

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4299
(As amended May 27, 1999)**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal years ending September 30, 1999, September 30, 2000, and September 30, 2001; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 1999-2000

3

Sec. 101. Subject to the conditions set forth in this act, the

4

amounts listed in this part are appropriated for the department of

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community health for the fiscal year ending September 30, 2000, from the

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2

For Fiscal Year Ending
September 30, 2000

1 funds indicated in this part. The following is a summary of the
2 appropriations in this part:

3 DEPARTMENT OF COMMUNITY HEALTH

4	Full-time equated unclassified positions.....	6.0	
5	Full-time equated classified positions.....	6,127.3	
6	Average population.....	1,428.0	
7	GROSS APPROPRIATION.....	\$	7,925,497,400
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers.....	\$	70,651,900
11	ADJUSTED GROSS APPROPRIATION.....	\$	7,854,845,500
12	Federal revenues:		
13	Total federal revenues.....		4,067,568,800
14	Special revenue funds:		
15	Total local revenues.....		814,567,500
16	Total private revenues.....		46,442,000
17	Total other state restricted revenues.....		377,022,200
18	State general fund/general purpose.....	\$	2,549,245,000
19	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
20	Full-time equated unclassified positions.....	6.0	
21	Full-time equated classified positions.....	489.7	
22	Director and other unclassified--6.0 FTE positions...	\$	556,400
23	Community health advisory council.....		28,900
24	Departmental administration and management--466.7 FTE		
25	positions.....		49,256,100
26	Certificate of need program administration--13.0 FTE		
27	positions.....		880,700

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1	Workers' compensation program--1.0 FTE position.....	11,714,400
2	Rent.....	3,487,200
3	Building occupancy charges.....	4,184,000
4	Developmental disabilities council and projects--9.0	
5	FTE positions.....	<u>2,280,200</u>
6	GROSS APPROPRIATION.....	\$ 72,387,900
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from the department of trea-	
10	sury, Michigan state hospital finance authority....	95,500
11	Federal revenues:	
12	Total federal revenues.....	19,849,700
13	Special revenue funds:	
14	Private funds.....	27,900
15	Total other state restricted revenues.....	3,481,000
16	State general fund/general purpose.....	\$ 48,933,800
17	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION	
18	AND SPECIAL PROJECTS	
19	Full-time equated classified positions.....123.2	
20	Mental health/substance abuse program	
21	administration--114.2 FTE positions.....	\$ 9,876,900
22	Consumer involvement program.....	291,600
23	Gambling addiction.....	3,000,000
24	Protection and advocacy services support.....	818,300
25	Mental health initiatives for older persons.....	1,165,800
26	Purchase of psychiatric residency training.....	3,635,100

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1	Community residential and support services for	
2	persons with developmental disabilities--9.0 FTE	
3	positions.....	5,588,400
4	Highway safety projects.....	2,337,200
5	Federal and other special projects.....	<u>7,427,200</u>
6	GROSS APPROPRIATION.....	\$ 34,140,500
7	Federal revenues:	
8	Total federal revenues.....	11,433,100
9	Special revenue funds:	
10	Total private revenues.....	125,000
11	Total other state restricted revenues.....	3,182,300
12	State general fund/general purpose.....	\$ 19,400,100
13	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
14	PROGRAMS	
15	Full-time equated classified positions.....4.0	
16	Community mental health Medicaid managed care.....	\$ 1,139,491,800
17	Community mental health non-Medicaid services.....	313,196,200
18	Multicultural services.....	3,460,000
19	Medicaid substance abuse services.....	21,400,000
20	Respite services.....	3,318,600
21	CMHSP-purchase of state services contracts.....	155,560,700
22	Civil service charges.....	2,606,400
23	Federal mental health block grant--2.0 FTE positions.	10,849,900
24	Pilot projects in prevention for adults and	
25	children--2.0 FTE positions.....	1,519,300
26	State disability assistance program substance abuse	
27	services.....	6,600,000

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For Fiscal Year Ending
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1	Community substance abuse prevention, education and	
2	treatment programs.....	<u>83,740,400</u>
3	GROSS APPROPRIATION.....	\$ 1,741,743,300
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	713,224,300
7	Special revenue funds:	
8	Total other state restricted revenues.....	6,342,400
9	State general fund/general purpose.....	\$ 1,022,176,600
10	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH	
11	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH	
12	SERVICES	
13	Total average population.....	1,428.0
14	Full-time equated classified positions.....	4,580.0
15	Caro regional mental health center-psychiatric	
16	hospital-adult--492.0 FTE positions.....	\$ 28,508,800
17	Average population.....	180.0
18	Kalamazoo psychiatric hospital-adult--383.0 FTE	
19	positions.....	27,591,300
20	Average population.....	130.0
21	Northville psychiatric hospital-adult--780.0 FTE	
22	positions.....	58,326,800
23	Average population.....	325.0
24	Walter P. Reuther psychiatric hospital-adult--436.0	
25	FTE positions.....	32,737,200
26	Average population.....	210.0

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1	Hawthorn center-psychiatric hospital-children and	
2	adolescents--329.0 FTE positions.....	21,787,700
3	Average population.....118.0	
4	Mount Pleasant center-developmental	
5	disabilities--481.0 FTE positions.....	30,206,300
6	Average population.....195.0	
7	Southgate center-developmental disabilities--206.0	
8	FTE positions.....	16,242,100
9	Average population.....60.0	
10	Center for forensic psychiatry--522.0 FTE positions..	37,197,100
11	Average population.....210.0	
12	Forensic mental health services provided to the	
13	department of corrections--938.0 FTE positions.....	69,954,400
14	Revenue recapture.....	750,000
15	IDEA, federal special education.....	92,000
16	Special maintenance and equipment.....	1,054,000
17	Purchase of medical services for residents of hospi-	
18	tals and centers.....	1,700,000
19	Closed site, transition, and related costs--13.0 FTE	
20	positions.....	455,500
21	Severance pay.....	896,000
22	Gifts and bequests for patient living and treatment	
23	environment.....	<u>2,000,000</u>
24	GROSS APPROPRIATION..... \$	329,499,200
25	Appropriated from:	
26	Interdepartmental grant revenues:	

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For Fiscal Year Ending
September 30, 2000

1	Interdepartmental grant from the department of	
2	corrections.....	69,954,400
3	Federal revenues:	
4	Total federal revenues.....	31,062,500
5	Special revenue funds:	
6	CMHSP-Purchase of state services contracts.....	155,560,700
7	Other local revenues.....	15,819,900
8	Private funds.....	2,000,000
9	Total other state restricted revenues.....	15,987,800
10	State general fund/general purpose..... \$	39,113,900
11	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
12	Full-time equated classified positions.....88.3	
13	Executive administration--15.5 FTE positions..... \$	1,320,200
14	Minority health grants and contracts.....	750,000
15	Vital records and health statistics--72.8 FTE	
16	positions.....	<u>5,775,600</u>
17	GROSS APPROPRIATION..... \$	7,845,800
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from family independence	
21	agency.....	135,600
22	Federal revenues:	
23	Total federal revenues.....	2,763,100
24	Special revenue funds:	
25	Total other state restricted revenues.....	1,867,700
26	State general fund/general purpose..... \$	3,079,400

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For Fiscal Year Ending
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1	Sec. 107. INFECTIOUS DISEASE CONTROL	
2	Full-time equated classified positions.....	44.3
3	AIDS prevention, testing, and care programs--	9.8 FTE
4	positions.....	\$ 20,292,300
5	Hepatitis A immunization program in Calhoun County...	100,000
6	Immunization local agreements.....	11,322,500
7	Immunization program management and field	
8	support--	7.7 FTE positions..... 1,873,100
9	Sexually transmitted disease control local agreements	2,355,700
10	Sexually transmitted disease control management and	
11	field support--	26.8 FTE positions..... <u>2,747,400</u>
12	GROSS APPROPRIATION.....	\$ 38,691,000
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	27,076,900
16	Special revenue funds:	
17	Local funds.....	242,700
18	Private funds.....	710,000
19	Total other state restricted revenues.....	7,023,500
20	State general fund/general purpose.....	\$ 3,637,900
21	Sec. 108. LABORATORY SERVICES	
22	Full-time equated classified positions.....	118.2
23	Laboratory services administration--	118.2 FTE
24	positions.....	\$ 11,018,500
25	Lyme disease.....	<u>75,000</u>
26	GROSS APPROPRIATION.....	\$ 11,093,500

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1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grant from environmental quality...	385,800
4	Federal revenues:	
5	Total federal revenues.....	1,172,900
6	Special revenue funds:	
7	Total other state restricted revenues.....	3,167,800
8	State general fund/general purpose..... \$	6,367,000
9	Sec. 109. EPIDEMIOLOGY	
10	Full-time equated classified positions.....31.5	
11	AIDS surveillance and prevention program--7.0 FTE	
12	positions..... \$	1,772,800
13	Epidemiology administration--24.5 FTE positions.....	4,304,200
14	Tuberculosis control and recalcitrant AIDS program...	<u>498,300</u>
15	GROSS APPROPRIATION..... \$	6,575,300
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	Interdepartmental grant from the department of envi-	
19	ronmental quality.....	80,600
20	Federal revenues:	
21	Total federal revenues.....	4,311,100
22	Special revenue funds:	
23	Total other state restricted revenues.....	231,000
24	State general fund/general purpose..... \$	1,952,600
25	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
26	Full-time equated classified positions.....3.0	

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1	Implementation of 1993 PA 133.....	\$	100,000
2	Lead abatement program--3.0 FTE positions.....		1,818,200
3	Local health services.....		462,300
4	Local public health operations.....		39,874,000
5	Medical services cost reimbursement to local health		
6	departments.....		1,800,000
7	Special populations health care.....		<u>620,600</u>
8	GROSS APPROPRIATION.....	\$	44,675,100
9	Appropriated from:		
10	Federal revenues:		
11	Total federal funds.....		3,773,700
12	Special revenue funds:		
13	Total other state restricted revenues.....		243,500
14	State general fund/general purpose.....	\$	40,657,900
15	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH		
16	PROMOTION		
17	Full-time equated classified positions.....	33.7	
18	AIDS and risk reduction clearinghouse and media		
19	campaign.....	\$	1,576,000
20	Alzheimer's information network.....		440,000
21	Cancer prevention and control program--13.6 FTE		
22	positions.....		12,235,600
23	Chronic disease prevention.....		1,417,400
24	Diabetes program--9.0 FTE positions.....		4,116,900
25	Employee wellness program grants (includes \$50.00 per		
26	diem and expenses for the risk reduction and AIDS		
27	policy commission).....		4,225,000

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1	Health education, promotion, and research	
2	programs--2.9 FTE positions.....	1,373,700
3	Injury control intervention project.....	278,500
4	Physical fitness, nutrition, and health.....	250,000
5	Public health traffic safety coordination.....	115,000
6	School health and education programs.....	2,182,800
7	Smoking prevention program--6.2 FTE positions.....	8,014,200
8	Violence prevention--2.0 FTE positions.....	<u>3,694,600</u>
9	GROSS APPROPRIATION.....	\$ 39,919,700
10	Appropriated from:	
11	Federal revenues:	
12	Total federal funds.....	11,967,400
13	Special revenue funds:	
14	Total other state restricted revenues.....	25,141,100
15	State general fund/general purpose.....	\$ 2,811,200
16	Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES	
17	Full-time equated classified positions.....	129.8
18	Adolescent health care services.....	\$ 2,892,300
19	Childhood lead program--5.0 FTE positions.....	1,376,800
20	Children's waiver program.....	21,713,700
21	Community living, children, and families	
22	administration--114.3 FTE positions.....	10,746,900
23	Dental programs.....	260,400
24	Dental program for persons with developmental	
25	disabilities.....	151,000
26	Family planning local agreements.....	8,100,000

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1	Family support subsidy.....	14,014,400
2	Housing and support services--1.0 FTE position.....	4,251,800
3	Local MCH services.....	8,354,200
4	Migrant health care.....	166,100
5	Newborn screening follow-up and treatment services...	2,325,700
6	Omnibus reconciliation act implementation--9.0 FTE	
7	positions.....	12,677,100
8	Palliative and hospice care.....	700,000
9	Pediatric AIDS prevention and control.....	871,100
10	Pregnancy prevention program.....	7,196,100
11	Prenatal care outreach and service delivery support..	1,799,300
12	Southwest community partnership.....	1,000,000
13	Special projects--0.5 FTE position.....	5,439,300
14	Sudden infant death syndrome program.....	121,300
15	Women, infants, and children program local agreements	
16	and food costs.....	<u>154,128,100</u>
17	GROSS APPROPRIATION..... \$	258,285,600
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenue.....	173,984,000
21	Special revenue funds:	
22	Private funds.....	41,954,100
23	Total other state restricted revenues.....	9,104,600
24	State general fund/general purpose..... \$	33,242,900
25	Sec. 113. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
26	Full-time equated classified positions.....66.6	

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1	Children's special health care services		
2	administration--66.6 FTE positions.....	\$	5,228,800
3	Amputee program.....		184,600
4	Bequests for care and services.....		1,329,600
5	Case management services.....		3,923,500
6	Conveyor contract.....		559,100
7	Medical care and treatment.....		<u>113,994,400</u>
8	GROSS APPROPRIATION.....	\$	125,220,000
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenue.....		58,411,300
12	Special revenue funds:		
13	Private bequests.....		900,000
14	Total other state restricted revenues.....		4,048,500
15	State general fund/general purpose.....	\$	61,860,200
16	Sec. 114. OFFICE OF DRUG CONTROL POLICY		
17	Full-time equated classified positions.....17.0		
18	Drug control policy--17.0 FTE positions.....	\$	1,686,800
19	Anti-drug abuse grants.....		<u>33,400,000</u>
20	GROSS APPROPRIATION.....	\$	35,086,800
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenue.....		34,912,400
24	State general fund/general purpose.....	\$	174,400
25	Sec. 115. CRIME VICTIM SERVICES COMMISSION		
26	Full-time equated classified positions.....9.0		

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1	Grants administration services--9.0 FTE positions....	\$	893,200
2	Justice assistance grants.....		9,000,000
3	Crime victims' rights services grants.....		<u>6,829,600</u>
4	GROSS APPROPRIATION.....	\$	16,722,800
5	Appropriated from:		
6	Federal revenues:		
7	Total federal revenue.....		9,784,900
8	Special revenue funds:		
9	Total other state restricted revenues.....		6,452,700
10	State general fund/general purpose.....	\$	485,200
11	Sec. 116. OFFICE OF SERVICES TO THE AGING		
12	Full-time equated classified positions.....		36.5
13	Commission (per diem \$50.00).....	\$	10,500
14	Office of services to aging administration--36.5 FTE		
15	positions.....		3,872,100
16	Community services.....		<u>26,823,300</u>
17	Nutrition services.....		28,285,700
18	Senior volunteer services.....		4,220,800
19	Senior citizen centers staffing and equipment.....		<u>1,140,800</u>
20	Employment assistance.....		2,632,700
21	DAG commodity supplement.....		7,200,000
22	Michigan pharmaceutical program.....		100
23	Respite care program.....		<u>3,600,000</u>
24	GROSS APPROPRIATION.....	\$	77,786,000
25	Appropriated from:		
26	Federal revenues:		

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1	Total federal revenue.....	41,292,100
2	Special revenue funds:	
3	Total private revenue.....	125,000
4	Total other state restricted revenue.....	8,600,800
5	State general fund/general purpose..... \$	27,768,100
6	Sec. 117. MEDICAL SERVICES ADMINISTRATION	
7	Full-time equated classified positions.....352.5	
8	Medical services administration--350.7 FTE positions. \$	44,820,900
9	Automated pharmacy claims adjudication and prospec-	
10	tive drug utilization review system.....	100
11	Data processing contractual services.....	100
12	Facility inspection contract - state police.....	132,800
13	MICChild administration.....	3,327,800
14	Michigan essential health care provider.....	1,229,100
15	Primary care services--1.8 FTE positions.....	<u>2,443,900</u>
16	GROSS APPROPRIATION..... \$	51,954,700
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	33,608,100
20	Special revenue funds:	
21	Private funds.....	100,000
22	Total other state restricted revenues.....	763,400
23	State general fund/general purpose..... \$	17,483,200
24	Sec. 118. MEDICAL SERVICES	
25	Hospital services and therapy..... \$	677,224,200
26	Hospital disproportionate share payments.....	45,000,000

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1	Physician services.....	178,316,300
2	Medicare premium payments.....	110,895,000
3	Pharmaceutical services.....	219,493,800
4	Home health services.....	35,320,000
5	Transportation.....	4,782,300
6	Auxiliary medical services.....	53,758,000
7	Long-term care services.....	1,007,364,700
8	Elder prescription insurance coverage.....	56,000,000
9	Health plan services.....	1,327,668,200
10	EPSDT and Maternal and Infant Support Services	
11	Outreach.....	10,988,600
12	MICHild outreach.....	3,327,800
13	MICHild program.....	57,567,100
14	Personal care services.....	24,262,000
15	Maternal and child health.....	9,234,500
16	Adult home help.....	149,732,300
17	Social services to the physically disabled.....	1,344,900
18	Subtotal basic medical services program.....	3,972,279,700
19	Outpatient hospital adjustor.....	44,012,800
20	School based services.....	142,782,300
21	Special adjustor payments.....	874,795,400
22	Subtotal special medical services payments.....	<u>1,061,590,500</u>
23	GROSS APPROPRIATION.....	\$ 5,033,870,200
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	2,888,941,300

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1 Special revenue funds:

2	Local revenues.....	642,944,200
3	Private funds.....	500,000
4	Tobacco settlement revenue.....	30,000,000
5	Total other state restricted revenues.....	251,384,100
6	State general fund/general purpose.....	\$ 1,220,100,600

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9 PART 1A

10 LINE-ITEM APPROPRIATIONS - FISCAL YEAR 1998-1999

11 Sec. 120. Subject to the conditions set forth in this act, the
12 amounts listed in this part are appropriated for the department of commu-
13 nity health for the fiscal year ending September 30, 1999, from the funds
14 indicated in this part. The following is a summary of the appropriations
15 in this part:

16 SUMMARY FOR FISCAL YEAR 1998-1999

17	GROSS APPROPRIATION.....	\$ 126,212,800
18	Federal revenues:	
19	Total federal revenues.....	96,422,200
20	Special revenue funds:	
21	Total local revenues.....	0
22	Total private revenues.....	0
23	Total local and private revenues.....	0
24	Total other state restricted revenues.....	20,000,000
25	State general fund/general purpose.....	\$ 9,790,600

26 Sec. 121. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

27 PROGRAMS

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1	Community mental health programs.....	\$	<u>104,212,800</u>
2	GROSS APPROPRIATION.....	\$	104,212,800
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		84,228,200
6	Special revenue funds:		
7	State general fund/general purpose.....	\$	19,984,600
8	Sec. 122. MEDICAL SERVICES ADMINISTRATION		
9	Automated pharmacy claims adjudication and prospec-		
10	tive drug utilization review system.....	\$	<u>2,000,000</u>
11	GROSS APPROPRIATION.....	\$	2,000,000
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues.....		1,650,000
15	Special revenue funds:		
16	State general fund/general purpose.....	\$	350,000
17	Sec. 123. MEDICAL SERVICES		
18	Special adjustor payments.....	\$	20,000,000
19	Subtotal special medical services payments.....		<u>20,000,000</u>
20	GROSS APPROPRIATION.....	\$	20,000,000
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues.....		10,544,000
24	Special revenue funds:		
25	Total other state restricted revenues.....		20,000,000
26	State general fund/general purpose.....	\$	(10,544,000)

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PART 1B

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LINE-ITEM APPROPRIATIONS - FISCAL YEAR 2000-2001

5

Sec. 130. Subject to the conditions set forth in this act, the

6

amounts listed in this part are appropriated for the department of commu-

7

nity health for the fiscal year ending September 30, 2001, from the funds

8

indicated in this part. The following is a summary of the appropriations

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in this part:

10 SUMMARY FOR FISCAL YEAR 2000-2001

11 GROSS APPROPRIATION..... \$ 1,380,774,900

12 Federal revenues:

13 Total federal revenues..... 776,547,800

14 Special revenue funds:

15 Total local revenues..... 0

16 Total private revenues..... 0

17 Total local and private revenues..... 0

18 Total other state restricted revenues..... 0

19 State general fund/general purpose..... \$ 604,227,100

20 Sec. 131. MEDICAL SERVICES

21 Health plan services..... \$ 1,380,774,900

22 Subtotal basic medical services program..... 1,380,774,900

23 GROSS APPROPRIATION..... \$ 1,380,774,900

24 Appropriated from:

25 Federal revenues:

26 Total federal revenues..... 776,547,800

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For Fiscal Year Ending
September 30, 2001

1 Special revenue funds:

2 State general fund/general purpose..... \$ 604,227,100

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4

5 PART 2

6 PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1999-2000

7 GENERAL SECTIONS

8 Sec. 201. (1) Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending in part 1 from state sources
10 for fiscal year 1999-2000 is estimated at \$2,926,267,200.00. The item-
11 ized statement below identifies appropriations from which spending to
12 units of local government will occur:

13 DEPARTMENT OF COMMUNITY HEALTH

14 DEPARTMENTWIDE ADMINISTRATION

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

16 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

17 PROGRAMS

18 Pilot projects in prevention for adults and
19 children..... 1,441,800

20 Community substance abuse prevention, education,
21 and treatment programs..... 19,419,700

22 Community mental health Medicaid managed care..... 511,517,900

23 Community mental health non-Medicaid services..... 313,196,200

24 INFECTIOUS DISEASE CONTROL

25 AIDS prevention, testing, and care programs..... 1,466,800

26 Sexually transmitted disease local agreements..... 452,900

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1	Hepatitis A immunization program in Calhoun County...	100,000
2	LOCAL HEALTH ADMINISTRATION AND GRANTS	
3	Special population health care.....	29,600
4	Local public health operations.....	39,874,000
5	CHRONIC DISEASE, INJURY, AND HEALTH PROMOTION	
6	Cancer prevention and control program.....	397,000
7	Diabetes local agreements.....	1,275,000
8	Employee wellness programs.....	1,545,100
9	School health and education programs.....	2,000,000
10	Smoking prevention program.....	2,880,000
11	COMMUNITY LIVING, CHILDREN, AND FAMILIES	
12	Adolescent health care services.....	1,358,000
13	Family planning local agreements.....	1,230,300
14	Family support subsidy.....	7,006,900
15	Housing and support services.....	708,800
16	Local MCH services.....	246,100
17	OBRA implementation.....	2,459,100
18	Pregnancy prevention program.....	2,511,800
19	CHILDREN'S SPECIAL HEALTH CARE SERVICES	
20	Case management services.....	1,433,200
21	MEDICAL SERVICES	
22	Indigent medical program.....	1,383,800
23	Hospital disproportionate share payments.....	18,000,000
24	Medical services noncapitated.....	31,509,100
25	Health plan services.....	54,575,700
26	OFFICE OF SERVICES TO THE AGING	

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1	Community services.....	13,681,400
2	Nutrition services.....	12,363,000
3	Senior volunteer services.....	3,845,300
4	Respite care program.....	2,000,000

5 CRIME VICTIMS SERVICES COMMISSION

6	Crime victims' rights services grants.....	<u>3,400,000</u>
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7 TOTAL OF PAYMENTS TO LOCAL UNITS

8	OF GOVERNMENT.....	\$ 1,054,826,600
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9 (2) If it appears to the principal executive officer of a department
10 or branch that state spending to local units of government will be less
11 than the amount that was projected to be expended under subsection (1),
12 the principal executive officer shall immediately give notice of the
13 approximate shortfall to the state budget director.

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

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

19 Sec. 204. As used in this act:

20 (a) "ACCESS" means Arab community center for economic and social
21 services.

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

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

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

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1 (e) "Disease management" means a comprehensive system that
2 incorporates the patient, physician, and health plan into 1 system
3 with the common goal of achieving desired outcomes for patients.

4 (f) "Department" means the Michigan department of community health.

5 (g) "DSH" means disproportionate share hospital.

6 (h) "FTE" means full-time equated position.

7 (i) "GME" means graduate medical education.

8 (j) "HMO" means health maintenance organization.

9 (k) "IDEA" means individual disability education act.

10 (l) "MCH" means maternal and child health.

11 (m) "OBRA" means the omnibus budget reconciliation act of 1987,
12 Public Law 100-203, 101 Stat. 1330.

13 (n) "Qualified health plan" means, at a minimum, an organization
14 that meets the criteria for delivering the comprehensive package of serv-
15 ices under the department's comprehensive health plan.

16 (o) "Title XVIII" means title XVIII of the social security act,
17 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395b-6 to
18 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u to
19 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28, 1395x to 1395yy, and
20 1395bbb to 1395ggg.

21 (p) "Title XIX" means title XIX of the social security act, chapter
22 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f, 1396g-1 to 1396r-6,
23 and 1396r-8 to 1396v.

24 Sec. 206. (1) Beginning October 1, 1999, a hiring freeze is imposed
25 on the state classified civil service. State departments and agencies
26 are prohibited from hiring any new full-time state classified civil
27 service employees and prohibited from filling any vacant state classified

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1 civil service positions. This hiring freeze does not apply to internal
2 transfers of classified employees from 1 position to another within a
3 department or to positions that are funded with 80% or more federal or
4 restricted funds.

5 (2) The state budget director shall grant exceptions to this hiring
6 freeze when the state budget director believes that the hiring freeze
7 will result in rendering a state department or agency unable to deliver
8 basic services.

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

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

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

24	(a) Maternal and child health block grant.....	\$	20,627,000.
25	(b) Preventive health and health services block grant	\$	6,247,100.
26	(c) Substance abuse block grant.....	\$	61,178,100.

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1 (d) Healthy Michigan fund..... \$ 38,657,300.

2 (e) Michigan health initiative..... \$ 9,611,400.

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

9 (3) Upon the release of the fiscal year 2000-2001 executive budget
10 recommendation, the department shall report to the same parties in
11 subsection (2) on the amounts and detailed sources of federal,
12 restricted, private, and local revenue proposed to support the total
13 funds appropriated in each of the line items in part 1 of the fiscal year
14 1999-2000 executive budget proposal.

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

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

22 (a) Detailed spending plan by appropriation line item including
23 description of programs.

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

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

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1 (d) Eligibility criteria for program participation and maximum
2 benefit levels where applicable.

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

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

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

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

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

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

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

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

4 Sec. 216. (1) 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.

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. (1) The department shall provide a report on the progress
15 of Medicaid managed mental health services to the members of the senate
16 and house appropriations subcommittees on community health, the senate
17 committee on families, mental health, and human services, and the house
18 committee on mental health by September 30, 2000. The report shall sum-
19 marize 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 (2) On or before the tenth of each month, the department shall
25 report to the senate and house appropriations subcommittees on community
26 health, the senate and house fiscal agencies, and the state budget
27 director on the amount of funding paid to the CMHSPs to support the

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1 Medicaid managed mental health care program in that month. The
2 information shall include the total paid to each CMHSP, per capita rate
3 paid for each eligibility group for each CMHSP, and number of cases in
4 each eligibility group for each CMHSP.

5 Sec. 220. (1) The department shall submit to the department of man-
6 agement and budget, the house and senate appropriations committees, the
7 house and senate fiscal agencies, and the house and senate standing com-
8 mittees with jurisdiction over technology issues quarterly reports on the
9 department's efforts to change the department's computer software and
10 hardware as necessary to perform properly in the year 2000 and beyond.
11 These reports shall identify actual progress in comparison to the
12 department's approved work plan for these efforts.

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

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

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

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

20 (3) In addition to the funds appropriated in part 1, there is appro-
21 priated an amount not to exceed \$10,000,000.00 for local contingency
22 funds. These funds are not available for expenditure until they have
23 been transferred to another line item in this act pursuant to section
24 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

25 (4) In addition to the funds appropriated in part 1, there is appro-
26 priated an amount not to exceed \$10,000,000.00 for private contingency
27 funds. These funds are not available for expenditure until they have

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1 been transferred to another line item in this act pursuant to section
2 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

3 Sec. 223. Basic health services for the fiscal year beginning
4 October 1, 1999, for the purpose of part 23 of the public health code,
5 1978 PA 368, MCL 333.2301 to 333.2321, are: immunizations, communicable
6 disease control, sexually transmitted disease control, tuberculosis con-
7 trol, prevention of gonorrhea eye infection in newborns, screening new-
8 borns for the 7 conditions listed in section 5431(1)(a) through (g) of
9 the public health code, 1978 PA 368, MCL 333.5431, community health annex
10 of the Michigan emergency management plan, and prenatal care.

11 Sec. 224. (1) The department may contract with the Michigan public
12 health institute for the design and implementation of projects and for
13 other public health related activities prescribed in section 2611 of the
14 public health code, 1978 PA 368, MCL 333.2611. The department may
15 develop a master agreement with the institute to carry out these purposes
16 for up to a 3-year period. The department shall report to the house and
17 senate appropriations subcommittees on community health, the house and
18 senate fiscal agencies, and the state budget director on or before
19 November 1, 1999 and May 1, 2000 all of the following:

20 (a) A detailed description of each funded project.

21 (b) The amount allocated for each project, the appropriation line
22 item from which the allocation is funded, and the source of financing for
23 each project.

24 (c) The expected project duration.

25 (d) A detailed spending plan for each project, including a list of
26 all subgrantees and the amount allocated to each subgrantee.

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1 (2) If a report required under subsection (1) is not received by the
2 house and senate appropriations subcommittees on community health, the
3 house and senate fiscal agencies, and the state budget director on or
4 before the date specified for that report, the disbursement of funds to
5 the Michigan public health institute under this section shall stop. The
6 disbursement of those funds shall recommence when the overdue report is
7 received.

8 (3) On or before September 30, 2000, the department shall provide to
9 the same parties listed in subsection (1) a copy of all reports, studies,
10 and publications produced by the Michigan public health institute, its
11 subcontractors, or the department with the funds appropriated in part 1
12 and allocated to the Michigan public health institute.

13 Sec. 225. From the amounts appropriated in part 1 for departmen-
14 twice administration, the department shall make available to the state
15 budget director up to \$100,000.00 for the purpose of contracting for an
16 external review of the Michigan public health institute. The purpose of
17 the review is to assess the quality of the research and demonstration
18 projects administered by the Michigan public health institute and funded
19 with state appropriations. In selecting a contractor to perform the
20 external review, the state budget director may consider public or private
21 institutions of higher learning from outside this state and public or
22 private agencies, foundations, or public policy research organizations
23 with expertise in the area of health policy research.

24 Sec. 226. All contracts with the Michigan public health institute
25 funded with appropriations in part 1 shall include a requirement that the
26 Michigan public health institute submit to financial and performance

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1 audits by the state auditor general of projects funded with state
2 appropriations.

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

5 Sec. 232. Sixty days before beginning any effort to privatize, the
6 department shall submit a complete project plan to the appropriate house
7 and senate appropriations subcommittees and the house and senate fiscal
8 agencies. The plan shall include the criteria under which the privatiza-
9 tion initiative will be evaluated. The evaluation shall be completed and
10 submitted to the appropriate house and senate appropriations subcommit-
11 tees and the house and senate fiscal agencies within 30 months.

12 Sec. 235. The department shall require that providers of Medicaid
13 and non-Medicaid services, such as nursing home providers, community
14 mental health service programs, and other health related services, main-
15 tain waiting lists for service needs not met, preserving the confiden-
16 tiality of clients as required by law. The waiting lists for all of
17 these providers, other than CMHSPs, shall include data by type of service
18 and provide an average length of time persons have been waiting for
19 services. For community mental health services programs, the data shall
20 be reported by type of service for each community mental health services
21 program as well as information on the average length of time spent on
22 each waiting list. No later than April 1, 2000, the department shall
23 provide a report on the information required by this section to the mem-
24 bers of the house and senate appropriations subcommittees on community
25 health, the house and senate fiscal agencies, and the state budget
26 director.

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1 Sec. 236. The department of community health may establish and
2 collect fees for publications, videos and related materials, conferences,
3 and workshops. Collected fees shall be used to offset expenditures to
4 pay for printing and mailing costs of the publications, videos and
5 related materials, and costs of the workshops and conferences. The costs
6 shall not exceed fees collected.

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

21 Sec. 238. All reports required in this act shall be made available
22 to the public primarily through internet access, unless a printed version
23 is requested. The department shall provide electronic notification to
24 all legislative offices for specific reports requested by the
25 legislature.

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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 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

13 AND SPECIAL PROJECTS

14 Sec. 350. The department may enter into a contract with the protec-
15 tion and advocacy service, authorized under section 931 of the mental
16 health code, 1974 PA 258, MCL 330.1931, or a similar organization to pro-
17 vide legal services for purposes of gaining and maintaining occupancy in
18 a community living arrangement which is under lease or contract with the
19 department or a community mental health services program board to provide
20 services to persons with mental illness or developmental disability.

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1 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

2 PROGRAMS

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

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

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

13 (c) The coordination of inpatient and outpatient hospital services
14 through agreements with state-operated psychiatric hospitals, units, and
15 centers in facilities owned or leased by the state, and privately-owned
16 hospitals, units, and centers licensed by the state pursuant to sections
17 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to
18 330.1149b.

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

24 (e) A system of case management to monitor and ensure the provision
25 of services consistent with the individualized plan of services or
26 supports.

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1 (f) A system of continuous quality improvement.

2 (g) A system to monitor and evaluate the mental health services
3 provided.

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

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

10 Sec. 402. (1) From funds appropriated in part 1, final authoriza-
11 tions to CMHSPs shall be made upon the execution of contracts between the
12 department and CMHSPs. The contracts shall contain an approved plan and
13 budget as well as policies and procedures governing the obligations and
14 responsibilities of both parties to the contracts. Each contract with a
15 CMHSP that the department is authorized to enter into under this subsec-
16 tion shall include a provision that the contract is not valid unless the
17 total dollar obligation for all of the contracts between the department
18 and the CMHSPs entered into under this subsection for fiscal year
19 1999-2000 does not exceed the amount of money appropriated in part 1 for
20 the contracts authorized under this subsection.

21 (2) The department shall immediately report to the senate and house
22 appropriations subcommittees on community health, the senate and house
23 fiscal agencies, and the state budget director if either of the following
24 occurs:

25 (a) Any new contracts with CMHSPs that would affect rates or expen-
26 ditures are enacted.

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1 (b) Any amendments to contracts with CMHSPs that would affect rates
2 or expenditures are enacted.

3 (3) The report required by subsection (2) shall include information
4 about the changes and their effects on rates and expenditures. This
5 report shall also include changes in the per diem rates paid for purchase
6 of state services in state facilities.

7 (4) Expenditures from the purchase of state services line item in
8 part 1 shall only be used to fulfill the purchase of state services
9 source of financing in the respective state hospital and centers line
10 items.

11 Sec. 406. From the funds appropriated in part 1 for multicultural
12 services, the department shall ensure that CMHSPs continue contracts with
13 multicultural services providers.

14 Sec. 407. (1) Not later than May 31 of each fiscal year, the
15 department shall provide a report on the community mental health services
16 programs to the members of the house and senate appropriations subcommit-
17 tees on community health, the house and senate fiscal agencies, and the
18 state budget director which shall include information required by this
19 section.

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

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

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

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

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

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

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

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

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

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

22 (h) An estimate of the number of FTEs employed by the CMHSPs or con-
23 tracted with directly by the CMHSPs as of September 30, 1999 and an esti-
24 mate of the number of FTEs employed through contracts with provider
25 organizations as of September 30, 1999.

26 (i) Lapses and carryforwards during fiscal year 1998-99 for CMHSPs.

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

4 (k) Information on the community mental health Medicaid managed care
5 program, including, but not limited to:

6 (i) Expenditures by each CMHSP organized by Medicaid eligibility
7 group, including per eligible individual expenditure averages.

8 (ii) Performance indicator information required to be submitted to
9 the department in the contracts with CMHSPs.

10 (3) The department shall include data reporting requirements listed
11 in subsection (2) in the annual contract with each individual CMHSP.

12 (4) The department shall take all reasonable actions to ensure that
13 the data required are complete and consistent among all CMHSPs.

14 Sec. 409. It is the intent of the legislature that the employee
15 wage pass-through funded to the community mental health services programs
16 for direct care workers in local residential settings and for paraprofes-
17 sional and other nonprofessional direct care workers in day programs,
18 supported employment, and other vocational programs that was funded
19 beginning April 1, 1999 shall continue to be paid to direct care workers
20 in fiscal year 1999-2000. These funds shall be used to cover such
21 increased wages and employer associated wage costs.

22 Sec. 411. (1) The funds appropriated in part 1 for the state dis-
23 ability assistance substance abuse services program shall be used to sup-
24 port per diem room and board payments in substance abuse residential
25 facilities. Eligibility of clients for the state disability assistance
26 substance abuse services program shall include needy persons 18 years of

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1 age or older, or emancipated minors, who reside in a substance abuse
2 treatment center.

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

9 Sec. 412. (1) The amount appropriated in part 1 for substance abuse
10 prevention, education, and treatment grants shall be expended for con-
11 tracting with coordinating agencies or designated service providers. It
12 is the intent of the legislature that the coordinating agencies and des-
13 ignated service providers work with the CMHSPs to coordinate the care and
14 services provided to individuals with both mental illness and substance
15 abuse diagnoses.

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

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

25 (a) Expenditures stratified by coordinating agency, by central diag-
26 nosis and referral agency, by fund source, by subcontractor, by
27 population served, and by service type. Additionally, data on

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1 administrative expenditures by coordinating agency and by subcontractor
2 shall be reported.

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

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

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

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

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

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

23 Sec. 421. The department shall assure that substance abuse treat-
24 ment is provided to applicants and recipients of public assistance
25 through the family independence agency who are required to obtain sub-
26 stance abuse treatment as a condition of eligibility for public
27 assistance.

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

6 (2) Each CMHSP shall have jail diversion services and shall work
7 toward establishing working relationships with representative staff of
8 local law enforcement agencies. Such agencies include the county
9 prosecutors' offices, county sheriffs' offices, county jails, municipal
10 police agencies, municipal detention facilities, and the courts. Written
11 interagency agreements describing what services each participating agency
12 is prepared to commit to the local jail diversion effort and the proce-
13 dures to be used by local law enforcement agencies to access mental
14 health jail diversion services are strongly encouraged.

15 Sec. 423. The department shall contract directly with the Salvation
16 Army harbor light program for the provision of substance abuse services
17 and other services that are supported directly or indirectly with appro-
18 priations in part 1.

19 Sec. 424. In fiscal year 1999-2000, the department shall develop a
20 plan which conforms to the requirements of the health care finance admin-
21 istration for competitive procurement of contracts to manage Medicaid
22 mental health, developmental disabilities, and substance abuse services.
23 The department shall submit the plan to the appropriation subcommittees
24 for community health of both the house and senate and to the health care
25 financing administration. If the health care financing administration
26 approves the plan, the department may implement a competitive bid pilot

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1 program that complies with the approved plan. In fiscal year 1999-2000,
2 the department shall not implement a statewide competitive bid process.

3 Sec. 426. Funds appropriated for Medicaid substance abuse services
4 shall be contracted in full to coordinating agencies through CMHSPs
5 unless such a pass-through is held to be in violation of federal or state
6 law or rules. If such a pass-through is not permissible, the department
7 shall contract directly with coordinating agencies. CMHSPs shall not
8 assume any contractual or financial liability associated with the
9 pass-through substance abuse services funds provided to eligible recip-
10 ients with these funds. The coordinating agencies shall retain financial
11 program responsibilities and liabilities consistent with contract
12 requirements.

13 STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH
14 DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON
15 MENTAL HEALTH SERVICES

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

21 (2) The department shall continue a revenue recapture project to
22 generate additional revenues from third parties related to cases which
23 have been closed or are inactive. Revenues collected through project
24 efforts are appropriated to the department for departmental costs and
25 contractual fees associated with these retroactive collections and to

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1 improve ongoing departmental reimbursement management functions so that
2 the need for retroactive collections will be reduced or eliminated.

3 Sec. 602. Unexpended and unencumbered amounts and accompanying
4 expenditure authorizations up to \$2,000,000.00 remaining on September 30,
5 2000 from pay telephone revenues and the amounts appropriated in part 1
6 for gifts and bequests for patient living and treatment environments
7 shall be carried forward for 1 fiscal year. The purpose of gifts and
8 bequests for patient living and treatment environments is to use addi-
9 tional private funds to provide specific enhancements for individuals
10 residing at state-operated facilities. Use of the gifts and bequests
11 shall be consistent with the stipulation of the donor. The expected com-
12 pletion date for the use of gifts and bequests donations is within 3
13 years unless otherwise stipulated by the donor.

14 Sec. 603. The funds appropriated in part 1 for forensic mental
15 health services provided to the department of corrections are in accord-
16 ance with the interdepartmental plan developed in cooperation with the
17 department of corrections. The department is authorized to receive and
18 expend funds from the department of corrections in addition to the appro-
19 priations in part 1 to fulfill the obligations outlined in the interde-
20 partmental agreements.

21 Sec. 604. Funds that become available as a result of reductions in
22 the utilization of state-operated hospitals and centers are intended to
23 be retained by CMHSP to support community-based services. The funds made
24 available to the CMHSPs due to the reduction of utilization of
25 state-operated hospitals and centers shall be no more and no less than
26 the actual savings realized due to the reduction in utilization of
27 state-operated hospitals and centers.

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

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

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

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

19 PUBLIC HEALTH ADMINISTRATION

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

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1 Sec. 702. (1) From the amounts appropriated in part 1 for minority
2 health grants and contracts, \$100,000.00 shall be allocated for an Asian
3 women health project.

4 (2) The amount allocated in subsection (1) is 1-time funding for the
5 project, shall be considered a work project appropriation, and unencum-
6 bered or unallotted funds are carried forward into the succeeding 2
7 fiscal years.

8 INFECTIOUS DISEASE CONTROL

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

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

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

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1 Sec. 807. From the funds appropriated in part 1 for immunization
2 local agreements, \$100,000.00 shall be used to support the final year of
3 a project to vaccinate 2-year-old children countywide in Calhoun County
4 with hepatitis A vaccine for the prevention of future outbreaks of
5 hepatitis A.

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

10 **EPIDEMIOLOGY**

11 Sec. 850. From the funds appropriated in part 1 for epidemiology
12 administration, no less than \$150,000.00 shall be allocated for the
13 behavioral risk factor survey project.

14 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

15 Sec. 903. The amount appropriated in part 1 for implementation of
16 the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and
17 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221,
18 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local
19 health departments for costs incurred related to implementation of sec-
20 tion 17015(15) of the public health code, 1978 PA 368, MCL 333.17015.

21 Sec. 905. If a county which has participated in a district health
22 department or an associated arrangement with other local health
23 departments takes action to cease to participate in such an arrangement

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1 after October 1, 1999, the department shall have the authority to
2 negotiate and assess a penalty from the local health department's admin-
3 istrative accounts in an amount equal to no more than 3% of the local
4 health department's local public health operations funding. This penalty
5 shall only be assessed to the local county that requests the dissolution
6 of the health department.

7 Sec. 908. The department shall provide a report semiannually to the
8 house and senate appropriations subcommittees on community health, the
9 senate and house fiscal agencies, and the state budget director on the
10 expenditures and activities undertaken by the lead abatement program.
11 The report shall include but is not limited to a funding allocation
12 schedule, expenditures by category of expenditure and by subcontractor,
13 revenues received, description of program elements, and description of
14 program accomplishments and progress.

15 Sec. 909. (1) Funds appropriated in part 1 for local public health
16 operations shall be prospectively allocated to local health departments
17 to support immunizations, infectious disease control, sexually transmit-
18 ted disease control and prevention, hearing screening, vision services,
19 food protection, public water supply, private groundwater supply, and
20 on-site sewage management. Food protection shall be provided under con-
21 tract with the Michigan department of agriculture. Public water supply,
22 private groundwater supply, and on-site sewage management shall be pro-
23 vided under contract with the Michigan department of environmental
24 quality.

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

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

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

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

11 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH**

12 **PROMOTION**

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

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

21 Sec. 1002. (1) The amount appropriated in part 1 for school health
22 and education programs shall be allocated in 1999-2000 to provide grants
23 to or contract with certain districts and intermediate districts for the
24 provision of a school health education curriculum. Provision of the
25 curriculum, such as the Michigan model or another comprehensive school

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1 health education curriculum, shall be in accordance with the health
2 education goals established by the Michigan model for the comprehensive
3 school health education state steering committee. The state steering
4 committee shall be comprised of a representative from each of the follow-
5 ing offices and departments:

6 (a) The department of education.

7 (b) The department of community health.

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

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

11 (e) The family independence agency.

12 (f) The department of state police.

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

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

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

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

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

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

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

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

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

20 Sec. 1008. From the amount appropriated in part 1 for the cancer
21 prevention and control program, funds shall be allocated to the Karmanos
22 cancer institute/Wayne State University, to the University of Michigan
23 comprehensive cancer center, and to Michigan State University for cancer
24 prevention activities.

25 Sec. 1009. From the funds appropriated in part 1 for diabetes local
26 agreements, a portion of the funds may be allocated to the national
27 kidney foundation of Michigan for kidney disease prevention programming

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1 including early identification and education programs and kidney disease
2 prevention demonstration projects.

3 Sec. 1012. From the funds appropriated in part 1 for diabetes local
4 agreements, \$320,000.00 shall be allocated for improving the health of
5 African-American men in Michigan. The funds shall be used for screening
6 and patient self-care activities for diabetes, hypertension, stroke, and
7 glaucoma and other eye diseases.

8 Sec. 1014. (1) From the amounts appropriated in part 1 for violence
9 prevention, \$500,000.00 shall be allocated to the Bay County women's
10 center for domestic violence prevention and services programs.

11 (2) The amount allocated in subsection (1) shall be considered a
12 work project appropriation, and unencumbered or unallotted funds are car-
13 ried forward into the succeeding fiscal year.

14 Sec. 1015. The amounts appropriated in part 1 for health education,
15 promotion, and research programs shall include \$300,000.00 in 1-time
16 funding for an interactive health education center.

17 COMMUNITY LIVING, CHILDREN, AND FAMILIES

18 Sec. 1102. (1) Agencies receiving funds appropriated in part 1 for
19 adolescent health care services shall meet all of the following
20 criteria:

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

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

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1 (ii) Demographic information of populations served including sex,
2 age, and race.

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

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

6 (b) Require each local school board funded by the agency to estab-
7 lish a local advisory committee before the planning phase of an adoles-
8 cent health clinic intended to provide services within that school
9 district. The advisory committee shall be comprised of not less than 50%
10 residents of the local school district and shall not be comprised of more
11 than 50% health care providers. A person who is employed by the sponsor-
12 ing agency shall not have voting privileges as a member of the advisory
13 committee. All advisory committee meetings shall be open to the public
14 with at least a 1-week notice of the meeting date published in the local
15 newspaper.

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

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

24 (e) Require each adolescent health clinic funded by the agency to
25 have a written policy on parental consent, developed by the local
26 advisory committee and submitted to the local school board for approval

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1 if the services are provided in a public school building where
2 instruction is provided in grades kindergarten through 12.

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

9 (3) The department shall submit a report to the members of the
10 senate and house appropriations subcommittees on community health and the
11 senate and house fiscal agencies based on the information provided under
12 subsection (1)(a). The report is due 90 days after the end of the calen-
13 dar year.

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

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

26 (a) Funding allocations.

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

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

5 Sec. 1106a. (1) Federal abstinence money expended in part 1 for the
6 purpose of promoting abstinence education shall provide abstinence educa-
7 tion to teenagers most likely to engage in high risk behavior as their
8 primary focus, and may include programs that include 9 to 14 year olds.
9 Programs funded must meet all of the following guidelines:

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

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

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

17 (d) Teaches that a monogamous relationship in the context of mar-
18 riage is the expected standard of human sexual activity.

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

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

23 (g) Teaches young people how to avoid sexual advances and how alco-
24 hol and drug use increases vulnerability to sexual advances.

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

(2) Coalitions, organizations, and programs that do not
provide contraceptives to adolescents without parental consent and
demonstrate efforts to include parental involvement as a means of
reducing the risk of teens becoming pregnant shall be given priority
in the allocations of funds.

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

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

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

1 Sec. 1111. (1) From the amounts appropriated in section 112 for
2 dental programs, funds shall be allocated to the Michigan dental associa-
3 tion for the administration of a volunteer dental program that would pro-
4 vide dental services to the uninsured in an amount that is no less than
5 the amount allocated to that program in fiscal year 1996-97.

6 (2) Not later than November 1, 1999, the department shall report to
7 the senate and house appropriations subcommittees on community health and
8 the senate and house standing committees on health policy the number of
9 individual patients treated, number of procedures performed, and approxi-
0 mate total market value of those procedures through September 30, 1999.

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

6 Sec. 1114. The department shall allocate no less than 86% of the
7 funds appropriated in part 1 for family planning local agreements and the

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1 pregnancy prevention program for the direct provision of family
2 planning/pregnancy prevention services.

3 Sec. 1118. From the funds appropriated in part 1 for special
4 projects, the department shall allocate no less than \$200,000.00 to pro-
5 vide education and outreach to targeted populations on the dangers of
6 neonatal addiction and fetal alcohol syndrome and further develop its
7 infant support services to target families with infants with fetal alco-
8 hol syndrome or suffering from drug addiction.

9 Sec. 1119. The availability of \$625,000.00 for laboratory services
10 and \$596,300.00 for newborn screening follow-up and treatment services is
11 contingent upon the enactment of legislation to increase the fee for the
12 test required to be administered to a newborn infant by section 5431 of
13 the public health code, 1978 PA 368, MCL 333.5431, and that fee increase
14 taking effect before October 1, 1999.

15 Sec. 1123. From the amounts appropriated in part 1 for palliative
16 and hospice care, \$500,000.00 shall be allocated for education programs
17 on and promotion of palliative care, hospice, and end of life care, and
18 \$200,000.00 shall be allocated for a pilot project to assess long-term
19 feasibility of paying the cost of room and board in hospice residences
20 for low income individuals.

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

22 Sec. 1201. Funds appropriated in part 1 for medical care and treat-
23 ment of children with special health care needs shall be paid according
24 to reimbursement policies determined by the Michigan medical services

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1 program. Exceptions to these policies may be taken with the prior
2 approval of the state budget director.

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

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

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

8 (c) Provide genetic diagnostic and counseling services for eligible
9 families.

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

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

16 OFFICE OF DRUG CONTROL POLICY

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

20 Sec. 1252. From the amount appropriated in part 1 to the office of
21 drug control policy, anti-drug abuse grants, \$200,000.00 shall be trans-
22 ferred to the department of education to fund the office of safe
23 schools.

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1 CRIME VICTIM SERVICES COMMISSION

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

4 OFFICE OF SERVICES TO THE AGING

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

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

13 (2) 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.

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

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

15 Sec. 1409. From unallocated escheat revenue used to fund respite
16 care in the office of services to the aging, \$100,000.00 shall be used to
17 fund the human development commission senior respite project.

18 MEDICAL SERVICES ADMINISTRATION

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

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

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1 MEDICAL SERVICES

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

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

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

24 Sec. 1603. (1) Effective October 1, 1999, the pharmaceutical dis-
25 pensing fee shall be \$3.72 or the usual or customary cash charge, which-
26 ever is less. If a Medicaid recipient is 21 years of age or older, the

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1 department shall require a \$1.00 per prescription copayment, except as
2 prohibited by federal or state law or regulation.

3 (2) Subsequent to the implementation of an automated pharmacy claims
4 adjudication system, the department shall conduct a study to determine
5 what savings may be accruing to Medicaid pharmacy providers as a result
6 of the establishment of this system. Based on the findings from that
7 study, the department may make a recommendation to the legislature for an
8 adjustment to the pharmacy dispensing fee.

9 Sec. 1604. (1) From the funds appropriated in part 1 for pharmaceu-
10 tical services, the department shall use \$50,000.00 to assess the effec-
11 tiveness of utilizing low cost community-based programs that deliver pre-
12 scription medications to homebound or frail elderly recipients.

13 (2) After identifying at least 1 existing delivery model, based on
14 the specified criteria in subsection (1), the department may measure ele-
15 ments such as the elapsed time between when a prescription is ordered and
16 when the recipient actually receives the medication, whether the exis-
17 tence of the delivery system increases the timeliness of obtaining
18 refills, if a variable subsidy affects the ability of the delivery system
19 to expand the number of elderly persons that it serves, and any other
20 factors that may be relevant to this assessment.

21 (3) The department shall provide a preliminary report on its find-
22 ings to the members of the senate and house appropriations subcommittees
23 on community health and the senate and house fiscal agencies, no later
24 than May 1, 2000.

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

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1 Remedial services include basic self-care and rehabilitation training for
2 a resident.

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

9 Sec. 1607. The department shall require copayments on dental, podi-
10 atric, chiropractic, vision, and hearing aid services provided to
11 Medicaid recipients, except as prohibited by federal or state law or
12 regulation.

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

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

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

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

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

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

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

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

6 (c) Pharmaceutical services.

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

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

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

17 Sec. 1611. The department may require medical services recipients
18 residing in counties offering managed care options to choose the particu-
19 lar managed care plan in which they wish to be enrolled. Persons not
20 expressing a preference may be assigned to a managed care provider.

21 Sec. 1612. (1) The department shall not preauthorize single-source
22 pharmaceutical products except:

23 (a) Those single-source pharmaceutical products that have been
24 subject to prior authorization by the department prior to January 1,
25 1992.

26 (b) Those single-source pharmaceuticals within the categories
27 specified in section 1927(d)(2) of title XIX of the social security act,

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1 42 U.S.C. 1396r-8, or for the reasons delineated in section 1927(d)(3) of
2 title XIX of the social security act, 42 U.S.C. 1396r-8.

3 (c) Those pharmaceutical products related to the treatment of sexual
4 dysfunction.

5 (d) Those pharmaceutical products that do not have a medically
6 accepted indication. As used in this subdivision, "medically accepted
7 indication" means any use of a covered outpatient drug that is approved
8 under the federal food, drug, and cosmetic act, that appears in peer
9 reviewed medical literature, or that is accepted by 1 or more of the fol-
10 lowing compendia: the American hospital formulary service-drug informa-
11 tion, the American medical association drug evaluations, the United
12 States pharmacopeia-drug information, or the drugdex information system.

13 (2) The department may implement prospective drug utilization review
14 and disease management systems. The prospective drug utilization review
15 and disease management systems authorized by this subsection shall have
16 physician oversight, shall focus on patient, physician, and pharmacist
17 education, and shall be developed in consultation with the national phar-
18 maceutical council, Michigan state medical society, Michigan association
19 of osteopathic physicians, Michigan pharmacists' association, Michigan
20 partner for patient advocacy, and Michigan nurses' association.

21 (3) From the funds appropriated in part 1 for the automated pharmacy
22 claims adjudication and prospective drug utilization review system, the
23 department shall continue the process of developing and implementing this
24 system as specified in section 2103. The department shall provide
25 bimonthly reports to the members of the senate and house appropriations
26 subcommittees on community health and the senate and house fiscal

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1 agencies on the progress of the development and implementation of this
2 system.

3 Sec. 1613. The department may implement a mail-order pharmacy pro-
4 gram for the noncapitated portion of the Medicaid program after a study
5 by the department is submitted to the house and senate appropriations
6 subcommittees on community health and after the repeal of section
7 17763(a) of the public health code, 1978 PA 368, MCL 333.17763.

8 Sec. 1614. (1) The department shall assure that all Medicaid chil-
9 dren have timely access to early and periodic screening, diagnosis, and
10 treatment (EPSDT) services as required by federal law. Medicaid managed
11 care plans will provide EPSDT services in accordance with EPSDT policy.
12 Requirements for objective hearing and vision screening may be met by
13 referral to local health departments.

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

24 Sec. 1615. (1) The department of community health is authorized to
25 pursue reimbursement for eligible services provided in Michigan schools
26 from the federal Medicaid program. The department and the state budget
27 director are authorized to negotiate and enter into agreements, together

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1 with the department of education, with local and intermediate school
2 districts regarding the sharing of federal Medicaid services funds
3 received for these services. The department is authorized to receive and
4 disburse funds to participating school districts pursuant to such agree-
5 ments and state and federal law.

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

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

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

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

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

21 Sec. 1617. The department of community health shall obtain
22 patient-based utilization data from those health maintenance organiza-
23 tions and clinic plans with which the department contracts. The data
24 shall include immunizations, early and periodic screenings, diagnoses,
25 and treatments, substance abuse services, blood lead level testing, and
26 maternal and infant support services referrals. The department shall
27 submit annual reports on patient-based utilization data to the members of

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1 the senate and house appropriations subcommittees on community health,
2 the senate and house fiscal agencies, the state budget director, and the
3 director of each local health department.

4 Sec. 1618. It is the intent of the legislature that payment
5 increases for enhanced wages and new or enhanced employee benefits shall
6 be provided to those facilities that make application for it to fund the
7 Medicaid program share of wage and employee benefit increases up to the
8 equivalent of 30 cents per employee hour. Employee benefits shall
9 include, but are not limited to, health benefits, retirement benefits,
10 and quality of life benefits such as day care services. Nursing facili-
11 ties shall be required to document that these wage and benefit increases
12 were actually provided.

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

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

22 Sec. 1621. The department of community health shall distribute
23 \$695,000.00 to children's hospitals that have a high indigent care
24 volume. The amount to be distributed to any given hospital shall be
25 based on a formula determined by the department of community health.

26 Sec. 1622. (1) The department shall implement enforcement actions
27 as specified in the nursing facility enforcement provisions of section

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1 1919 of title XIX of the social security act, chapter 531, 49 Stat. 620,
2 42 U.S.C. 1396r.

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

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

10 Sec. 1624. (1) Medical services patients who are enrolled in quali-
11 fied health plans or capitated clinic plans have the choice to elect hos-
12 pice services or other services for the terminally ill that are offered
13 by the qualified health plan or clinic plan. If the patient elects hos-
14 pice services, those services shall be provided in accordance with
15 part 214 of the public health code, 1978 PA 368, MCL 333.21401 to
16 333.21420.

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

21 Sec. 1626. (1) From the funds appropriated in part 1 for outpatient
22 hospital adjustor, the department, subject to the requirements and limi-
23 tations in this section, shall establish a funding pool of up to
24 \$44,012,800.00 for the purpose of enhancing the aggregate payment for
25 medical services hospital outpatient services. Such payments, if any,
26 may be made as a gross adjustment to hospital outpatient payments or by

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1 another mechanism or schedule as determined by the department, which
2 meets the intent of this section.

3 (2) For a county with a population of more than 2,000,000 people,
4 the department shall distribute \$44,012,800.00 to hospitals if
5 \$15,026,700.00 is received by the state from such a county, which meets
6 the criteria of an allowable state matching share as determined by appli-
7 cable federal laws and regulations. If the state receives a lesser sum
8 of an allowable state matching share from such a county, the amount dis-
9 tributed shall be reduced accordingly.

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

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

16 (5) If a locally administered indigent health care program replaces
17 the state medical program authorized by section 1609 for a given county
18 on or before October 1, 1998, the state general fund/general purpose dol-
19 lars allocated for that county under this section shall not be less than
20 the general fund/general purpose expenditures for the state medical pro-
21 gram in that county in the previous fiscal year.

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

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

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

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

5 Sec. 1635. Implementation and contracting for managed care by
6 Medicaid plans to the department are subject to the following
7 conditions:

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

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

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

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

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

24 (f) Enrollment of recipients of children's special health care serv-
25 ices in qualified health plans shall be voluntary during fiscal year
26 1999-2000.

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

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

10 (a) An emphasis on health outcomes.

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

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

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

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

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

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

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

24 (i) Consumer involvement in the development of the quality assurance
25 program and consideration of enrollee complaints and satisfaction survey
26 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 provider-sponsored networks, health maintenance
22 organizations, and other organizations. The department shall award con-
23 tracts under the program at least every 5 years based on a competitive
24 bidding process. The following provisions shall be considered in any
25 program:

26 (a) In determining eligible contractors, the department shall
27 consider provider-sponsored networks, health maintenance organizations,

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1 and other organizations. All eligible contractors shall meet the same
2 standards for quality, access, benefits, financial, and organizational
3 capability.

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

10 (2) Whenever economic and feasible, the department shall give pref-
11 erence to programs that provide a choice of qualified contractors and at
12 least an annual open enrollment in the program.

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

21 Sec. 1645. (1) The protected income level for Medicaid coverage
22 determined pursuant to section 106(1)(b)(iii) of the social welfare act,
23 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance
24 standard.

25 (2) The department shall notify the senate and house appropriations
26 subcommittees on community health of any proposed revisions to the

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1 protected income level for Medicaid coverage related to the public
2 assistance standard 90 days prior to implementation.

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

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

16 Sec. 1657. The long-term care working group established in section
17 1637 of 1998 PA 336 shall continue to exist until the long-term care
18 working group has completed its work on a written long-term care plan.
19 The department shall not implement a long-term care plan until the expi-
20 ration of 60 calendar days after, or the expiration of 24 days during
21 which at least 1 house of the legislature convenes after, the long-term
22 care working group has submitted the written long-term care plan to the
23 senate majority leader, the speaker of the house, the senate and house
24 appropriations subcommittees on community health, and the state budget
25 director.

26 Sec. 1659. From the amounts appropriated in part 1 for hospital
27 services, the department shall allocate for graduate medical education no

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1 less than was allocated for graduate medical education in fiscal year
2 1998-99.

3 Sec. 1660. The following sections are the only ones which shall
4 apply to the following Medicaid managed care programs, including the com-
5 prehensive plan, children's special health care services plan, MI Choice
6 long-term care plan, and the mental health, substance abuse, and develop-
7 mentally disabled services program: 218, 1611, 1614, 1624, 1635, 1637,
8 1638, 1640, 1641, 1642, 1643, 1662, 1663, 1690, 1691, 1692, and 1693.

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

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

24 (3) Maternal and infant support services shall continue to be pro-
25 vided through state certified providers.

26 Sec. 1663. The department shall continue a work group on EPSDT and
27 maternal and infant support services. The work group shall be made up of

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

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

21 (2) The department shall enter into a contract to obtain MICHild
22 services from any health maintenance organization, dental care corpora-
23 tion, or any other entity that offers to provide the managed health care
24 benefits for MICHild services at the MICHild capitated rate. As used in
25 this subsection:

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

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

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

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

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

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

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

26 Sec. 1677. The department shall not require copayments under the
27 MICHild program.

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

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

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

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

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

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

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

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

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

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

4 (h) Emergency ambulance services.

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

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

18 Sec. 1690. (1) Reimbursement for medical services to diagnose and
19 stabilize a Medicaid recipient in a hospital emergency room shall not be
20 made contingent on obtaining prior authorization from the recipient's
21 qualified health plan. If the recipient is discharged from the emergency
22 room, the hospital shall notify the recipient's qualified health plan
23 within 24 hours of the diagnosis and treatment received.

24 (2) If the treating hospital determines that the recipient will
25 require further medical service or hospitalization beyond the point of
26 stabilization, that hospital must receive authorization from the
27 recipient's qualified health plan prior to admitting the recipient.

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1 (3) Subsections (1) and (2) shall not be construed as a requirement
2 to alter an existing agreement between a qualified health plan and their
3 contracting hospitals nor as a requirement that a qualified health plan
4 must reimburse for services that are not deemed to be medically
5 necessary.

6 (4) The department shall immediately convene a work group for the
7 purpose of recommending reasonable Medicaid reimbursement rates for hos-
8 pital emergency room services, which may include differential rates based
9 on emergency room discharge diagnoses.

10 (5) The work group shall include, at a minimum, representatives from
11 the Michigan association of health plans, qualified health plans, the
12 Michigan hospital association, and the American college of emergency
13 physicians.

14 (6) This work group shall also be charged with developing educa-
15 tional materials for the purpose of assisting Medicaid recipients in
16 understanding when an emergency room visit may be appropriate and when
17 other alternatives should be used.

18 (7) Every 2 months, the department shall provide reports to members
19 of the senate and house appropriations subcommittees on community health
20 and the senate and house fiscal agencies as to the progress being made
21 toward developing reimbursement rates as specified in subsection (4). If
22 a consensus plan is not developed by March 31, 2000, the department shall
23 report to the senate and house as to the reasons why a consensus could
24 not be reached and what other options may be available to address this
25 issue.

26 Sec. 1691. (1) It is the intent of the legislature that a uniform
27 Medicaid billing form be developed by the department in consultation with

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1 affected Medicaid providers. Every 2 months, the department shall
2 provide reports to members of the senate and house appropriations subcom-
3 mittees on community health and the senate and house fiscal agencies on
4 the progress of this initiative.

5 (2) Until such time as a uniform billing form is developed and
6 implemented, the following shall apply to Medicaid qualified health
7 plans:

8 (a) If a billing form is received by a qualified health plan with a
9 noncorrectable error, the qualified health plan shall return the form
10 within 10 days to the billing provider with plain language instructions
11 as to what items need to be corrected.

12 (b) If a qualified health plan fails to provide reimbursement for
13 100% of its clean claims within 30 days, the qualified health plans shall
14 be subject to an interest charge based on the value of the unpaid
15 claims. Interest shall be paid at the rate specified in section 3902(a)
16 of title 31 of the United States Code, 31 U.S.C. 3902. As used in this
17 subdivision, "clean claim" means a written request for payment for serv-
18 ices rendered that can be processed by a reasonably prudent payer without
19 obtaining additional information from the provider or third parties.

20 (c) If a qualified health plan has followed the procedure specified
21 in subdivision (a), the required time for reimbursement does not begin
22 until a corrected billing form has been received.

23 (d) A Medicaid provider that submits a duplicate billing form within
24 30 days after the original submission, unless the resubmission is a cor-
25 rected billing form, may be subject to a service charge for each such
26 billing as may be determined by the department.

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1 (3) The department shall hold regular Medicaid billing seminars
2 targeted to both qualified health plans and Medicaid providers. The
3 number and locations of these seminars should be sufficient to provide
4 reasonable access to qualified health plans and Medicaid providers
5 throughout the state. The department shall provide quarterly reports to
6 the members of the senate and house appropriations subcommittees on com-
7 munity health and the senate and house fiscal agencies on the number of
8 seminars, their content and location, and the number of persons attending
9 these seminars.

10 Sec. 1692. (1) The department shall do or demonstrate that it has
11 accomplished all of the following concerning the provision of early and
12 periodic screening, diagnosis, and treatment (EPSDT) and maternal and
13 infant support services (MSS/ISS):

14 (a) Before October 1, 1999, in consultation with the Michigan asso-
15 ciation of health plans, representatives of qualified health plans, the
16 Michigan association of local public health, the Michigan state medical
17 society, the Michigan chapter of the American academy of pediatrics, and
18 the Michigan association of osteopathic physicians, develop uniform serv-
19 ice definitions for EPSDT services, MSS/ISS referral, and MSS/ISS screen-
20 ing and services; uniform criteria for referral for MSS/ISS screening;
21 and uniform standards for MSS/ISS screening and services content.

22 (b) Explore the feasibility of developing a uniform encounter form
23 for EPSDT services, MSS/ISS referral, and MSS/ISS screening and
24 services.

25 (c) Require each qualified health plan to evaluate 100% of pregnant
26 Medicaid enrollees for possible MSS/ISS screening referral during the

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1 initial pregnancy services visit, using uniform screening and referral
2 criteria.

3 (d) Require each qualified health plan to notify the department and
4 the appropriate local health department of all MSS/ISS screening refer-
5 rals, and require all MSS/ISS screening and service providers to notify
6 the department and the appropriate local health department of Medicaid
7 clients who fail to keep MSS/ISS appointments.

8 (e) Prohibit qualified health plans from requiring prior authoriza-
9 tion for their contracted providers for any EPSDT screening and diagnos-
10 tic service, for MSS/ISS screening referral, or for up to 3 MSS/ISS serv-
11 ice visits.

12 (f) Coordinate the provision of MSS/ISS services with the women,
13 infants, and children supplemental nutrition (WIC) program, state sup-
14 ported substance abuse, smoking prevention, and violence prevention pro-
15 grams, the family independence agency, and any other state or local pro-
16 gram with a focus on preventing adverse birth outcomes and child abuse
17 and neglect.

18 (2) The department shall require each Medicaid qualified health plan
19 to report quarterly on EPSDT services delivered to its Medicaid
20 enrollees. This report shall contain, at a minimum, the following data
21 elements for that quarter:

22 (a) The number of Medicaid enrollees under age 19.

23 (b) The number of Medicaid enrollees receiving at least 1 EPSDT
24 service.

25 (c) The number and type of EPSDT services rendered.

26 (d) The immunization status of each EPSDT eligible enrollee who is
27 seen by a plan provider.

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1 (e) The number of enrollees receiving blood lead screening.

2 (f) The number of referrals to local health departments for blood
3 lead screening, immunization, or objective hearing and vision screening
4 services.

5 (3) The department shall require each Medicaid qualified health plan
6 to report quarterly on MSS/ISS services delivered to its Medicaid
7 enrollees. This report shall contain, at a minimum, the following data
8 elements for that quarter:

9 (a) The number of pregnant Medicaid enrollees.

10 (b) The number of referrals for MSS/ISS assessment.

11 (c) The number of MSS/ISS assessments performed.

12 (d) The number and description of MSS/ISS visits or services
13 delivered.

14 (e) The number of prenatal visits per pregnant enrollee.

15 (f) Fetal or infant death, birth weight, and infant morbidity data
16 for Medicaid enrollees.

17 (4) The department shall provide the reports required in subsections
18 (2) and (3) to the senate and house appropriations subcommittees on com-
19 munity health, the senate and house fiscal agencies, and the state budget
20 director no later than 30 days after the close of each quarter.

21 Sec. 1693. The department shall allocate the funds appropriated in
22 part 1 for EPSDT and maternal and infant support services outreach to
23 qualified health plans for the purpose of contracting with local health
24 departments to provide outreach services to Medicaid qualified health
25 plan enrollees for whom the local health department has received notifi-
26 cation of referral for MSS/ISS or EPSDT services, or failure to keep
27 EPSDT or MSS/ISS appointments. Each local health department shall

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1 immediately notify the department of all Medicaid eligible individuals it
2 has identified who are not enrolled in a Medicaid qualified health plan.

3 Sec. 1694. (1) By October 1, 2000, the department shall implement
4 procedures for claims processing that use or accept the American dental
5 association's "attending dentist statement" (ADA dental claim form).

6 (2) By October 1, 2000, the department shall implement procedures
7 for claims processing that allow participating dental providers to submit
8 claims for reimbursement for covered dental services using the American
9 dental association's "code on dental procedures and nomenclature" as con-
10 tained in the latest edition of the American dental association's publi-
11 cation "current dental terminology".

12 (3) By October 1, 2001, the department shall implement procedures
13 for claims processing that allow participating dental providers to submit
14 claims through electronic data interchange.

15 (4) To enhance access to dental care for children, the department
16 shall develop and implement over a period of 5 years from fiscal year
17 2001 through fiscal year 2006 a plan to increase dental Medicaid provider
18 reimbursements for covered services in a manner that ensures that those
19 reimbursements are the equivalent of the amount of the customary fee
20 screen of the dental health insurance coverage plan that:

21 (a) Is offered and generally available to state employees.

22 (b) Has the largest enrollment of covered lives.

23 Sec. 1695. (1) It is the intent of the legislature to establish an
24 elder prescription insurance coverage program, referred to in this sec-
25 tion as the EPIC program. The guiding principles of this program are all
26 of the following:

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1 (a) To enhance access to prescription medications for low income
2 elderly residents of this state

3 (b) To make that access meaningful by reducing the cost to senior
4 citizens to obtain prescription medications.

5 (c) To assist the elderly in understanding how prescription medica-
6 tions can be beneficial in treating diseases, illnesses, and conditions
7 that are more prevalent in the aged.

8 (d) To provide the means by which those persons who prescribe and
9 dispense prescription medications for the elderly are better able to rec-
10 ognize those prescription situations in which combinations of new and/or
11 existing drugs, or other factors, could result in an adverse drug inter-
12 action in an elderly person.

13 (2) In furthering these guiding principles, the operational parame-
14 ters of the EPIC program shall include at least both of the following:

15 (a) Limiting eligibility to Michigan residents who are over the age
16 of 64, who have household incomes at or below 200% of poverty, and who
17 are not eligible for Medicaid.

18 (b) Establishing variable premium rates based on a percentage of
19 household income, which rate shall be not more than 5% of household
20 income if household income is 200% of poverty and shall be zero if house-
21 hold income is 100% or less of poverty.

22 (3) The EPIC program shall not be implemented until after an auto-
23 mated pharmacy claims adjudication and prospective drug utilization
24 review system is operational.

25 (4) The EPIC program shall not be implemented until section 273 of
26 the income tax act of 1967, 1967 PA 281, MCL 206.273, is repealed.

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PART 2A

4

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1998-1999

5 GENERAL SECTIONS

6

Sec. 2101. Pursuant to section 30 of article IX of the state con-

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stitution of 1963, total state spending from state resources in part 1A

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of this appropriation act is \$29,790,600.00. There is no local spending

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pursuant to section 30 of article IX of the state constitution of 1963.

10 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES

11 PROGRAMS

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Sec. 2102. The state budget director and the house and senate

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fiscal agencies shall coordinate an actuarial assessment of the appropri-

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ateness of the fiscal year 1998-99 community mental health Medicaid capi-

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tation rates.

16 MEDICAL SERVICES

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Sec. 2103. (1) The department shall not preauthorize single-source

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pharmaceutical products except those single-source pharmaceuticals that

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have been subject to prior authorization by the department prior to

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January 1, 1992 and those single-source pharmaceuticals within the cate-

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gories specified in section 1927(d)(2) of title XIX of the social secur-

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ity act, 42 U.S.C. 1396r-8, or for the reasons delineated in section

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1927(d)(3) of title XIX of the social security act, 42 U.S.C. 1396r-8.

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1 (2) From the funds appropriated in part 1 for the automated pharmacy
2 claims adjudication and prospective drug utilization review system, and
3 disease management, the department shall immediately begin the process of
4 developing and implementing such a system based on the following
5 specifications:

6 (a) The system shall directly interface the existing state Medicaid
7 management information system.

8 (b) The system shall provide for real time verification of recipient
9 and prescriber eligibility and be capable of providing for electronic
10 billing and reimbursement.

11 (c) The system shall be capable of providing for the real time eval-
12 uation of all of the following drug therapy alert edits as are defined in
13 42 C.F.R. 456.702 and 705 or as may be modified by the expert panel
14 delineated in subsection (3) of this section:

- 15 (i) Drug-age contraindications.
- 16 (ii) Drug-disease contraindications.
- 17 (iii) Adverse drug-drug interactions.
- 18 (iv) Incorrect drug dosage.
- 19 (v) Overutilization/early refill.
- 20 (vi) Pregnancy conflict.
- 21 (vii) Therapeutic duplication.

22 (3) The prospective drug utilization review and disease management
23 systems required by subsection (2) shall have physician oversight, shall
24 focus on patient, physician, and pharmacist education, and shall be
25 developed in consultation with the national pharmaceutical council,
26 Michigan state medical society, Michigan association of osteopathic

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1 physicians, Michigan pharmacists' association, Michigan partner for
2 patient advocacy, and Michigan nurses' association.

3 (4) It is the intent of the legislature that this system be made
4 operational no later than July 1, 2000. Every 2 months, the department
5 shall provide reports to the members of the senate and house appropria-
6 tions subcommittees on community health and the senate and house fiscal
7 agencies on the progress of the development and implementation of this
8 system.

9 (5) Section 1612 of 1998 PA 336 is repealed.

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PART 2B

13

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2000-2001

14 GENERAL SECTIONS

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16 Sec. 2201. Pursuant to section 30 of article IX of the state con-
17 stitution of 1963, total state spending from state resources in part 1B
18 of this appropriation act is \$604,227,100.00. There is no local spending
pursuant to section 30 of article IX of the state constitution of 1963.

19 MEDICAL SERVICES

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21 Sec. 2202. From the funds appropriated in section 132 for health
22 plan services, the department shall increase capitation rates payable to
qualified health plans by 4% effective October 1, 2000.