

**SUBSTITUTE FOR
HOUSE BILL NO. 4299**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2000; 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

PART 1

2

LINE-ITEM APPROPRIATIONS

3

4

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Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HB4299, As Passed House, 032499

Sub. H.B. 4299 (H-1) as amended March 24, 1999
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For Fiscal Year Ending
September 30, 2000

1 DEPARTMENT OF COMMUNITY HEALTH

| | | | |
|----|---|---------|-----------------|
| 2 | Full-time equated unclassified positions..... | 6.0 | |
| 3 | Full-time equated classified positions..... | 6,127.3 | |
| 4 | Average population..... | 1,428.0 | |
| 5 | GROSS APPROPRIATION..... | \$ | [7,870,445,500] |
| 6 | Interdepartmental grant revenues: | | |
| 7 | Total interdepartmental grants and intradepartmental | | |
| 8 | transfers..... | \$ | 70,651,900 |
| 9 | ADJUSTED GROSS APPROPRIATION..... | \$ | [7,799,793,600] |
| 10 | Federal revenues: | | |
| 11 | Total federal revenues..... | | 4,065,811,400 |
| 12 | Special revenue funds: | | |
| 13 | Total local revenues..... | | 814,567,500 |
| 14 | Total private revenues..... | | 46,442,000 |
| 15 | Total other state restricted revenues..... | | [323,542,300] |
| 16 | State general fund/general purpose..... | \$ | [2,549,430,400] |
| 17 | Sec. 102. DEPARTMENTWIDE ADMINISTRATION | | |
| 18 | Full-time equated unclassified positions..... | 6.0 | |
| 19 | Full-time equated classified positions..... | 489.7 | |
| 20 | Director and other unclassified--6.0 FTE positions... | \$ | 556,400 |
| 21 | Community health advisory council..... | | 28,900 |
| 22 | Departmental administration and management--479.7 FTE | | |
| 23 | positions..... | | 50,136,800 |
| 24 | Worker's compensation program--1.0 FTE positions..... | | 11,956,900 |
| 25 | Rent..... | | 3,487,200 |
| 26 | Building occupancy charges..... | | 4,184,000 |

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For Fiscal Year Ending
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| | | |
|----|--|------------------|
| 1 | Developmental disabilities council and projects--9.0 | |
| 2 | FTE positions..... | <u>2,280,200</u> |
| 3 | GROSS APPROPRIATION..... | \$ 72,630,400 |
| 4 | Appropriated from: | |
| 5 | Interdepartmental grant revenues: | |
| 6 | Interdepartmental grant from the department of trea- | |
| 7 | sury, Michigan state hospital finance authority.... | 95,500 |
| 8 | Federal revenues: | |
| 9 | Total federal revenues..... | 19,849,700 |
| 10 | Special revenue funds: | |
| 11 | Private funds..... | 27,900 |
| 12 | Total other state restricted revenues..... | 3,481,000 |
| 13 | State general fund/general purpose..... | \$ 49,176,300 |
| 14 | Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION | |
| 15 | AND SPECIAL PROJECTS | |
| 16 | Full-time equated classified positions.....123.2 | |
| 17 | Mental health/substance abuse program | |
| 18 | administration--114.2 FTE positions..... | \$ [9,826,900] |
| 19 | Consumer involvement program..... | 291,600 |
| 20 | Gambling addiction..... | 3,000,000 |
| 21 | Protection and advocacy services support..... | 818,300 |
| 22 | Mental health initiatives for older persons..... | 1,165,800 |
| 23 | Purchase of psychiatric residency training..... | 3,635,100 |
| 24 | Community residential and support services--9.0 FTE | |
| 25 | positions..... | 5,588,400 |
| 26 | Highway safety projects..... | 2,337,200 |

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| | | |
|----|---|--------------------|
| 1 | Federal and other special projects..... | <u>7,427,200</u> |
| 2 | GROSS APPROPRIATION..... | \$ [34,090,500] |
| 3 | Appropriated from: | |
| 4 | Federal revenues: | |
| 5 | Total federal revenues..... | 11,433,100 |
| 6 | Special revenue funds: | |
| 7 | Total private revenues..... | 125,000 |
| 8 | Total other state restricted revenues..... | 3,182,300 |
| 9 | State general fund/general purpose..... | \$ [19,350,100] |
| 10 | Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES | |
| 11 | PROGRAMS | |
| 12 | Full-time equated classified positions..... | 4.0 |
| 13 | Community mental health programs..... | \$ [1,614,997,300] |
| 14 | Civil service charges..... | 2,606,400 |
| 15 | Federal mental health block grant--2.0 FTE positions. | 10,849,900 |
| 16 | Pilot projects in prevention for adults and | |
| 17 | children--2.0 FTE positions..... | 1,519,300 |
| 18 | State disability assistance program substance abuse | |
| 19 | services..... | 6,600,000 |
| 20 | Community substance abuse prevention, education and | |
| 21 | treatment programs..... | <u>105,040,400</u> |
| 22 | GROSS APPROPRIATION..... | \$ [1,741,613,300] |
| 23 | Appropriated from: | |
| 24 | Federal revenues: | |
| 25 | Total federal revenues..... | 713,224,300 |
| 26 | Special revenue funds: | |

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| | | |
|----|--|--------------------|
| 1 | Total other state restricted revenues..... | 6,242,400 |
| 2 | State general fund/general purpose..... | \$ [1,022,146,600] |
| 3 | Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH | |
| 4 | DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH | |
| 5 | SERVICES | |
| 6 | Total average population..... | 1,428.0 |
| 7 | Full-time equated classified positions..... | 4,580.0 |
| 8 | Caro regional mental health center-psychiatric | |
| 9 | hospital-adult--492.0 FTE positions..... | \$ 28,508,800 |
| 10 | Average population..... | 180.0 |
| 11 | Kalamazoo psychiatric hospital-adult--383.0 FTE | |
| 12 | positions..... | 27,591,300 |
| 13 | Average population..... | 130.0 |
| 14 | Northville psychiatric hospital-adult--780.0 FTE | |
| 15 | positions..... | 58,326,800 |
| 16 | Average population..... | 325.0 |
| 17 | Walter P. Reuther psychiatric hospital-adult--436.0 | |
| 18 | FTE positions..... | 32,737,200 |
| 19 | Average population..... | 210.0 |
| 20 | Hawthorn center-psychiatric hospital-children and | |
| 21 | adolescents--329.0 FTE positions..... | 21,787,700 |
| 22 | Average population..... | 118.0 |
| 23 | Mount Pleasant center-developmental | |
| 24 | disabilities--481.0 FTE positions..... | 30,206,300 |
| 25 | Average population..... | 195.0 |
| 26 | Southgate center-developmental disabilities--206.0 | |
| 27 | FTE positions..... | 16,242,100 |

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| | | | |
|----|---|-------|------------------|
| 1 | Average population..... | 60.0 | |
| 2 | Center for forensic psychiatry--522.0 FTE positions.. | | 37,197,100 |
| 3 | Average population..... | 210.0 | |
| 4 | Forensic mental health services provided to the | | |
| 5 | department of corrections--938.0 FTE positions..... | | 69,954,400 |
| 6 | Revenue recapture..... | | 750,000 |
| 7 | IDEA, federal special education..... | | 92,000 |
| 8 | Special maintenance and equipment..... | | 1,054,000 |
| 9 | Purchase of medical services for residents of hospi- | | |
| 10 | tals and centers..... | | 1,700,000 |
| 11 | Closed site, transition, and related costs--13.0 FTE | | |
| 12 | positions..... | | 455,500 |
| 13 | Severance pay..... | | 896,000 |
| 14 | Gifts and bequests for patient living and treatment | | |
| 15 | environment..... | | <u>2,000,000</u> |
| 16 | GROSS APPROPRIATION..... | \$ | 329,499,200 |
| 17 | Appropriated from: | | |
| 18 | Interdepartmental grant revenues: | | |
| 19 | Interdepartmental grant from the department of | | |
| 20 | corrections..... | | 69,954,400 |
| 21 | Federal revenues: | | |
| 22 | Total federal revenues..... | | 31,062,500 |
| 23 | Special revenue funds: | | |
| 24 | CMHSP-Purchase of state services contracts..... | | 155,560,700 |
| 25 | Other local revenues..... | | 15,819,900 |
| 26 | Private funds..... | | 2,000,000 |

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| | | |
|----|--|------------------|
| 1 | Total other state restricted revenues..... | 15,987,800 |
| 2 | State general fund/general purpose..... \$ | 39,113,900 |
| 3 | Sec. 106. PUBLIC HEALTH ADMINISTRATION | |
| 4 | Full-time equated classified positions.....88.3 | |
| 5 | Executive administration--15.5 FTE positions..... \$ | 1,320,200 |
| 6 | Minority health grants and contracts..... | 650,000 |
| 7 | Vital records and health statistics--72.8 FTE | |
| 8 | positions..... | <u>5,775,600</u> |
| 9 | GROSS APPROPRIATION..... \$ | 7,745,800 |
| 10 | Appropriated from: | |
| 11 | Interdepartmental grant revenues: | |
| 12 | Interdepartmental grant from family independence | |
| 13 | agency..... | 135,600 |
| 14 | Federal revenues: | |
| 15 | Total federal revenue..... | 2,763,100 |
| 16 | Special revenue funds: | |
| 17 | Total other state restricted revenues..... | 1,767,700 |
| 18 | State general fund/general purpose..... \$ | 3,079,400 |
| 19 | Sec. 107. INFECTIOUS DISEASE CONTROL | |
| 20 | Full-time equated classified positions.....44.3 | |
| 21 | AIDS prevention, testing and care programs--9.8 FTE | |
| 22 | positions..... \$ | 20,292,300 |
| | [Hepatitis A immunization program in Calhoun county... | 100] |
| 23 | Immunization local agreements..... | 11,322,500 |
| 24 | Immunization program management and field | |
| 25 | support--7.7 FTE positions..... | 1,873,100 |
| 26 | Sexually transmitted disease control local agreements | 2,355,700 |

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| | | |
|----|---|------------------|
| 1 | Sexually transmitted disease control management and | |
| 2 | field support--26.8 FTE positions..... | <u>2,747,400</u> |
| 3 | GROSS APPROPRIATION..... | \$ [38,591,100] |
| 4 | Appropriated from: | |
| 5 | Federal revenues: | |
| 6 | Total federal revenues..... | 27,076,900 |
| 7 | Special revenue funds: | |
| 8 | Local funds..... | 242,700 |
| 9 | Private funds..... | 710,000 |
| 10 | Total other state restricted revenues..... | [6,923,600] |
| 11 | State general fund/general purpose..... | \$ 3,637,900 |
| 12 | Sec. 108. LABORATORY SERVICES | |
| 13 | Full-time equated classified positions.....118.2 | |
| 14 | Laboratory services--118.2 FTE positions..... | \$ 10,863,500 |
| 15 | Lyme disease grant..... | <u>75,000</u> |
| 16 | GROSS APPROPRIATION..... | \$ 10,938,500 |
| 17 | Appropriated from: | |
| 18 | Interdepartmental grant revenues: | |
| 19 | Interdepartmental grant from environmental quality... | 385,800 |
| 20 | Federal revenues: | |
| 21 | Total federal revenues..... | 1,172,900 |
| 22 | Special revenue funds: | |
| 23 | Total other state restricted revenues..... | 3,012,800 |
| 24 | State general fund/general purpose..... | \$ 6,367,000 |
| 25 | Sec. 109. EPIDEMIOLOGY | |
| 26 | Full-time equated classified positions.....31.5 | |

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| | | | |
|----|---|----|----------------|
| 1 | AIDS surveillance and prevention program--7.0 FTE | | |
| 2 | positions..... | \$ | 1,772,800 |
| 3 | Epidemiology administration--24.5 FTE positions..... | | 4,304,200 |
| 4 | Tuberculosis control program..... | | <u>498,300</u> |
| 5 | GROSS APPROPRIATION..... | \$ | 6,575,300 |
| 6 | Appropriated from: | | |
| 7 | Interdepartmental grant revenues: | | |
| 8 | Interdepartmental grant from the department of envi- | | |
| 9 | ronmental quality..... | | 80,600 |
| 10 | Federal revenues: | | |
| 11 | Total federal revenues..... | | 4,311,100 |
| 12 | Special revenue funds: | | |
| 13 | Total other state restricted revenues..... | | 231,000 |
| 14 | State general fund/general purpose..... | \$ | 1,952,600 |
| 15 | Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS | | |
| 16 | Full-time equated classified positions.....3.0 | | |
| 17 | Implementation of 1993 PA 133, MCL 333.17015..... | \$ | 100,000 |
| 18 | Lead abatement program--3.0 FTE positions..... | | 1,818,200 |
| 19 | Local health services..... | | 462,300 |
| 20 | Local public health operations..... | | 39,874,000 |
| 21 | Medical services cost reimbursement to local health | | |
| 22 | departments..... | | 1,800,000 |
| 23 | Special populations health care..... | | <u>620,600</u> |
| 24 | GROSS APPROPRIATION..... | \$ | 44,675,100 |
| 25 | Appropriated from: | | |
| 26 | Federal revenues: | | |

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| | | |
|----|---|------------------|
| 1 | Total federal revenues..... | 3,773,700 |
| 2 | Special revenue funds: | |
| 3 | Total other state restricted revenues..... | 243,500 |
| 4 | State general fund/general purpose..... \$ | 40,657,900 |
| 5 | Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH | |
| 6 | PROMOTION | |
| 7 | Full-time equated classified positions.....33.7 | |
| | [African-American male health initiative..... \$ | 100] |
| 8 | AIDS and risk reduction clearinghouse and media | |
| 9 | campaign..... | 1,576,000 |
| 10 | Alzheimer's information network..... | 200,000 |
| 11 | Cancer prevention and control program--13.6 FTE | |
| 12 | positions..... | 12,655,100 |
| 13 | Chronic disease prevention..... | 1,420,100 |
| 14 | Diabetes local agreements..... | 2,360,300 |
| 15 | Early childhood collaborative secondary prevention... | 60,400 |
| 16 | Employee wellness program grants..... | 4,250,000 |
| 17 | Health education, promotion, and research | |
| 18 | programs--11.9 FTE positions..... | 2,026,300 |
| 19 | Injury control intervention project..... | 241,000 |
| 20 | Physical fitness, nutrition, and health..... | 1,250,000 |
| 21 | Public health traffic safety coordination..... | 115,000 |
| 22 | School health and education programs..... | 2,080,000 |
| 23 | Smoking prevention program--6.2 FTE positions..... | 7,849,600 |
| 24 | Violence prevention--2.0 FTE positions..... | <u>3,089,600</u> |
| 25 | GROSS APPROPRIATION..... \$ | [39,173,500] |
| 26 | Appropriated from: | |

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| | | |
|----|---|--------------|
| 1 | Federal revenues: | |
| 2 | Total federal funds..... | 12,058,200 |
| 3 | Special revenue funds: | |
| 4 | Total other state restricted revenues..... | [24,281,200] |
| 5 | State general fund/general purpose..... \$ | 2,834,100 |
| 6 | Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES | |
| 7 | Full-time equated classified positions.....129.8 | |
| 8 | Adolescent health care services..... \$ | 2,892,300 |
| 9 | Community living, children, and families | |
| 10 | administration--114.3 FTE positions..... | 10,746,900 |
| 11 | Dental programs..... | 260,400 |
| 12 | Dental program for persons with developmental | |
| 13 | disabilities..... | 151,000 |
| 14 | Family planning local agreements..... | 8,100,000 |
| 15 | Family support subsidy..... | 14,014,400 |
| 16 | Lead paint program..... | 491,800 |
| 17 | Local MCH services..... | 8,354,200 |
| 18 | Maternal and child health outreach and advocacy | |
| 19 | programs..... | 4,800,000 |
| 20 | Migrant health care..... | 166,100 |
| 21 | Newborn screening follow-up and treatment services... | 2,480,700 |
| 22 | Pediatric AIDS prevention and control..... | 871,100 |
| 23 | Pregnancy prevention program..... | 7,196,100 |
| 24 | Prenatal care outreach and service delivery support.. | 7,987,900 |
| 25 | Special projects--5.5 FTE positions..... | 6,004,300 |
| 26 | Sudden infant death syndrome program..... | 121,300 |

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| | | |
|----|--|------------------|
| 1 | Women, infants, and children program local agreements | |
| 2 | and food costs..... | 154,128,100 |
| 3 | Children's waiver home care program..... | 21,713,700 |
| 4 | Southwest community partnership..... | 1,000,000 |
| 5 | Omnibus reconciliation implementation--9.0 FTE | |
| 6 | positions..... | 12,677,100 |
| 7 | Housing and support services--1.0 FTE positions..... | <u>4,251,800</u> |
| 8 | GROSS APPROPRIATION..... | \$ 268,409,200 |
| 9 | Appropriated from: | |
| 10 | Federal revenues: | |
| 11 | Total federal revenue..... | 179,478,300 |
| 12 | Special revenue funds: | |
| 13 | Private funds..... | 41,954,100 |
| 14 | Total other state restricted revenues..... | 8,489,600 |
| 15 | State general fund/general purpose..... | \$ 38,487,200 |
| 16 | Sec. 113. CHILDREN'S SPECIAL HEALTH CARE SERVICES | |
| 17 | Full-time equated classified positions.....66.6 | |
| 18 | Bequests for care and services..... | \$ 1,254,600 |
| 19 | Medical care and treatment..... | 118,661,600 |
| 20 | Children's special health care services | |
| 21 | administration--66.6 FTE positions..... | <u>5,228,800</u> |
| 22 | GROSS APPROPRIATION..... | \$ 125,145,000 |
| 23 | Appropriated from: | |
| 24 | Federal revenues: | |
| 25 | Total federal revenue..... | 58,336,300 |
| 26 | Special revenue funds: | |

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| | | |
|----|--|-------------------|
| 1 | Private bequests..... | 900,000 |
| 2 | Total other state restricted revenues..... | 4,048,500 |
| 3 | State general fund/general purpose..... \$ | 61,860,200 |
| 4 | Sec. 114. OFFICE OF DRUG POLICY CONTROL | |
| 5 | Full-time equated classified positions.....17.0 | |
| 6 | Drug control policy--17.0 FTE positions..... \$ | 1,686,800 |
| 7 | Anti-drug abuse grants..... | <u>33,400,000</u> |
| 8 | GROSS APPROPRIATION..... \$ | 35,086,800 |
| 9 | Appropriated from: | |
| 10 | Federal revenues: | |
| 11 | Total federal revenue..... | 34,912,400 |
| 12 | State general fund/general purpose..... \$ | 174,400 |
| 13 | Sec. 115. CRIME VICTIM SERVICES COMMISSION | |
| 14 | Full-time equated classified positions.....9.0 | |
| 15 | Grants administration services--9.0 FTE positions.... \$ | 893,200 |
| 16 | Justice assistance grants..... | 9,000,000 |
| 17 | Crime victim rights services grants..... | <u>6,829,600</u> |
| 18 | GROSS APPROPRIATION..... \$ | 16,722,800 |
| 19 | Appropriated from: | |
| 20 | Federal revenues: | |
| 21 | Total federal revenues..... | 9,784,900 |
| 22 | Special revenue funds: | |
| 23 | Total other state restricted revenues..... | 6,452,700 |
| 24 | State general fund/general purpose..... \$ | 485,200 |
| 25 | Sec. 116. OFFICE OF SERVICES TO THE AGING | |
| 26 | Full-time equated classified positions.....36.5 | |

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| | | | |
|----|---|-------|--------------|
| 1 | Commission (per diem \$50.00)..... | \$ | 10,500 |
| 2 | Office of services to aging administration--36.5 FTE | | |
| 3 | positions..... | | 3,872,100 |
| 4 | Community services..... | | 26,823,400 |
| 5 | Nutrition services..... | | 28,285,700 |
| 6 | Senior volunteer services..... | | 4,220,800 |
| 7 | Senior citizen centers staffing and equipment..... | | 1,140,700 |
| 8 | Employment assistance..... | | 2,632,700 |
| 9 | DAG commodity supplement..... | | 7,200,000 |
| 10 | Michigan pharmaceutical program..... | | 6,000,000 |
| 11 | Respite care program..... | | 3,500,000 |
| | [Senior Olympics..... | | <u>100]</u> |
| 12 | GROSS APPROPRIATION..... | \$ | [83,686,000] |
| 13 | Appropriated from: | | |
| 14 | Federal revenues | | |
| 15 | Total federal revenues..... | | 41,292,100 |
| 16 | Special revenue funds: | | |
| 17 | Total private revenue..... | | 125,000 |
| 18 | Total other state restricted revenues..... | | [8,500,800] |
| 19 | State general fund/general purpose..... | \$ | 33,768,100 |
| 20 | Sec. 117. MEDICAL SERVICES ADMINISTRATION | | |
| 21 | Full-time equated classified positions..... | 352.5 | |
| 22 | Medical services administration--350.7 FTE positions. | \$ | 44,820,900 |
| 23 | Data processing contractual services..... | | 100 |
| 24 | Facility inspection contract - state police..... | | 132,800 |
| 25 | MIChild administration..... | | 3,327,800 |
| 26 | Michigan essential health care provider..... | | 1,229,100 |

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| | | |
|----|---|----------------------|
| 1 | Primary care services--1.8 FTE positions..... | <u>2,143,900</u> |
| 2 | GROSS APPROPRIATION..... \$ | 51,654,600 |
| 3 | Appropriated from: | |
| 4 | Federal revenues: | |
| 5 | Total federal revenues..... | 33,308,100 |
| 6 | Special revenue funds: | |
| 7 | Private funds..... | 100,000 |
| 8 | Total other state restricted revenues..... | 763,300 |
| 9 | State general fund/general purpose..... \$ | 17,483,200 |
| 10 | Sec. 118. MEDICAL SERVICES | |
| 11 | Medical services noncapitated..... \$ | 1,186,274,600 |
| 12 | Hospital disproportionate share payments..... | 45,000,000 |
| 13 | Medicare premium payments..... | 140,895,000 |
| 14 | Long-term care services..... | 981,618,700 |
| 15 | Health plan services..... | 1,292,222,700 |
| 16 | MIChild outreach..... | 3,327,800 |
| 17 | MIChild program..... | 57,567,100 |
| 18 | Personal care services..... | 24,262,000 |
| 19 | Maternal and child health..... | 9,234,500 |
| 20 | Adult home help..... | 160,870,600 |
| 21 | Social services to the physically disabled..... | 1,344,900 |
| 22 | Subtotal basic medical services program..... | 3,902,617,900 |
| 23 | Outpatient hospital adjustor..... | 44,012,800 |
| 24 | School based services..... | 142,782,300 |
| 25 | Special adjustor payments..... | 874,795,400 |
| 26 | Subtotal special medical services payments..... | <u>1,061,590,500</u> |

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| | | | |
|----|--|----|---------------|
| 1 | GROSS APPROPRIATION..... | \$ | 4,964,208,400 |
| 2 | Appropriated from: | | |
| 3 | Federal revenues: | | |
| 4 | Total federal revenues..... | | 2,881,973,800 |
| 5 | Special revenue funds: | | |
| 6 | Local revenues..... | | 642,944,200 |
| 7 | Private funds..... | | 500,000 |
| 8 | Tobacco company litigation fund..... | | 50,000 |
| 9 | Total other state restricted revenues..... | | 229,884,100 |
| 10 | State general fund/general purpose..... | \$ | 1,208,856,300 |

11

12

13 PART 2

14 PROVISIONS CONCERNING APPROPRIATIONS

15 GENERAL SECTIONS

16 Sec. 201. (1) Pursuant to section 30 of article IX of the state
17 constitution of 1963, total state spending in part 1 from state sources
18 for fiscal year 1999-2000 is estimated at [\$2,872,972,700.00]. The item-
19 ized statement below identifies appropriations from which spending to
20 units of local government will occur:

21 DEPARTMENT OF COMMUNITY HEALTH

22 DEPARTMENTWIDE ADMINISTRATION

| | | | |
|----|---|----|-----------|
| 23 | Departmental administration and management..... | \$ | 1,618,000 |
|----|---|----|-----------|

24 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

25 PROGRAMS

26 Pilot projects in prevention for adults and

| | | | |
|----|---------------|--|-----------|
| 27 | children..... | | 1,441,800 |
|----|---------------|--|-----------|

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17

| | | |
|----|--|---------------|
| 1 | Community substance abuse prevention, education, | |
| 2 | and treatment programs..... | 19,419,700 |
| 3 | Community mental health programs..... | [836,078,000] |
| 4 | INFECTIOUS DISEASE CONTROL | |
| 5 | AIDS prevention, testing, and care programs..... | 1,466,800 |
| 6 | Sexually transmitted disease control programs..... | 452,900 |
| | [Hepatitis A immunization program in Calhoun county... | 100] |
| 7 | LOCAL HEALTH ADMINISTRATION AND GRANTS | |
| 8 | Special population health care..... | 29,600 |
| 9 | Local public health operations..... | 39,874,000 |
| 10 | CHRONIC DISEASE, INJURY, AND HEALTH PROMOTION | |
| 11 | Cancer prevention and control program..... | 397,000 |
| 12 | Diabetes local agreements..... | 1,275,000 |
| 13 | Employee wellness programs..... | 1,545,100 |
| 14 | School health and education programs..... | 2,000,000 |
| 15 | Smoking prevention program..... | 2,880,000 |
| 16 | COMMUNITY LIVING, CHILDREN, AND FAMILIES | |
| 17 | Adolescent health care services..... | 1,358,000 |
| 18 | Family planning local agreements..... | 1,230,300 |
| 19 | Family support subsidy..... | 7,006,900 |
| 20 | Homelessness formula grant program - state match..... | 708,800 |
| 21 | Local MCH services..... | 246,100 |
| 22 | OBRA implementation..... | 2,459,100 |
| 23 | Pregnancy prevention program..... | 2,511,800 |
| 24 | Prenatal care outreach and service delivery support.. | 3,190,000 |
| 25 | CHILDREN'S SPECIAL HEALTH CARE SERVICES | |
| 26 | Case management services..... | 1,433,200 |

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| | | |
|----|---|--------------------|
| 1 | MEDICAL SERVICES | |
| 2 | Indigent medical program..... | 1,383,800 |
| 3 | Hospital disproportionate share payments..... | 18,000,000 |
| 4 | Medical services noncapitated..... | 31,509,100 |
| 5 | Health plan services..... | 54,575,700 |
| 6 | OFFICE OF SERVICES TO THE AGING | |
| 7 | Community services..... | 13,681,400 |
| 8 | Nutrition services..... | 12,363,000 |
| 9 | Senior volunteer services..... | 3,845,300 |
| 10 | Michigan emergency pharmaceutical program..... | 140,000 |
| 11 | Respite care program..... | 2,000,000 |
| 12 | CRIME VICTIMS SERVICES COMMISSION | |
| 13 | Crime victims' rights services grants..... | <u>3,400,000</u> |
| 14 | TOTAL OF PAYMENTS TO LOCAL UNITS | |
| 15 | OF GOVERNMENT..... | \$ [1,069,520,500] |
| 16 | (2) If it appears to the principal executive officer of a department | |
| 17 | or branch that state spending to local units of government will be less | |
| 18 | than the amount that was projected to be expended under subsection (1), | |
| 19 | the principal executive officer shall immediately give notice of the | |
| 20 | approximate shortfall to the state budget director. | |
| 21 | Sec. 202. The expenditures and funding sources authorized under | |
| 22 | this act are subject to the management and budget act, 1984 PA 431, | |
| 23 | MCL 18.1101 to 18.1594. | |
| 24 | Sec. 203. Funds for which the state is acting as the custodian or | |
| 25 | agent are not subject to annual appropriation. | |
| 26 | Sec. 204. As used in this act: | |

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1 (a) "ACCESS" means Arab community center for economic and social
2 services.

3 (b) "AIDS" means acquired immunodeficiency syndrome.

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

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

8 (e) "Department" means the Michigan department of community health.

9 (f) "DSH" means disproportionate share hospital.

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

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

12 (i) "HMO" means health maintenance organization.

13 (j) "IDEA" means individual disability education act.

14 (k) "MCH" means maternal and child health.

15 (l) "OBRA" means the omnibus budget reconciliation act of 1987,
16 Public Law 100-203, 101 Stat. 1330.

17 (m) "Qualified health plan" means, at a minimum, an organization
18 that meets the criteria for delivering the comprehensive package of serv-
19 ices under the department's comprehensive health plan.

20 (n) "Title XVIII" means title XVIII of the social security act,
21 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395b-6 to
22 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u to
23 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28, 1395x to 1395yy, and
24 1395bbb to 1395ggg.

25 (o) "Title XIX" means title XIX of the social security act, chapter
26 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f, 1396g-1 to 1396r-6,
27 and 1396r-8 to 1396v.

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1 Sec. 206. (1) Beginning October 1, 1999, a hiring freeze is imposed
2 on the state classified civil service. State departments and agencies
3 are prohibited from hiring any new full-time state classified civil serv-
4 ice employees and prohibited from filling any vacant state classified
5 civil service positions. This hiring freeze does not apply to internal
6 transfers of classified employees from 1 position to another within a
7 department or to positions that are funded with 80% or more federal or
8 restricted funds.

9 (2) The state budget director shall grant exceptions to this hiring
10 freeze when the state budget director believes that the hiring freeze
11 will result in rendering a state department or agency unable to deliver
12 basic services.

13 Sec. 207. If the revenue collected by the department from fees and
14 collections exceeds the amount appropriated in part 1, the revenue may be
15 carried forward into the subsequent fiscal year. The revenue carried
16 forward under this section shall be used as the first source of funds in
17 the subsequent fiscal year.

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

| | | |
|--|----|-------------|
| 22 (a) Maternal and child health block grant..... | \$ | 19,886,800. |
| 23 (b) Preventive health and health services block grant | \$ | 4,982,300. |
| 24 (c) Substance abuse block grant..... | \$ | 64,742,300. |
| 25 (d) Healthy Michigan fund..... | \$ | 35,359,400. |
| 26 (e) Michigan health initiative..... | \$ | 9,611,400. |

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1 (2) On or before February 1, 2000, the department shall report to
2 the house and senate appropriations subcommittees on community health,
3 the house and senate fiscal agencies, and the state budget director on
4 the detailed name and amounts of federal, restricted, private, and local
5 sources of revenue that support the appropriations in each of the line
6 items in part 1 of this act.

7 (3) Upon the release of the fiscal year 2000-2001 executive budget
8 recommendation, the department shall report to the same parties in
9 subsection (2) on the amounts and detailed sources of federal,
10 restricted, private, and local revenue proposed to support the total
11 funds appropriated in each of the line items in part 1 of the fiscal year
12 1999-2000 executive budget proposal.

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

16 Sec. 210. The state departments, agencies, and commissions receiv-
17 ing tobacco tax funds from part 1 shall report by October 1, 1999, to the
18 senate and house appropriations committees, the senate and house fiscal
19 agencies, and the state budget director on the following:

20 (a) Detailed spending plan by appropriation line item including
21 description of programs.

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

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

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

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

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

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

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

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

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

22 (2) The department's ability to satisfy appropriation deductions in
23 part 1 shall not be limited to collections and accruals pertaining to
24 services provided in fiscal year 1999-2000, but shall also include reim-
25 bursements, refunds, adjustments, and settlements from prior years.

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

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

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

 [(3) The director shall take all reasonable steps to ensure equal
opportunity for all who compete for and perform contracts to provide
services or supplies or both for the department. The director shall
strongly encourage firms with which the department contracts to provide
equal opportunity for subcontractors to provide services or supplies or
both.]

11 Sec. 217. Funds appropriated in part 1 shall not be used for the
12 purchase of foreign goods and/or services when competitively priced and
13 of comparable quality American goods and/or services are available.

14 Sec. 218. The department shall provide a report on the progress of
15 Medicaid managed mental health services to the members of the senate and
16 house appropriations subcommittees on community health, the senate com-
17 mittee on families, mental health, and human services, and the house com-
18 mittee on mental health by September 30, 2000. The report shall summa-
19 rize actions taken by the department community mental health services
20 programs and substance abuse coordinating agency networks to implement
21 these specialized managed care programs, and shall include summary infor-
22 mation on inpatient and partial hospitalization and costs, access to
23 services, and summary information on consumer satisfaction measures.

24 Sec. 220. (1) The department shall submit to the department of man-
25 agement and budget, the house and senate appropriations committees, the
26 house and senate fiscal agencies, and the house and senate standing
27 committees with jurisdiction over technology issues quarterly reports on

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1 the department's efforts to change the department's computer software and
2 hardware as necessary to perform properly in the year 2000 and beyond.
3 These reports shall identify actual progress in comparison to the
4 department's approved work plan for these efforts.

5 (2) Beginning with the report on April 1, 2000, the department shall
6 submit to the department of management and budget, the senate and house
7 of representatives standing committees on appropriations, the senate and
8 house fiscal agencies, and the senate and house standing committees
9 having jurisdiction over technology issues quarterly reports identifying
10 for the immediately preceding quarter any problems with information sys-
11 tems, any occurrences of information system failure as a result of non-
12 compliance with year 2000 standards, and any previously unidentified area
13 of impact. These reports shall identify all systems needing corrective
14 action and the contractual obligations of all accountable parties. These
15 reports shall give the status of the progress made in repairing and test-
16 ing applications, the status of all vendor-supplied solutions to prob-
17 lems, information on the activation of manual or contract processes used
18 to correct problems, and an itemization of the additional costs
19 incurred.

20 (3) The department may present progress billings to the department
21 of management and budget for the costs incurred in changing computer
22 software and hardware as necessary to perform properly in the year 2000
23 and beyond, and for costs incurred as a result of initiating corrective
24 actions. At the time progress billings are presented for reimbursement,
25 the department shall identify the funding sources that should support the
26 work performed, and the department of management and budget shall forward
27 the appropriate funding.

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1 Sec. 222. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$150,000,000.00 for federal
3 contingency funds. These funds are not available for expenditure until
4 they have been transferred to another line item in this act pursuant to
5 section 393(2) of the management and budget act, 1984 PA 431,
6 MCL 18.1393.

7 (2) In addition to the funds appropriated in part 1, there is appro-
8 priated an amount not to exceed \$10,000,000.00 for state restricted con-
9 tingency funds. These funds are not available for expenditure until they
10 have been transferred to another line item in this act pursuant to sec-
11 tion 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

12 (3) In addition to the funds appropriated in part 1, there is appro-
13 priated an amount not to exceed \$10,000,000.00 for local contingency
14 funds. These funds are not available for expenditure until they have
15 been transferred to another line item in this act pursuant to section
16 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

17 (4) In addition to the funds appropriated in part 1, there is appro-
18 priated an amount not to exceed \$10,000,000.00 for private contingency
19 funds. These funds are not available for expenditure until they have
20 been transferred to another line item in this act pursuant to section
21 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

22 Sec. 223. Basic health services for the fiscal year beginning
23 October 1, 1999, for the purpose of part 23 of the public health code,
24 1978 PA 368, MCL 333.2301 to 333.2321, are: immunizations, communicable
25 disease control, sexually transmitted disease control, tuberculosis con-
26 trol, prevention of gonorrhea eye infection in newborns, screening
27 newborns for the 7 conditions listed in section 5431(1)(a) through (g) of

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1 the public health code, 1978 PA 368, MCL 333.5431, community health annex
2 of the Michigan emergency management plan, and prenatal care.

3 Sec. 224. The department may contract with the Michigan public
4 health institute for the design and implementation of projects and for
5 other public health related activities prescribed in section 2611 of the
6 public health code, 1978 PA 368, MCL 333.2611. The department may
7 develop a master agreement with the institute for up to a 3-year period
8 to carry out these purposes. The department shall report on projects to
9 be carried out by the institute, expected project duration, and project
10 cost by November 1, 1999 and May 1, 2000 to the house and senate appro-
11 priations subcommittees on community health, senate and house fiscal
12 agencies, and the state budget director. If the reports are not received
13 by the specified dates, no funds shall be disbursed. For the purposes of
14 this section, the Michigan public health institute shall be considered a
15 public health agency.

16 Sec. 232. Sixty days before beginning any effort to privatize, the
17 department shall submit a complete project plan to the appropriate house
18 and senate appropriations subcommittees and the house and senate fiscal
19 agencies. The plan shall include the criteria under which the privatiza-
20 tion initiative will be evaluated. The evaluation shall be completed and
21 submitted to the appropriate house and senate appropriations subcommit-
22 tees and the house and senate fiscal agencies within 30 months.

23 Sec. 235. The department shall require that providers of Medicaid
24 and non-Medicaid services, such as nursing home providers, community
25 mental health service programs, and other health related services, main-
26 tain waiting lists for service needs not met, preserving the
27 confidentiality of clients as required by law. The waiting lists shall

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1 include data by type of service and provide an average length of time
2 persons have been waiting for services. No later than April 1, 2000, the
3 department shall provide a report on the information required by this
4 section to the members of the house and senate appropriations subcommit-
5 tees on community health, the house and senate fiscal agencies, and the
6 state budget director.

7 Sec. 236. The department of community health may establish and col-
8 lect fees for publications, videos and related materials, conferences,
9 and workshops. Collected fees shall be used to offset expenditures to
10 pay for printing and mailing costs of the publications, videos and
11 related materials, and costs of the workshops and conferences. The costs
12 shall not exceed fees collected.

13 Sec. 237. The department shall provide a report prepared by the
14 department's internal auditor for the prior fiscal year. This report
15 shall include a listing of each audit or investigation performed by the
16 internal auditor pursuant to sections 486(4) and 487 of the management
17 and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall
18 identify the proportion of time spent on each of the statutory responsi-
19 bilities listed in sections 485(4) and 486(4), and 487 of the management
20 and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the
21 time spent on all other activities performed in the internal audit
22 function. The first report is due March 1, 2000. The department shall
23 provide a report biennially after the first report beginning on May 1,
24 2001. The department shall submit each report to the governor, auditor
25 general, the senate and house appropriations committees, the senate and
26 house fiscal agencies, and the director.

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1 DEPARTMENTWIDE ADMINISTRATION

2 Sec. 302. From funds appropriated for worker's compensation, the
3 department may make payments in lieu of worker's compensation payments
4 for wage/salary and related fringe benefits for employees who return to
5 work under limited duty assignments.

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

9 Sec. 307. The department is prohibited from requiring first-party
10 payment from individuals or families with a taxable income of \$9,000.00
11 or less for mental health services.

12 Sec. 313. In implementing appropriated services pursuant to the
13 pilot projects in prevention for adults and children and the maternal and
14 child health outreach and advocacy program line items, the department
15 shall work cooperatively with the department of education and the family
16 independence agency to address issues and coordinate activities for
17 community-based collaborative prevention services.

18 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

19 AND SPECIAL PROJECTS

20 Sec. 350. The department may enter into a contract with the protec-
21 tion and advocacy service, authorized under section 931 of the mental
22 health code, 1974 PA 258, MCL 330.1931, or a similar organization to pro-
23 vide legal services for purposes of gaining and maintaining occupancy in
24 a community living arrangement which is under lease or contract with the

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1 department or a community mental health services program board to provide
2 services to persons with mental illness or developmental disability.

3 Sec. 351. In cases where a community mental health services program
4 has responsibility for community residential service programs that were
5 previously administered by the state, funds appropriated in part 1 for
6 community mental health programs may be used for basic care where indi-
7 viduals are not eligible to receive social security benefits and are not
8 otherwise capable of supporting themselves out of their resources. These
9 funds also may be used for aftercare services or to prevent admissions to
10 state hospitals and centers.

11 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

12 PROGRAMS

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

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

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

23 (c) The coordination of inpatient and outpatient hospital services
24 through agreements with state-operated psychiatric hospitals, units, and
25 centers in facilities owned or leased by the state, and privately-owned

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1 hospitals, units, and centers licensed by the state pursuant to sections
2 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to
3 330.1149b.

4 (d) Individualized plans of service that are sufficient to meet the
5 needs of individuals, including those discharged from psychiatric hospi-
6 tals or centers, and that ensure the full range of recipient needs is
7 addressed through the CMHSP's program or through assistance with locating
8 and obtaining services to meet these needs.

9 (e) A system of case management to monitor and ensure the provision
10 of services consistent with the individualized plan of services or
11 supports.

12 (f) A system of continuous quality improvement.

13 (g) A system to monitor and evaluate the mental health services
14 provided.

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

18 (3) A contract between a CMHSP and the department shall not be
19 altered or modified without a prior written agreement of the parties to
20 the contract.

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

26 (2) The funds appropriated in part 1 for the purchase of state
27 service contracts are for the purchase of state hospital and center

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1 services, or for approved community-based programs that reduce
2 utilization of state provided services. These funds shall be authorized
3 to CMHSPs based on estimates approved by the department as part of the
4 negotiated contract.

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

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

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

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

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

22 Sec. 406. From the funds appropriated for CMHSP, \$3,360,000.00 will
23 be directed toward providing multicultural special needs projects.

24 Sec. 407. (1) Not later than May 31 of each fiscal year, the
25 department shall provide a report on the community mental health services
26 programs to the members of the house and senate appropriations
27 subcommittees on community health, the house and senate fiscal agencies,

1 and the state budget director which shall include information required by
2 this section.

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

6 (a) A demographic description of service recipients which, minimal-
7 ly, shall include reimbursement eligibility, client population, age, eth-
8 nicity, housing arrangements, and diagnosis.

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

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

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

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

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

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

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

25 (g) An analysis of information provided by community mental health
26 service programs in response to the needs assessment requirements of the
27 mental health code, including information about the number of persons in

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1 the service delivery system who have requested and are clinically
2 appropriate for different services.

3 Sec. 409. It is the intent of the legislature that the employee
4 wage pass-through funded to the community mental health services programs
5 for direct care workers in local residential settings and for paraprofes-
6 sional and other nonprofessional direct care workers in day programs,
7 supported employment, and other vocational programs that was funded
8 beginning April 1, 1999 shall continue to be paid to direct care workers
9 in fiscal year 1999-2000. These funds shall be used to cover such
10 increased wages and employer associated wage costs.

11 Sec. 411. (1) The funds appropriated in part 1 for the state dis-
12 ability assistance substance abuse services program shall be used to sup-
13 port per diem room and board payments in substance abuse residential
14 facilities. Eligibility of clients for the state disability assistance
15 substance abuse services program shall include needy persons 18 years of
16 age or older, or emancipated minors, who reside in a substance abuse
17 treatment center.

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

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

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

5 Sec. 413. (1) By April 15, 2000, the department shall report the
6 following data from fiscal year 1998-99 on substance abuse prevention,
7 education, and treatment programs to the senate and house appropriations
8 subcommittees on community health and the senate and house fiscal
9 agencies:

10 (a) Expenditures stratified by coordinating agency, by central diag-
11 nosis and referral agency, by fund source, by subcontractor, by popula-
12 tion served, and by service type. Additionally, data on administrative
13 expenditures by coordinating agency and by subcontractor shall be
14 reported.

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

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

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

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

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

4 Sec. 418. If a person licensed to provide substance abuse services
5 receives federal substance abuse prevention block grant funds, any prior-
6 ity positions established under state statute for recipients of their
7 services shall apply only after serving those priority positions granted
8 under the conditions of the federal block grant.

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

14 Sec. 422. (1) The department shall ensure that each contract with a
15 CMHSP shall require the CMHSP to implement programs to encourage diver-
16 sions of persons with serious mental illness, serious emotional distur-
17 bance, or developmental disability from possible jail incarceration when
18 appropriate.

19 (2) Each CMHSP shall have jail diversion services and shall work
20 toward establishing working relationships with representative staff of
21 local law enforcement agencies. Such agencies include the county
22 prosecutors' offices, county sheriffs' offices, county jails, municipal
23 police agencies, municipal detention facilities, and the courts. Written
24 interagency agreements describing what services each participating agency
25 is prepared to commit to the local jail diversion effort and the proce-
26 dures to be used by local law enforcement agencies to access mental
27 health jail diversion services are strongly encouraged.

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1 Sec. 423. The department shall contract directly with the Salvation
2 Army harbor light program for the provision of substance abuse services.

3 Sec. 424. In fiscal year 1999-2000, the department shall develop a
4 plan which conforms to the requirements of the health care finance admin-
5 istration for competitive procurement of contracts to manage Medicaid
6 mental health, developmental disabilities, and substance abuse services.
7 The department shall submit the plan to the appropriation subcommittees
8 for community health of both the house and senate and to the health care
9 financing administration. If the health care financing administration
10 approves the plan, the department may implement a competitive bid pilot
11 program that complies with the approved plan. In fiscal year 1999-2000,
12 the department shall not implement a statewide competitive bid process.

13 Sec. 425. The state budget director shall increase the community
14 mental health service programs appropriation and financing in part 1 by
15 up to \$50,000,000.00 in new department of community health funding if the
16 actual number and/or mix of persons determined to be eligible for
17 Medicaid requires funding in excess of the original appropriation. The
18 state budget director shall immediately notify the chairs of the house
19 and senate appropriations committees and the house and senate fiscal
20 agencies if this authority is utilized.

[Sec. 426. Funds appropriated for Medicaid substance abuse services in the amount of at least \$23,328,300.00 shall be contracted in full to coordinating agencies through CMHSPs unless such a pass-through is held to be in violation of federal or state law or rules. If such a pass-through is not permissible, the department shall contract directly with coordinating agencies. CMHSPs shall not assume any contractual or financial liability associated with the pass-through substance abuse services funds provided to eligible recipients with these funds. The coordinating agencies shall retain financial program responsibilities and liabilities consistent with contract requirements.]

21 **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH**
22 **DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON**
23 **MENTAL HEALTH SERVICES**

24 Sec. 601. (1) In funding of staff in the financial support
25 division, reimbursement, and billing and collection sections, priority

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1 shall be given to obtaining third-party payments for services.

2 Collection from individual recipients of services and their families
3 shall be handled in a sensitive and nonharassing manner.

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

11 Sec. 602. Unexpended and unencumbered amounts and accompanying
12 expenditure authorizations up to \$2,000,000.00 remaining on September 30,
13 2000 from pay telephone revenues and the amounts appropriated in part 1
14 for gifts and bequests for patient living and treatment environments
15 shall be carried forward for 1 fiscal year. The purpose of gifts and
16 bequests for patient living and treatment environments is to use addi-
17 tional private funds to provide specific enhancements for individuals
18 residing at state-operated facilities. Use of the gifts and bequests
19 shall be consistent with the stipulation of the donor. The expected com-
20 pletion date for the use of gifts and bequests donations is within 3
21 years unless otherwise stipulated by the donor.

22 Sec. 603. The funds appropriated in part 1 for forensic mental
23 health services provided to the department of corrections are in accord-
24 ance with the interdepartmental plan developed in cooperation with the
25 department of corrections. The department is authorized to receive and
26 expend funds from the department of corrections in addition to the

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1 appropriations in part 1 to fulfill the obligations outlined in the
2 interdepartmental agreements.

3 Sec. 604. Funds that become available as a result of reductions in
4 the utilization of state-operated hospitals and centers are intended to
5 be retained by CMHSP to support community-based services.

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

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

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

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

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1 PUBLIC HEALTH ADMINISTRATION

2 Sec. 701. Of the amount appropriated in part 1 from revenues from
3 fees and collections, not more than \$250,000.00 received from the sale of
4 vital records death data shall be used for improvements in the vital
5 records and health statistics program.

6 INFECTIOUS DISEASE CONTROL

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

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

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

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1 Sec. 808. The department shall continue the AIDS drug assistance
2 program maintaining the prior year eligibility criteria and drug
3 formulary. This section is not intended to prohibit the department from
4 providing assistance for improved AIDS treatment medications.

5 LOCAL HEALTH ADMINISTRATION AND GRANTS

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

12 Sec. 905. If a county which has participated in a district health
13 department or an associated arrangement with other local health depart-
14 ments takes action to cease to participate in such an arrangement after
15 October 1, 1999, the department shall have the authority to negotiate and
16 assess a penalty from the local health department's administrative
17 accounts in an amount equal to no more than 3% of the local health
18 department's local public health operations funding. This penalty shall
19 only be assessed to the local county that requests the dissolution of the
20 health department.

21 Sec. 908. The department shall provide a report semiannually to the
22 house and senate appropriations subcommittees on community health, the
23 senate and house fiscal agencies, and the state budget director on the
24 expenditures and activities undertaken by the lead abatement program.

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1 Sec. 909. (1) Funds appropriated in part 1 for local public health
2 operations shall be prospectively allocated to local health departments
3 to support immunizations, infectious disease control, sexually transmit-
4 ted disease control and prevention, hearing screening, vision services,
5 food protection, public water supply, private groundwater supply, and
6 on-site sewage management. Food protection shall be provided under con-
7 tract with the Michigan department of agriculture. Public water supply,
8 private groundwater supply, and on-site sewage management shall be pro-
9 vided under contract with the Michigan department of environmental
10 quality.

11 (2) Local public health departments will be held to contractual
12 standards for the services in subsection (1).

13 (3) Distributions in subsection (1) shall be made only to counties
14 that maintain local spending in fiscal year 1999-2000 of at least the
15 amount expended in fiscal year 1992-93 for the services described in sub-
16 section (1).

17 (4) By April 1, 2000, the department shall report to the senate and
18 house appropriation subcommittees on community health, the senate and
19 house fiscal agencies, and the state budget director on the planned allo-
20 cation of the funds appropriated for local public health operations.

21 (5) It is the intent of the legislature that this appropriation be
22 fully expended in fiscal year 1999-2000.

1 CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH

2 PROMOTION

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

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

11 Sec. 1002. (1) The amount appropriated in part 1 for school health
12 and education programs shall be allocated in 1999-2000 to provide grants
13 to or contract with certain districts and intermediate districts for the
14 provision of a school health education curriculum. Provision of the cur-
15 riculum, such as the Michigan model or another comprehensive school
16 health education curriculum, shall be in accordance with the health edu-
17 cation goals established by the Michigan model for the comprehensive
18 school health education state steering committee. The state steering
19 committee shall be comprised of a representative from each of the follow-
20 ing offices and departments:

21 (a) The department of education.

22 (b) The department of community health.

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

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

26 (e) The family independence agency.

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1 (f) The department of state police.

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

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

16 Sec. 1004. From the amounts appropriated in part 1 for the cancer
17 prevention and control program, the department may allocate funds to the
18 Hurley and Harper hospitals' prostate cancer demonstration projects in
19 fiscal year 1999-2000.

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

25 Sec. 1006. In spending the funds appropriated in part 1 for the
26 smoking prevention program, priority shall be given to prevention and

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1 smoking cessation programs for pregnant women, women with young children,
2 and adolescents.

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

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

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

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

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

14 Sec. 1008. From the amount appropriated in part 1 for the cancer
15 prevention and control program, funds shall be allocated to the Karmanos
16 cancer institute/Wayne State University, to the Michigan interactive
17 health kiosk/University of Michigan, and to Michigan State University for
18 cancer prevention activities.

19 Sec. 1009. From the funds appropriated in part 1 for diabetes local
20 agreements, a portion of the funds may be allocated to the national
21 kidney foundation of Michigan for kidney disease prevention programming
22 including early identification and education programs and kidney disease
23 prevention demonstration projects.

24 Sec. 1011. Of the funds appropriated in part 1 for the health edu-
25 cation, promotion, and research programs, the department shall allocate
26 \$150,000.00 to implement the osteoporosis prevention and treatment
27 education program targeting women and school health education. As part

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1 of the program, the department shall design and implement strategies for
2 raising public awareness on the causes and nature of osteoporosis, per-
3 sonal risk factors, value of prevention and early detection, and options
4 for diagnosing and treating osteoporosis.

5 Sec. 1013. (1) Unallocated revenue to the healthy Michigan fund
6 available in fiscal year 1999-2000 shall be appropriated in the following
7 amounts, or shall be proportionately appropriated to the following
8 projects based on available revenue:

| | |
|--|--------------|
| 9 Early childhood collaborative secondary prevention... | \$ 1,000,000 |
| 10 Alzheimer's information network..... | 50,000 |
| 11 Health education, promotion, and research (for osteo- | |
| 12 porosis prevention)..... | 250,000 |
| 13 Special projects (for palliative care)..... | 250,000 |
| 14 Diabetes local agreements..... | [500,000] |
| 15 Injury control intervention project..... | 100,000 |
| 16 African-American male health initiative..... | 320,000 |
| 17 Senior Olympics..... | 100,000 |

18 (2) The allocation to the injury control intervention project line
19 is for federal traumatic brain injury implementation grant matching
20 funds.

21 COMMUNITY LIVING, CHILDREN, AND FAMILIES

22 Sec. 1101. The department shall review the basis for the distribu-
23 tion of funds to local health departments and other public and private
24 agencies for the women, infants, and children food supplement program;
25 family planning; early and periodic screening, diagnosis, and treatment

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1 program; and prenatal care outreach and service delivery support program
2 and indicate the basis upon which any projected underexpenditures by
3 local public and private agencies shall be reallocated to other local
4 agencies that demonstrate need.

5 Sec. 1102. (1) Agencies receiving funds appropriated from part 1
6 for adolescent health care services shall:

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

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

11 (ii) Demographic information of populations served including sex,
12 age, and race. Reporting and presentation of demographic data by age
13 shall include the range of ages of 0-17 years and the range of ages of
14 18-23 years.

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

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

18 (b) As a condition of the contract, a contract shall include the
19 establishment of a local advisory committee before the planning phase of
20 an adolescent health clinic intended to provide services within that
21 school district. The advisory committee shall be comprised of not less
22 than 50% residents of the local school district, and shall not be com-
23 prised of more than 50% health care providers. A person who is employed
24 by the sponsoring agency shall not have voting privileges as a member of
25 the advisory committee.

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

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

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

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

21 Sec. 1104. Before April 1, 2000, the department shall submit a
22 report to the house and senate fiscal agencies on planned allocations
23 from the amounts appropriated in part 1 for local MCH services, prenatal
24 care outreach and service delivery support, family planning local agree-
25 ments, and pregnancy prevention programs. Using applicable federal defi-
26 nitions, the report shall include information on all of the following:

1 (a) Funding allocations.

2 (b) Number of women, children, and/or adolescents expected to be
3 served.

4 (c) Actual numbers served and amounts expended in the categories
5 described in subdivisions (a) to (b) for the fiscal year 1998-99.

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

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

[Sec. 1106a. (1) Federal abstinence money expended in part 1 for
the purpose of promoting abstinence education shall provide abstinence
education to teenagers most likely to engage in high risk behavior as their
primary focus, and may include programs that include 9-17 year olds.
Programs funded must meet all of the following guidelines:

(a) Teaches the gains to be realized by abstaining from sexual
activity.

(b) Teaches abstinence from sexual activity outside of marriage as
the expected standard for all school age children.

(c) Teaches that abstinence is the only certain way to avoid out-of-
wedlock pregnancy, sexually transmitted diseases, and other health
problems.

(d) Teaches that a monogamous relationship in the context of
marriage is the expected standard of human sexual activity.

(e) Teaches that sexual activity outside of marriage is likely to
have harmful effects.

(f) Teaches that bearing children out of wedlock is likely to have
harmful consequences.

(g) Teaches young people how to avoid sexual advances and how
alcohol and drug use increases vulnerability to sexual advances.

(h) Teaches the importance of attaining self-sufficiency before
engaging in sexual activity.

(2) Coalitions, organizations, and programs that meet the following
criteria shall be given priority in the allocations of funds:

(a) Are comprised of representation including, but not limited to,
key community/civic leaders, parents, teens' teachers, health
professionals, clergy, local businesses, service organizations, and
advocacy groups that operate with a 50% volunteer base.

(b) Do not provide contraceptives to adolescents without parental
consent and demonstrate efforts to include parental involvement as a means
to reducing the risk of teens becoming pregnant.

(3) Programs and organizations that meet the guidelines of
subsection (1) and criteria of subsection (2) shall have the option of
receiving all or part of their funds directly from the department of
community health.]

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

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

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1 Sec. 1110. The funds appropriated in part 1 for pregnancy
2 prevention programs shall not be used to provide abortion counseling,
3 referrals, or services.

4 Sec. 1111. From the amounts appropriated in part 1 for dental pro-
5 grams, funds shall be allocated to the Michigan dental association for
6 the administration of a volunteer dental program that would provide
7 dental services to the uninsured in an amount that is no less than the
8 amount allocated to that program in fiscal year 1996-97.

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

14 Sec. 1114. The department shall allocate no less than 86% of the
15 funds appropriated in part 1 for family planning local agreements and the
16 pregnancy prevention program for the direct provision of family
17 planning/pregnancy prevention services.

18 Sec. 1117. From the funds appropriated for prenatal care outreach
19 and service delivery support, the department shall allocate at least
20 \$1,000,000.00 to communities with high infant mortality rates.

21 Sec. 1119. The availability of \$470,000.00 for laboratory services
22 and \$751,300.00 for newborn screening follow-up and treatment services is
23 contingent upon the enactment of legislation to increase the fee for the
24 test required to be administered to a newborn infant by section 5431 of
25 the public health code, 1978 PA 368, MCL 333.5431, to not less than
26 \$38.56 and that fee increase taking effect before October 1, 1999.

[Sec. 1120. The department shall release infant mortality rate data
to all local public health departments no later than 48 hours prior to
releasing infant mortality rate data to the public.]

Sec. 1121. From the funds appropriated in section 112, the amount
of \$450,000.00 shall be appropriated to Michigan State University, college
of human medicine, for the establishment of the state infant mortality
review network to establish a process dedicated to the identification and
examination of factors that contribute to infant death. The process
shall consist of the systematic evaluation of individual cases to deter-
mine outcome variables to measure such factors as infant mortality rates,
low birth rates, prematurity rates, tobacco, alcohol and drug abuse, teen
pregnancy rates, and levels of prenatal care.]

1 CHILDREN'S SPECIAL HEALTH CARE SERVICES

2 Sec. 1201. Funds appropriated in part 1 for medical care and treat-
3 ment of children with special health care needs shall be paid according
4 to reimbursement policies determined by the Michigan medical services
5 program. Exceptions to these policies may be taken with the prior
6 approval of the state budget director.

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

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

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

12 (c) Provide genetic diagnostic and counseling services for eligible
13 families.

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

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

20 OFFICE OF DRUG CONTROL POLICY

21 Sec. 1251. The office of drug control policy is required to approve
22 grants for the federal safe and drug free schools program within 90 days
23 from the grant application submission deadline date.

[Sec. 1252. From the amount appropriated in part 1 to the office of
drug control policy, anti-drug abuse grants, \$200,000.00 shall be
transferred to the department of education to fund the office of safe
schools.]

1 CRIME VICTIM SERVICES COMMISSION

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

4 OFFICE OF SERVICES TO THE AGING

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

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

13 (2) Money appropriated in part 1 for the Michigan pharmaceutical
14 program shall be used to purchase generic medicine when available and
15 medically practicable.

16 Sec. 1403. The office of services to the aging shall require each
17 region to report to the office of services to the aging home delivered
18 meals waiting lists based upon standard criteria. Determining criteria
19 shall include all of the following:

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

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

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

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

1 Sec. 1404. The office of services to the aging may receive and
2 expend fees for the provision of day care, care management, and respite
3 care. The office of services to the aging shall base the fees on a slid-
4 ing scale taking into consideration the client income. The office of
5 services to the aging shall use the fees to expand services.

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

8 Sec. 1406. Of the amount appropriated in part 1 to the office of
9 services to the aging for community services, sufficient funds shall be
10 allocated to fund statewide care management or case coordination
11 projects. Funds allocated shall be distributed to regional area agencies
12 on aging.

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

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

 [Sec. 1409. From the funds appropriated in part 1, an additional
\$1,000,000.00 is allocated to increase funding in the office of services to
the aging for in-home services.]

 Sec. 1410. If House Bill No. 4169 or House Bill No. 4078 of the 90th
Legislature is enacted into law, there shall be appropriated \$6,000,000.00
from the general fund/general purpose for the Michigan pharmaceutical
program.]

20 MEDICAL SERVICES ADMINISTRATION

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

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1 Sec. 1502. The department is directed to continue support of
2 multicultural agencies which provide primary care services from the funds
3 appropriated in part 1.

4 MEDICAL SERVICES

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

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

21 (2) Notwithstanding subsection (1), medical services reimbursement
22 for hospital services provided to dual Medicare/medical services recip-
23 ients with Medicare Part B coverage only shall equal, when combined with
24 payments for Medicare and other third-party resources, if any, those

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1 amounts established for medical services-only patients, including capital
2 payments.

3 [Sec. 1603. (1) Effective October 1, 1999, the pharmaceutical dis-
4 pensing fee shall be no less than \$3.72 or the usual and customary cash
5 charge, whichever is less. If a recipient is 21 years of age or older,
6 the department shall require a \$1.00 per prescription client copayment,
7 except as prohibited by federal law.

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11 [(2)] Any such copayments may be waived for recipients who participate
12 in a program of medical case management such as enrollment in a health
13 maintenance organization or the primary physician sponsor plan program.

14 [(3)] The department shall develop a plan for an automated full
15 on-line pharmacy claims adjudication system by April 1, 2000. [

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19 Sec. 1605. The cost of remedial services incurred by residents of
20 licensed adult foster care homes and licensed homes for the aged shall be
21 used in determining financial eligibility for the medically needy.
22 Remedial services include basic self-care and rehabilitation training for
23 a resident.

24 Sec. 1606. Medicaid adult dental services, podiatric services, and
25 chiropractic services shall continue at not less than the level in effect
26 on October 1, 1996, except that reasonable utilization limitations may be
27 adopted in order to prevent excess utilization. The department shall not

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1 impose utilization restrictions on chiropractic services unless a
2 recipient has exceeded 18 office visits within 1 year.

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

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

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

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

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

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

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

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

23 (c) Pharmaceutical services.

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

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

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

7 Sec. 1611. (1) The department may require medical services recip-
8 ients residing in counties offering managed care options to choose the
9 particular managed care plan in which they wish to be enrolled. Persons
10 not expressing a preference may be assigned to a managed care provider.

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

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

25 Sec. 1612. (1) The department shall not preauthorize single-source
26 drugs except:

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1 (a) Pharmaceutical products that have therapeutic equivalents.

2 (b) Pharmaceuticals prescribed for off-label use.

3 (c) Pharmaceuticals that have been prescribed to enhance personal
4 quality of life and are not necessary to maintain or improve health
5 status.

6 (d) Those single-source drugs that have been subject to prior autho-
7 rization by the department prior to January 1, 1992.

8 (e) Those single-source pharmaceuticals within the categories speci-
9 fied in section 1927(d)(2) of the social security act, 42 U.S.C. 1396s(d)
10 or for the reasons delineated in section 1927(d)(3) of the social secur-
11 ity act.

12 (2) The department may implement drug utilization review and moni-
13 toring programs.

14 (3) All pharmaceutical management programs outlined in subsections
15 (1) and (2) shall have physician and pharmacist oversight to assure medi-
16 cal and therapeutic appropriateness, and any drugs subject to these
17 reviews shall be promulgated through the public policy promulgation
18 process.

19 (4) The department shall respond to all appeals within 24 hours.

20 Sec. 1613. The department may implement a mail-order pharmacy pro-
21 gram for the noncapitated portion of the Medicaid program after a study
22 by the department is submitted and approved by the house and senate
23 appropriations subcommittees on community health.

24 Sec. 1614. (1) The department shall assure that all Medicaid chil-
25 dren have timely access to early and periodic screening, diagnosis, and
26 treatment (EPSDT) services as required by federal law. Medicaid managed
27 care plans will provide EPSDT services in accordance with EPSDT policy.

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1 Requirements for objective hearing and vision screening may be met by
2 referral to local health departments.

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

13 Sec. 1615. (1) The department of community health is authorized to
14 pursue reimbursement for eligible services provided in Michigan schools
15 from the federal Medicaid program. The department and the state budget
16 director are authorized to negotiate and enter into agreements, together
17 with the department of education, with local and intermediate school dis-
18 tricts regarding the sharing of federal Medicaid services funds received
19 for these services. The department is authorized to receive and disburse
20 funds to participating school districts pursuant to such agreements and
21 state and federal law.

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

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

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

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

6 Sec. 1616. The special medical services payments appropriation in
7 part 1 may be increased if the department submits a medical services
8 state plan amendment pertaining to this line item at a level higher than
9 the appropriation. The department is authorized to appropriately adjust
10 financing sources in accordance with the increased appropriation.

11 Sec. 1618. (1) It is the intent of the legislature that payment
12 increases for enhanced wages shall be provided to those facilities which
13 make application for it to fund the Medicaid program share of wage
14 increases up to and including 50 cents per employee hour. The
15 pass-through shall be used to increase wages and to cover the employer's
16 associated wage costs. Nursing facilities shall be required to document
17 that these wage increases were actually provided.

18 (2) It is the intent of the legislature that payment increases for
19 the enhanced wages shall be provided to those facilities that make appli-
20 cation for them to fund the Medicaid program share of an additional wage
21 increase of 25 cents per employee hour effective April 1, 2000. The
22 pass-through shall be used to increase wages and to cover the employer's
23 associated wage costs. Nursing facilities shall be required to document
24 that these wage increases were actually provided.

25 Sec. 1619. Medical services shall be provided to elderly and dis-
26 abled persons with incomes less than or equal to 100% of the official
27 poverty line, pursuant to the state's option to elect such coverage set

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1 out at section 1902(a)(10)(A)(ii) and (m) of title XIX of the social
2 security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396a.

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

7 Sec. 1621. The department of community health shall distribute
8 \$695,000.00 to children's hospitals that have a high indigent care
9 volume. The amount to be distributed to any given hospital shall be
10 based on a formula determined by the department of community health.

11 Sec. 1622. (1) The department shall implement enforcement actions
12 as specified in the nursing facility enforcement provisions of section
13 1919 of title XIX of the social security act, chapter 531, 49 Stat. 620,
14 42 U.S.C. 1396r.

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

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

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

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1 part 214 of the public health code, 1978 PA 368, MCL 333.21401 to
2 333.21420.

3 (2) The department shall not amend the medical services hospice
4 manual in a manner that would allow hospice services to be provided with-
5 out making available all comprehensive hospice services described in 42
6 C.F.R. part 418.

7 Sec. 1626. (1) From the funds appropriated in part 1, the depart-
8 ment, subject to the requirements and limitations in this section, shall
9 establish a funding pool of up to \$44,012,800.00 for the purpose of
10 enhancing the aggregate payment for medical services hospital outpatient
11 services.

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

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

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

25 (5) If a locally administered indigent health care program replaces
26 the state medical program authorized by section 1609 for a given county
27 on or before October 1, 1998, the state general fund/general purpose

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1 dollars allocated for that county under this section shall not be less
2 than the general fund/general purpose expenditures for the state medical
3 program in that county in the previous fiscal year.

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

7 Sec. 1634. (1) The department may establish a program for persons
8 to purchase medical coverage at a rate determined by the department.

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

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

13 Sec. 1635. Implementation and contracting for managed care by
14 Medicaid plans to the department are subject to the following
15 conditions:

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

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

22 (c) The department shall require contracted health plans to submit
23 data determined necessary for the evaluation on a timely basis.

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

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

5 (f) Enrollment of recipients of children's special health care serv-
6 ices in qualified health plans shall be voluntary during fiscal year
7 1999-2000.

8 Sec. 1637. (1) Medicaid qualified health plans shall establish an
9 ongoing internal quality assurance program for health care services pro-
10 vided to Medicaid recipients which includes:

11 (a) An emphasis on health outcomes.

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

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

16 (d) Evaluation of the continuity and coordination of care that
17 enrollees receive.

18 (e) Mechanisms to detect overutilization and underutilization of
19 services.

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

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

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

25 (i) Consumer involvement in the development of the quality assurance
26 program and consideration of enrollee complaints and satisfaction survey
27 results.

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

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

13 (4) Medicaid qualified health plans shall assure that all covered
14 services are available and accessible to enrollees with reasonable
15 promptness and in a manner which assures continuity. Medically necessary
16 services shall be available and accessible 24 hours a day and 7 days a
17 week. Health plans shall continue to develop procedures for determining
18 medical necessity which may include a prior authorization process.

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

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

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

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

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

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

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

25 Sec. 1638. From the funds appropriated in part 1 for health plan
26 services, the department may contract for the assessment of quality in
27 qualified health plans which enroll Medicaid recipients. Organizations

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1 providing such quality reviews shall meet the requirements of the
2 department and include the following functions:

3 (a) Review of plan performance based on accepted quality performance
4 criteria.

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

7 (c) Promote accountability for improved plan performance.

8 Sec. 1640. (1) The department may require a 12-month lock-in to the
9 qualified health plan selected by the recipient during the initial and
10 subsequent open enrollment periods, but allow for good cause exceptions
11 during the lock-in period.

12 (2) Medicaid recipients shall be allowed to change health plans for
13 any reason within the initial 90 days of enrollment.

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

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

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

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1 Sec. 1642. The department shall require the enrollment contractor
2 to provide beneficiary services. These services shall include:

3 (a) Contacting eligible Medicaid beneficiaries.

4 (b) Providing education on managed care.

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

8 (d) Entering the beneficiaries health plan choice in the information
9 system for communication to the state and the health plan, written noti-
10 fication to the beneficiary regarding their health plan choice, and
11 notice of their right to change plans consistent with federal
12 guidelines.

13 (e) Guiding beneficiaries through both health plan and state com-
14 plaint and fair hearing processes, including helping the beneficiary fill
15 out required forms.

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

19 Sec. 1643. (1) The department may provide services to medical
20 assistance recipients under a risk sharing capitation arrangement,
21 through contracts with health maintenance organizations. The department
22 shall award contracts under the program at least every 5 years based on a
23 competitive bidding process. In developing a program under this section,
24 the department shall consult with providers, medical assistance recip-
25 ients, and other interested parties. The following provisions shall be
26 considered in any program:

1 (a) In determining eligible contractors, the department shall
2 consider health maintenance organizations. All eligible contractors
3 shall meet the same standards for quality, access, benefits, financial,
4 and organizational capability.

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

11 (2) The department shall work with the Michigan state medical soci-
12 ety, the Michigan association of osteopathic physicians and surgeons, the
13 Michigan hospital association, and qualified health plans to design a
14 claims dispute resolution process that is satisfactory to all parties.
15 At a minimum, the resolution process shall address:

16 (a) A fair method of compensating parties for the cost of inappro-
17 priately delayed payment to providers for medically necessary services,
18 as well as the cost of the dispute resolution process.

19 (b) The feasibility of bringing greater standardization between
20 health plans regarding the requirement for claim format and claims
21 submission.

22 (c) The cost of processing inappropriately filed claims to the
23 plans.

24 (3) As a condition of receiving the rate increase for qualified
25 health plans in part 1, the resolution process shall be completed by
26 December 31, 1999.

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

9 Sec. 1645. (1) The protected income level for Medicaid coverage
10 determined pursuant to section 106(1)(b)(iii) of the social welfare act,
11 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance
12 standard.

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

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

21 Sec. 1656. The department shall promote activities that preserve
22 the dignity and rights of terminally ill and chronically ill
23 individuals. Priority shall be given to programs, such as hospice, that
24 focus on individual dignity and quality of care provided persons with
25 terminal illness and programs serving persons with chronic illnesses that
26 reduce the rate of suicide through the advancement of the knowledge and
27 use of improved, appropriate pain management for these persons; and

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1 initiatives that train health care practitioners and faculty in managing
2 pain, providing palliative care and suicide prevention.

3 Sec. 1657. If the long-term care working group established in sec-
4 tion 1657 of 1998 PA 336 does not complete its work on developing a writ-
5 ten long-term care plan in consultation with the legislature, the
6 long-term care working group shall reconvene at the start of fiscal year
7 1999-2000. This working group shall consist of 2 members of the house, 2
8 members of the senate, and 4 representatives of the department. Senate
9 members shall be appointed by the majority leader. House members shall
10 be appointed by the speaker of the house of representatives. The direc-
11 tor shall appoint department representatives. The department shall con-
12 sult with the long-term care industry, consumer, and other interested
13 parties during the working group process.

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24 Sec. 1659. From the amounts appropriated in part 1 for hospital
25 services, the department shall allocate for graduate medical education no
26 less than was allocated for graduate medical education in fiscal year
27 1998-99.

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1 Sec. 1660. The following sections are the only ones which shall
2 apply to the following Medicaid managed care programs, including the com-
3 prehensive plan, children's special health care services plan, MI Choice
4 long-term care plan, and the mental health, substance abuse, and develop-
5 mentally disabled services program: 1611, 1614, 1624, 1637, 1638, 1640,
6 1641, 1642, and 1643.

7 Sec. 1662. (1) The department shall include provision in the con-
8 tracts with health plans for full responsibility for well child visits
9 and maternal and infant support services as described in Medicaid
10 policy. This responsibility will also be included in the information
11 distributed by the health plans to the members.

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

15 (3) The department shall develop and implement a budget neutral
16 enrollment based incentive program to encourage qualified health plans to
17 improve infant and children's health outcomes by improving access to
18 maternal and infant support services (MSS/ISS) and to well child
19 examinations. Qualified health plans with the most improved performance
20 will be eligible for automatic beneficiary enrollment and those plans who
21 fail to improve will be ineligible for new enrollment. Qualified health
22 plans will refund to the department any unexpended MSS/ISS capitation
23 below the fee for service equivalent MSS/ISS capitation in fiscal year
24 1996-97.

25 (4) The department shall revise appropriate standards of care used
26 for well child visits based upon recognized national authorities of care,
27 such as the American academy of pediatrics.

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1 (5) Maternal and infant support services shall continue to be
2 provided through state certified providers.

[(6) The department will establish a monitoring system that will include quality assurance reviews of qualified health plans and obtain regular utilization data regarding maternal support/infant support services and early and periodic screening, diagnosis, and treatment/well child services. Based on these reviews, and the data, the department will impose sanctions on qualified health plans in accordance with contract language for those qualified health plans that fail to meet the state contract standards for these services. The department will report to the house and senate appropriations subcommittees the results of these reviews and which qualified health plans have been sanctioned no later than June 1, 2000.]

3 Sec. 1663. The department shall continue a workgroup on EPSDT and
4 maternal and infant support services. The workgroup shall be made up of
5 consumers, advocates, health care providers, and health plan
6 representatives. The workgroup shall, at a minimum, establish an out-
7 reach program to educate providers on the requirements of EPSDT screen-
8 ing, and advise the department on providing targeted assistance to health
9 plans that are screening less than 60% of the child members that are eli-
10 gible for EPSDT services and recommend strategies to improve access to
11 maternal and infant support services.

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

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

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

2 As used in this subsection:

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

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

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

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

16 Sec. 1673. From the funds appropriated in part 1, the department
17 shall develop a comprehensive approach to the marketing and outreach of
18 the MICHild program. The marketing and outreach required under this sec-
19 tion shall be coordinated with current outreach, information dissemina-
20 tion, and marketing efforts and activities conducted by the department.

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

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

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

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

9 Sec. 1681. To be eligible for the MICHild program, a child must be
10 residing in a family with an adjusted gross income of less than or equal
11 to 200% of the federal poverty level. The parent's income, including
12 stepparents' income when living with the child, or other responsible
13 relative's income is to be used. The department's verification policy
14 shall be used to determine eligibility.

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

19 (a) Inpatient mental health services, other than substance abuse
20 treatment services, including services furnished in a state-operated
21 mental hospital and residential or other 24-hour therapeutically planned
22 structured services.

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

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

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

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

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

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

7 (h) Emergency ambulance services.

8 Sec. 1686. The department shall make available to health care pro-
9 viders a pamphlet identifying patient rights and responsibilities
10 described in section 20201 of the public health code, 1978 PA 368, MCL
11 333.20201.

12 Sec. 1687. All nursing home rates, class I and class III, must have
13 their respective fiscal year rate set 30 days prior to the beginning of
14 their rate year. Rates may take into account the most recent cost report
15 prepared and certified by the preparer, provider corporate owner or rep-
16 resentative as being true and accurate, and filed timely, within 5 months
17 of the fiscal year end in accordance with Medicaid policy. If the
18 audited version of the last report is available, it shall be used. Any
19 rate factors based on the filed cost report may be retroactively adjusted
20 upon completion of the audit of that cost report.

21 Sec. 1688. It is the intent of the legislature that the increase in
22 the money appropriated under part 1 for health plan services in the
23 1999-2000 fiscal year over the amount of the appropriation for the
24 1998-1999 fiscal year shall be used for anticipated rising health care
25 costs.

[Sec. 1689. From the funds appropriated in part 1, an additional
\$2,400,000.00 is authorized to increase personal care services payment in
adult foster care homes and homes for the aged.]