements, and pregnancy prevention programs.

28 Sec. 1103. For all programs for which an appropriation is made in
29 section 101 for child and family services grants, the department shall
30 contract with those local public and private nonprofit agencies best able
31 to serve clients. Factors to be used by the department in evaluating
32 agencies under this section shall include ability to serve high risk
33 population groups; ability to serve low income clients, where applicable;
34 availability of, and access to, service sites; management efficiency; and
35 ability to meet federal standards, where applicable.

36 Sec. 1104. Each family planning program receiving federal title X

1 family planning funds shall be in compliance with all performance and
2 quality assurance indicators that the United States bureau of community
3 health services specifies as its common reporting requirements. An agency
4 not in compliance with the indicators shall not receive supplemental or
5 reallocated funds.

6 Sec. 1105. Of the amount appropriated in section 101 for prenatal
7 care outreach and service delivery support, not more than 10% shall be
8 expended for local administration, data processing, and evaluation.

9 Sec. 1106. A clinic, institution, or other health facility receiving
10 state funding for family planning purposes shall provide to a client
11 seeking family planning services, at initial contact, a pamphlet
12 containing educational information to assist the patient in making
13 responsible parenting decisions. The pamphlet shall include, but not be
14 limited to, information regarding the physical, financial, and time
15 commitment involved in parenting. The pamphlets required by this section
16 shall be provided by the department. The pamphlets shall be written in
17 English and in clear, nontechnical terms. Copies of the pamphlets shall
18 also be printed in Spanish and distributed upon request to the clinics,
19 institutions, and other health facilities described in this section.

20 Sec. 1107. The department shall maintain comprehensive health care
21 programs to communicate to preteens the importance of delaying sexual
22 activity and to address teen sexual activity, teenage pregnancy, and
23 sexually transmitted diseases.

24 Sec. 1108. The funds appropriated in section 101 for pregnancy
25 prevention programs shall not be used to provide abortion counseling,
26 referrals, or services.

27 Sec. 1109. The department shall make a grant of \$53,000.00 to
28 pregnancy services of Michigan.

29 Sec. 1110. (1) From the amounts appropriated in section 101 for
30 dental programs, funds shall be allocated to the Michigan dental
31 association for the administration of a volunteer dental program that
32 would provide dental services to the uninsured in an amount that is no
33 less than the amount allocated to that program in fiscal year 1996-97.

34 (2) Not later than November 1, 1997, the department shall report to
35 the senate and house appropriations subcommittees on community health and
36 the senate and house standing committees on public health the number of

1 individual patients treated, the number of procedures performed, and
2 approximate total market value of those procedures through September 30,
3 1997.

4 Sec. 1111. From the funds appropriated in section 101 for
5 immunization local agreements, the department shall implement a state-wide
6 immunization registry. The registry shall be available to both public and
7 private providers.

8 Sec. 1112. Agencies that currently receive pregnancy prevention funds
9 and either receive or are eligible for other family planning funds shall
10 have the option of receiving all of their family planning funds directly
11 from the department of community health and be designated as delegate
12 agencies.

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

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

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

20 (a) Provide special formula for eligible clients with specified
21 metabolic and allergic disorders.

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

24 (c) Provide genetic diagnostic and counseling services for eligible
25 families.

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

29 **SUBSTANCE ABUSE GRANTS AND CONTRACTS**

30 Sec. 1301. (1) The funds appropriated in section 101 for the state
31 disability assistance substance abuse services program shall be used to
32 support per diem room and board payments in substance abuse residential
33 facilities. Eligibility of clients for the state disability assistance
34 substance abuse services program shall be determined in accordance with
35 section 805 of Act No. 168 of the Public Acts of 1992.

36 (2) The department shall reimburse all licensed substance abuse

1 programs eligible to participate in the program at a rate equivalent to
2 that paid by the family independence agency to adult foster care
3 providers. Programs accredited by department-approved accrediting
4 organizations shall be reimbursed at the personal care rate, while all
5 other eligible programs shall be reimbursed at the domiciliary care rate.

6 **MEDICAL SERVICES**

7 Sec. 1401. The department of community health shall provide an
8 administrative procedure for the review of grievances by medical services
9 providers with regard to reimbursement under the medical services program.
10 Settlements of properly submitted cost reports shall be paid not later
11 than 9 months from receipt of the final report.

12 Sec. 1402. (1) Except as provided in subsection (2), for care
13 provided to medical services recipients with other third party sources of
14 payment, medical services reimbursement shall not exceed, in combination
15 with such other resources, including medicare part A and excluding
16 medicare part B, those amounts established for medical services-only
17 patients. The medical services payment rate shall be accepted as payment
18 in full. Other than an approved medical services copayment, no portion of
19 a provider's charge shall be billed to the recipient or any person acting
20 on behalf of the recipient. Nothing in this section shall be deemed to
21 affect the level of payment from a third party source other than the
22 medical services program. The department shall require a nonenrolled
23 provider to accept medical services payments as payment in full.

24 (2) Notwithstanding subsection (1), medical services reimbursement for
25 hospital services provided to dual medicare/medical services recipients
26 with medicare part B coverage only shall equal, when combined with
27 payments for medicare and other third party resources, if any, those
28 amounts established for medical services only patients, including capital
29 and direct medical education payments.

30 Sec. 1403. (1) The department shall require copayments on
31 prescriptions, dental, podiatric, chiropractic, vision, and hearing aid
32 services provided to recipients of medical assistance except as excluded
33 by law.

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

36 Sec. 1404. The cost of remedial services incurred by residents of

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

7 Sec. 1405. (1) From the funds appropriated in section 101 for the
8 indigent medical care program, the department shall establish a program
9 which provides for the basic health care needs of indigent persons as
10 delineated in the following subsections.

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

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

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

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

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

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

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

28 (c) Pharmaceutical services.

29 (5) Notwithstanding section 1405 (2)(b), the state may continue to
30 provide nursing facility coverage and medically necessary ancillary
31 services to individuals categorized as permanently residing under color of
32 law and who are residing in such facilities as of August 22, 1996 who only
33 qualify for emergency medicaid services.

34 Sec. 1406. The department may require medical services recipients to
35 receive psychiatric services through a managed care system.

36 Sec. 1407. The department shall continue to implement managed care

1 and shall require medical services recipients residing in counties
2 offering managed care options to choose the particular managed care plan
3 in which they wish to be enrolled. Persons not expressing a preference
4 shall be assigned to a managed care provider.

5 Sec. 1408. (1) The department shall not preauthorize or in any way
6 restrict single-source pharmaceutical products except those single- source
7 pharmaceuticals that have been subject to prior authorization by the
8 department prior to January 1, 1992, and those single-source
9 pharmaceuticals within the categories specified in section 1927(d)(2) of
10 the social security act, 42 U.S.C. 1396s(d), or for the reasons delineated
11 in section 1927(d)(3) of the social security act, 42 U.S.C. 1396s(d).

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

17 Sec. 1409. The department shall assure that all eligible children
18 assigned to medical services managed care programs have timely access to
19 early and periodic screening, diagnosis, and treatment (EPSDT) services as
20 required by federal law.

21 Sec. 1410. (1) The department of community health is authorized to
22 pursue reimbursement for eligible services provided in Michigan schools
23 from the federal medicaid program. The department and the department of
24 management and budget are authorized to negotiate and enter into
25 agreements, together with the department of education, with local and
26 intermediate school districts regarding the sharing of federal medicaid
27 services funds received for these services. The department is authorized
28 to receive and disburse funds to participating school districts pursuant
29 to such agreements and state and federal law.

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

33 a) Finance activities within the medical services administration
34 related to this project.

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

1 subsection (1).

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

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

9 Sec. 1411. The special adjustor appropriation in section 101 may be
10 increased if the department submits a medical services state plan
11 amendment pertaining to this line item at a level higher than the
12 appropriation and receives an indication of approval of the amendment from
13 the health care financing administration. The department is authorized to
14 appropriately adjust financing sources in accordance with the increased
15 appropriation.

16 Sec. 1412. Medical services shall be provided to elderly and disabled
17 persons with incomes less than or equal to 100% of the official poverty
18 line, pursuant to the state's option to elect such coverage set out at
19 section 1902(a)(10)(A)(ii) and (m) of title XIX of the social security
20 act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396a.

21 Sec. 1413. The department may fund home and community-based services
22 in lieu of nursing home services, for individuals seeking long-term care
23 services, from the nursing home or personal care in-home services line
24 items.

25 Sec. 1414. The department of community health shall distribute
26 \$695,000.00 to children's hospitals that have a high indigent care volume.
27 The amount to be distributed to any given hospital shall be based on a
28 formula determined by the department of community health.

29 Sec. 1415. (1) The department shall implement enforcement actions as
30 specified in the nursing facility enforcement provisions of 42 U.S.C.
31 1396r.

32 (2) The department is authorized to receive and expend penalty money
33 received as the result of noncompliance with medical services
34 certification regulations. Penalty money, characterized as private funds,
35 are appropriated upon receipt in the long-term care accounts.

36 (3) Any unexpended penalty revenue, at the end of the year, shall

1 carry over to the following year.

2 Sec. 1416. The department shall notify the medical services managed
3 care provider of an address for each enrolled recipient at the time of
4 enrollment and whenever there is a subsequent address change.

5 Sec. 1417. (1) Medical services patients who are enrolled in
6 qualified health plans or capitated clinic plans have the choice to elect
7 hospice services or other services for the terminally ill that are offered
8 by the qualified health plan or clinic plan. If the patient elects
9 hospice services, those services shall be provided in accordance with 214
10 of the public health code, Act No. 368 of the Public Acts of 1978, being
11 sections 333.21401 to 333.21420 of the Michigan Compiled Laws.

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

16 Sec. 1418. (1) From the funds appropriated in section 101 for
17 outpatient hospital indigent adjustor, the department, subject to the
18 requirements and limitations in this section, shall establish a funding
19 pool of up to \$44,012,800.00 for the purpose of enhancing the aggregate
20 payment for medical services hospital outpatient services. Such payments,
21 if any, may be made as a gross adjustment to hospital outpatient payments
22 or by another mechanism or schedule as determined by the department, which
23 meets the intent of this section.

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

31 Sec. 1419. An institutional provider that is required to submit a
32 cost report under the medical services program shall submit cost reports
33 completed in full within 5 months after the end of its fiscal year.

34 Sec. 1420. All nursing home rates, class I and class III, must have
35 their respective fiscal year rate set 30 days prior to the beginning of
36 their rate year. The rates shall be set based on the most recent cost

1 report prepared and filed timely in accordance with medicaid policy and
2 certified by the preparer, provider, corporate owner, or representative as
3 being true, accurate, prepared with knowledge and consent, and containing
4 no untrue, misleading, or deceptive information. If the audited version
5 of the last report is available, it shall be used. Any rates set based on
6 the filed cost report may be retroactively adjusted upon completion of the
7 audit of that cost report.

8 Sec. 1421. (1) In cooperation with the family independence agency,
9 the department may establish a statewide program for persons who work
10 their way off welfare to purchase medicaid coverage at a rate determined
11 by the department.

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

14 Sec. 1422. Mandatory enrollment of medicaid eligible persons in
15 qualified health plans may occur for the elderly, the disabled, the
16 medically needy, individuals with mental illness, individuals who have a
17 developmental disability, children with serious emotional disturbance, and
18 recipients of children's special health care services if both of the
19 following conditions are met:

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

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

26 Sec. 1423. The department shall establish uniform quality and
27 reporting standards for all qualified health plans with which it
28 contracts. At least 30 days prior to the implementation of such
29 standards, the department shall report on the standards developed to the
30 house and senate appropriations subcommittees on community health and the
31 house and senate fiscal agencies.

32 Sec. 1424. (1) Medicaid qualified health plans shall establish an
33 ongoing internal quality assurance program for health care services
34 provided to medicaid recipients which includes:

35 (a) An emphasis on health outcomes.

36 (b) Establishment of written protocols for utilization review based on

1 current standards of medical practice.

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

4 (d) Evaluation of the continuity and coordination of care that
5 enrollees receive.

6 (e) Mechanisms to detect overutilization and underutilization of
7 services.

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

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

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

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

21 (3) The department of community health shall obtain from those
22 qualified health plans and clinic plans with which the department
23 contracts patient-based utilization data, including immunizations, early
24 and periodic screenings, diagnoses, and treatments, substance abuse
25 services, and maternal and infant support services referrals. The format
26 and frequency of reporting shall be specified by the department.

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

32 (5) Medicaid qualified health plans shall provide for reimbursement of
33 services delivered other than through the plan's providers if medically
34 necessary and approved by the plan, immediately required, and which could
35 not reasonably be obtained through the plan's providers.

36 (6) Medicaid qualified health plans shall provide access to

1 appropriate providers, including qualified specialists for all medically
2 necessary services.

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

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

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

14 (10) Medicaid qualified health plans shall meet other standards and
15 requirements contained in state laws, administrative rules, and policies
16 promulgated by the department. The department may establish alternative
17 standards and requirements that specify financial safeguards for
18 organizations not otherwise covered by existing law.

19 Sec. 1425. From the funds appropriated in section 101 for health plan
20 services, the department may contract for the assessment of quality in
21 qualified health plans which enroll medicaid recipients. Organizations
22 providing such quality reviews shall meet the requirements of the
23 department and include the following functions:

24 (a) Review of plan performance based on accepted quality performance
25 criteria.

26 (b) Utilization of quality indicators and standards developed
27 specifically for the medicaid population.

28 c) Promote accountability for improved plan performance.

29 Sec. 1426. Medicaid qualified health plans shall not directly market
30 their services to or enroll medicaid eligible persons. The department
31 shall provide or arrange for assistance to medicaid enrollees in
32 understanding, electing, and using the managed care plans available.
33 Information regarding the available health plans and enrollment materials
34 shall be provided through local family independence agency offices during
35 the eligibility determination and redetermination process, and at other
36 locations specified by the department.

1 Sec. 1427. The department may require a 6-month lock-in to the
2 qualified health plan selected by the recipient during the initial and
3 subsequent open enrollment periods, but allow for good cause exceptions
4 during the lock in period.

5 Sec. 1428. The department shall provide an expedited complaint review
6 procedure for medicaid eligible persons enrolled in qualified health plans
7 for situations where failure to receive any health care service would
8 result in significant harm to the enrollee.

9 Sec. 1429. The department shall contract for enrollee services. Such
10 organizations shall not be involved in the delivery of medicaid capitated
11 health plan services. Enrollee services shall help medicaid recipients
12 make an informed choice regarding plan enrollment, assist with enrollee
13 satisfaction and access surveys, and access appropriate complaint and
14 grievance systems. The department shall make the results of enrollee
15 satisfaction and access surveys available to the legislature and the
16 public.

17 Sec. 1430. (1) The department may develop a program for providing
18 services to medical assistance recipients under a risk sharing capitation
19 arrangement, through contracts with provider sponsored networks, qualified
20 health plans, and other organizations. The department shall award
21 contracts under the program at least every 5 years based on a competitive
22 bidding process. In developing a program under this section, the
23 department shall consult with providers, medical assistance recipients,
24 and other interested parties. The following provisions shall be
25 considered in any program:

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

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

36 Sec. 1431. The mother of an unborn child shall be eligible for

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

8 Sec. 1432. The protected income level for medicaid coverage
9 determined pursuant to section 106(1)(b)(iii) of the social welfare act,
10 Act No. 280 of the Public Acts of 1939, being section 400.106 of the
11 Michigan Compiled Laws, shall be 100% of the related public assistance
12 standard.

13 Sec. 1433. For the purpose of guardian and conservator charges, the
14 department of community health may deduct up to \$60.00 per month as an
15 allowable expense against a recipient's income when determining medical
16 services eligibility and patient pay amounts.

17 Sec. 1434. In cooperation with other appropriate departments, the
18 department shall initiate a pilot project for the use of medicaid program
19 eligibility cards which simplify eligibility verification and assist in
20 tracking and controlling medicaid utilization.

21 Sec. 1435. In order to ensure continued delivery of quality services
22 consistent with the funds appropriated in section 101, the department may
23 expand the number of services purchased through competitively bid
24 contracts including the competitively bid purchase of capitated long term
25 care services.

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