



HOUSE BILL No. 5286

February 3, 2000, Introduced by Reps. Geiger, Pappageorge, Kukuk, Byl, Mead, Jellema, Pumford, Cameron Brown, Jelinek, Caul, LaSata, Mortimer, Scranton, Godchaux and Jansen and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

1 LINE-ITEM APPROPRIATIONS

2 Sec. 101. Subject to the conditions set forth in this bill, the
3 amounts listed in this part are appropriated for the department of
4 community health for the fiscal year ending September 30, 2001, from
5 the funds indicated in this part. The following is a summary of the
6 appropriations in this part:

7 **DEPARTMENT OF COMMUNITY HEALTH**

8 APPROPRIATION SUMMARY:

9	Full-time equated unclassified positions . . .	6.0
10	Full-time equated classified positions . .	6,256.1
11	Average population	1,528.0
12	GROSS APPROPRIATION	\$6,186,113,000
13	Interdepartmental grant revenues:	
14	Total interdepartmental grants and	
15	intradepartmental transfers	72,087,300
16	ADJUSTED GROSS APPROPRIATION	\$6,114,025,700
17	Federal revenues:	
18	Total federal revenues	3,136,326,100
19	Special revenue funds:	
20	Total local revenues	910,110,400
21	Total private funds	49,649,300
22	Total other state restricted revenues	348,689,500
23	State general fund/general purpose	\$1,669,250,400

24 **Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

25	Full-time equated unclassified positions . . .	6.0
26	Full-time equated classified positions . . .	514.7
27	Director and other unclassifiedB-6.0 FTE	
28	positions	\$ 570,100
29	Community health advisory council	28,900

1	Departmental administration and managementB-491.7	
2	FTE positions	55,428,000
3	Certificate of need program administrationB13.0	
4	FTE positions	918,400
5	Workers' compensation programB1.0 FTE position .	11,512,500
6	Rent and building occupancy	8,715,200
7	Developmental disabilities council and	
8	projectsB-9.0 FTE positions	<u>2,734,200</u>
9	GROSS APPROPRIATION	\$ 79,907,300
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	Interdepartmental grant from the department of treasury,	
13	Michigan state hospital finance authority . .	98,800
14	Federal revenues:	
15	Total federal revenues	24,409,600
16	Special revenue funds:	
17	Private funds	35,900
18	Total other state restricted revenues	3,559,900
19	State general fund/general purpose	\$ 51,803,100
20	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION	
21	AND SPECIAL PROJECTS	
22	Full-time equated classified positions . . . 103.0	
23	Mental health/substance abuse program	
24	administration-B103.0 FTE positions	\$ 10,510,500
25	Consumer involvement program	314,100
26	Gambling addiction	3,000,000
27	Protection and advocacy services support . . .	818,300
28	Mental health initiatives for older persons . .	1,615,800
29	Community residential and support services . . .	5,646,800

1	Highway safety projects	2,337,200
2	Federal and other special projects	<u>6,977,200</u>
3	GROSS APPROPRIATION	\$ 31,219,900
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues:	11,548,100
7	Special revenue funds:	
8	Total private revenues	125,000
9	Total other state restricted revenues	3,182,300
10	State general fund/general purpose	\$ 16,364,500
11	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
12	PROGRAMS	
13	Full-time equated classified positions	4.0
14	Medicaid mental health services	\$1,190,201,500
15	Community mental health non-Medicaid services	311,801,500
16	Multicultural services	3,560,000
17	Medicaid substance abuse services	24,851,000
18	Respite services	3,318,600
19	CMHSP, purchase of state services contracts	166,152,500
20	Civil service charges	2,606,400
21	Federal mental health block grant-B2.0 FTE	
22	positions	10,849,900
23	Pilot projects in prevention for	
24	adults and children-B2.0 FTE positions	994,700
25	State disability assistance program substance	
26	abuse services	6,600,000
27	Community substance abuse prevention, education	
28	and treatment programs	<u>83,740,400</u>
29	GROSS APPROPRIATION	\$1,804,676,500

1 Appropriated from:

2 Federal revenues:

3 Total federal revenues 757,393,500

4 Special revenue funds:

5 Total other state restricted revenues 6,342,400

6 State general fund/general purpose \$1,040,940,600

7 **Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH**

8 **DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH**

9 **SERVICES**

10 Total average population 1,528.0

11 Full-time equated classified positions . . 4,699.0

12 Caro regional mental health center-psychiatric hospital-

13 adult-B518.0 FTE positions \$ 35,643,500

14 Average population 200.0

15 Kalamazoo psychiatric hospital-adultB-376.0 FTE

16 positions 27,080,300

17 Average population 125.0

18 Northville psychiatric hospital-adultB-862.0 FTE

19 positions 63,889,500

20 Average population 385.0

21 Walter P. Reuther psychiatric hospital-adultB-440.0

22 FTE positions 33,666,800

23 Average population 215.0

24 Hawthorn center-psychiatric hospital-children

25 and adolescents-B330.0 FTE positions 23,098,800

26 Average population 118.0

27 Mount Pleasant center-developmental disabilities--

28 472.0 FTE positions 29,878,000

29 Average population 195.0

1	Southgate center-developmental disabilitiesB-228.0	
2	FTE positions	15,589,900
3	Average population 80.0	
4	Center for forensic psychiatryB-522.0 FTE positions	39,151,000
5	Average population 210.0	
6	Forensic mental health services provided to the	
7	department of corrections-C938.0 FTE positions	71,380,700
8	Revenue recapture	750,000
9	IDEA, federal special education	92,000
10	Special maintenance and equipment	879,000
11	Purchase of medical services for residents of	
12	hospitals and centers	1,700,000
13	Closed site, transition, and related costsB-13.0	510,300
14	FTE positions	
15	Severance pay	896,000
16	Gifts and bequests for patient living and treatment	
17	environment	<u>2,000,000</u>
18	GROSS APPROPRIATION	\$ 346,205,800
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of	
22	corrections	71,380,700
23	Federal revenues:	
24	Total federal revenues	32,733,700
25	Special revenue funds:	
26	CMHSP-Purchase of state services contracts . . .	166,152,500
27	Other local revenues	16,503,700
28	Private funds	2,000,000
29	Total other state restricted revenues	16,405,300

1	State general fund/general purpose	\$	41,029,900
2	Sec. 106. PUBLIC HEALTH ADMINISTRATION		
3	Full-time equated classified positions . . .	88.3	
4	Executive administration--C15.5 FTE positions .	\$	1,367,100
5	Minority health grants and contracts		650,000
6	Vital records and health statistics-B72.8 FTE		
7	positions		<u>6,167,700</u>
8	GROSS APPROPRIATION	\$	8,184,800
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	Interdepartmental grant from family independence		
12	agency		137,800
13	Federal revenues:		
14	Total federal revenue		2,809,800
15	Special revenue funds:		
16	Total other state restricted revenues		2,036,600
17	State general fund/general purpose	\$	3,200,600
18	Sec. 107. INFECTIOUS DISEASE CONTROL		
19	Full-time equated classified positions . . .	44.3	
20	AIDS prevention, testing and care programsB-9.8 FTE		
21	positions	\$	22,218,400
22	Immunization local agreements		14,190,300
23	Immunization program management and field		
24	support-B7.7 FTE positions		1,698,900
25	Sexually transmitted disease control local		
26	agreements		2,460,700
27	Sexually transmitted disease control management and		
28	field supportB-26.8 FTE positions		<u>2,825,800</u>
29	GROSS APPROPRIATION	\$	43,394,100

1 Appropriated from:

2 Federal revenues:

3 Total federal revenues 29,306,600

4 Special revenue funds:

5 Private funds 1,155,000

6 Total other state restricted revenues 6,937,700

7 State general fund/general purpose \$ 5,994,800

8 **Sec. 108. LABORATORY SERVICES**

9 Full-time equated classified positions . . . 118.2

10 Laboratory services-B118.2 FTE positions \$ 12,566,100

11 Lyme disease 75,000

12 GROSS APPROPRIATION \$ 12,641,100

13 Appropriated from:

14 Interdepartmental grant revenues:

15 Interdepartmental grant from environmental

16 quality 389,400

17 Federal revenues:

18 Total federal revenues 2,028,000

19 Special revenue funds:

20 Total other state restricted revenues 3,607,400

21 State general fund/general purpose \$ 6,616,300

22 **Sec. 109. EPIDEMIOLOGY**

23 Full-time equated classified positions . . . 31.5

24 AIDS surveillance and prevention programB-7.0 FTE

25 positions \$ 1,772,800

26 Epidemiology administrationB-24.5 FTE positions . 5,330,900

27 Tuberculosis control and recalcitrant AIDS program 498,300

28 GROSS APPROPRIATION \$ 7,602,000

29 Appropriated from:

1 Interdepartmental grant revenues:

2 Interdepartmental grant from the department

3 of environmental quality 80,600

4 Federal revenues:

5 Total federal revenues 4,679,100

6 Special revenue funds:

7 Total other state restricted revenues 781,000

8 State general fund/general purpose \$ 2,061,300

9 **Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS**

10 Full-time equated classified positions 3.0

11 Implementation of 1933 PA 133, MCL 333.17015 . . \$ 100,000

12 Lead abatement programB-3.0 FTE positions 1,835,500

13 Local health services 462,300

14 Local public health operations 41,070,200

15 Medical services cost reimbursement to local

16 health departments 1,800,000

17 Special populations health care 620,600

18 GROSS APPROPRIATION \$ 45,888,600

19 Appropriated from:

20 Federal revenues:

21 Total federal revenues 3,791,000

22 Special revenue funds:

23 Total other state restricted revenues 243,500

24 State general fund/general purpose \$ 41,854,100

25 **Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH**26 **PROMOTION**

27 Full-time equated classified positions 33.7

28 AIDS and risk reduction clearinghouse and media

29 campaign \$ 2,001,000

1	Alzheimer's information network	440,000
2	Cancer prevention and control programB-13.6	
3	FTE positions	12,505,100
4	Chronic disease prevention	1,967,400
5	Diabetes program--9.0 FTE positions	4,197,200
6	Morris J. Hood Wayne State University Diabetes	
7	Outreach	500,000
8	Early childhood collaborative secondary prevention	1,300,000
9	Employee wellness program grants (includes \$50.00	
10	per diem and expenses for the risk reduction and	
11	AIDS policy commission)	4,259,200
12	Health education, promotion, and research	
13	programsB-2.9 FTE positions	1,318,100
14	Injury control intervention project	942,800
15	Physical fitness, nutrition, and health	1,250,000
16	Public health traffic safety coordination	115,000
17	School health and education programs	2,182,800
18	Smoking prevention programB-6.2 FTE positions	8,073,800
19	Violence preventionB-2.0 FTE positions	<u>3,235,500</u>
20	GROSS APPROPRIATION	\$ 44,287,900
21	Appropriated from:	
22	Federal revenues:	
23	Total federal funds	12,232,100
24	Special revenue funds:	
25	Total other state restricted revenues	28,855,800
26	State general fund/general purpose	\$ 3,200,000
27	Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES	
28	Full-time equated classified positions	88.8
29	Adolescent health care services	\$ 2,892,300

1	Childhood lead program-B5.0 FTE positions	1,397,800
2	Children's waiver home care program	21,713,700
3	Community living, children and families	
4	administration-B73.3 FTE positions	7,658,600
5	Dental programs	260,400
6	Dental programs for persons with developmental	
7	disabilities	151,000
8	Family planning local agreements	8,100,000
9	Family support subsidy	14,276,700
10	Housing and support servicesB-1.0 FTE position .	4,830,900
11	Local MCH services	9,049,200
12	Migrant health care	166,100
13	Newborn screening follow-up and treatment	
14	services	2,123,400
15	Omnibus budget reconciliation act	
16	implementationB-9.0 FTE positions	12,757,000
17	Pediatric AIDS prevention and control	985,300
18	Pregnancy prevention program	7,196,100
19	Prenatal care outreach and service	
20	delivery support	4,299,300
21	Southwest community partnership	2,247,300
22	Special projectsB-0.5 FTE positions	3,926,600
23	Sudden infant death syndrome program	<u>321,300</u>
24	GROSS APPROPRIATION	\$ 104,353,000
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenue	66,978,200
28	Special revenue funds:	
29	Private funds	261,100

1	Total other state restricted revenues	9,269,200
2	State general fund/general purpose	\$ 27,844,500
3	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM	
4	Full-time equated classified positions	42.0
5	WIC administration and special projects--42.0	
6	FTE positions	\$ 5,017,100
7	WIC program	<u>156,882,400</u>
8	GROSS APPROPRIATION	\$ 161,899,500
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenue	117,452,200
12	Special revenue funds:	
13	Total private revenue	44,447,300
14	State general fund/general purpose	\$ 0
15	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
16	Full-time equated classified positions	66.6
17	Children's special health care services	
18	administration-B66.6 FTE positions	\$ 5,434,400
19	Amputee program	184,600
20	Bequests for care and services	1,329,600
21	Case management services	3,923,500
22	Conveyor contract	559,100
23	Medical care and treatment	<u>130,005,400</u>
24	GROSS APPROPRIATION	\$ 141,436,600
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenue	66,177,100
28	Special revenue funds:	
29	Private-bequests	900,000

1	Total other state restricted revenues	4,048,500
2	State general fund/general purpose	\$ 70,311,000
3	Sec. 115. OFFICE OF DRUG CONTROL POLICY	
4	Full-time equated classified positions	17.0
5	Drug control policyB-17.0 FTE positions	\$ 1,733,700
6	Anti-drug abuse grants	<u>25,800,000</u>
7	GROSS APPROPRIATION	\$ 27,533,700
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenue	27,354,100
11	State general fund/general purpose	\$ 179,600
12	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
13	Full-time equated classified positions	9.0
14	Grants administration servicesB-9.0 FTE positions	\$ 1,033,800
15	Justice assistance grants	15,000,000
16	Crime victim rights services grants	<u>7,955,300</u>
17	GROSS APPROPRIATION	\$ 23,989,100
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues:	15,840,200
21	Special revenue funds:	
22	Total other state restricted revenues	7,641,200
23	State general fund/general purpose	\$ 507,700
24	Sec. 117. OFFICE OF SERVICES TO THE AGING	
25	Full-time equated classified positions	40.5
26	Commission (per diem \$50.00)	\$ 10,500
27	Office of services to aging administrationB-37.5	
28	FTE positions	4,070,300
29	Long-term care advisorB-3.0 FTE positions	3,021,400

1	Community services	27,907,900
2	Nutrition services	28,248,000
3	Senior volunteer services	4,220,800
4	Senior citizen centers staffing and equipment .	2,140,700
5	Employment assistance	2,748,000
6	DAG commodity supplement	7,200,000
7	Michigan pharmaceutical program	1,500,000
8	Respite care program	<u>7,100,000</u>
9	GROSS APPROPRIATION	\$ 88,167,600
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues	40,954,200
13	Special revenue funds:	
14	Total private revenue	125,000
15	Tobacco settlement revenue	8,021,400
16	Total other state restricted revenues	4,100,000
17	State general fund/general purpose	\$ 34,967,000
18	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
19	Full-time equated classified positions . . .	352.5
20	Medical services administration-B350.7 FTE	
21	positions	\$ 47,222,200
22	Data processing contractual services	100
23	Facility inspection contract-state police . . .	132,800
24	MIChild administration	3,327,800
25	Michigan essential health care provider	1,229,100
26	Palliative and hospice care	700,000
27	Primary care servicesB-1.8 FTE positions	<u>2,548,200</u>
28	GROSS APPROPRIATION	\$ 55,160,200
29	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues	35,296,300
3	Special revenue funds:	
4	Private funds	100,000
5	Total other state restricted revenues	1,463,300
6	State general fund/general purpose	\$ 18,300,600
7	Sec. 119. MEDICAL SERVICES	
8	Hospital disproportionate share payments	\$ 45,000,000
9	Medicare premium payments	130,895,000
10	Pharmaceutical services	279,207,900
11	Home health services	31,398,500
12	Transportation	7,825,900
13	Auxiliary medical services	71,650,000
14	Long term care services	1,153,380,400
15	Elder prescription insurance coverage	37,500,700
16	EPSDT and maternal and infant support services	
17	outreach	8,488,600
18	MICHild outreach	3,327,800
19	MICHild program	57,567,100
20	Personal care services	29,162,900
21	Maternal and child health	9,234,500
22	Adult home help	158,781,400
23	Social services to the physically disabled	1,344,900
24	Subtotal basic medical services program	2,024,765,600
25	Wayne county medical program	44,012,800
26	School based services	142,782,300
27	State and local medical programs	56,724,200
28	Special adjustor payments	891,280,400
29	Subtotal special medical services payments	<u>1,134,799,700</u>

1	GROSS APPROPRIATION	\$3,159,565,300
2	Appropriated from:	
3	Federal revenues:	
4	Total federal revenues	1,885,342,300
5	Special revenue funds:	
6	Local revenues	727,454,200
7	Private funds	500,000
8	Tobacco settlement revenue	48,000,000
9	Total other state restricted	194,194,000
10	State general fund/general purpose	\$ 304,074,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 2000-2001 is \$2,017,939,900.00 and state appropriations to be paid to local units of government are as follows:

DEPARTMENT OF COMMUNITY HEALTH

19	Departmental administration and management . . .	\$ 1,618,000
20	Pilot projects in prevention for adults and	
21	children	913,200
22	Community substance abuse prevention, education,	
23	and treatment programs	18,419,700
24	Medicaid substance abuse services	11,942,500
25	Medicaid mental health managed care	505,182,000
26	Community mental health non-Medicaid services . .	311,801,500
27	AIDS prevention, testing, and care program . . .	1,466,800
28	Sexually transmitted disease control local	
29	agreements	452,900

1	Special populations health care	29,600
2	Local public health operations	41,070,200
3	Cancer prevention and control program	397,000
4	Diabetes program	1,275,000
5	Employee wellness program grants	1,545,100
6	School health and education programs	2,000,000
7	Smoking prevention program	2,880,000
8	Adolescent health care services	1,358,000
9	Family planning local agreements	1,230,300
10	Homelessness formula grant program - state	
11	match	708,800
12	Local MCH services	246,100
13	OBRA implementation	2,459,100
14	Pregnancy prevention program	2,511,800
15	Prenatal care outreach and service	
16	delivery support	1,250,000
17	Case management services	1,433,200
18	Special adjustor payments	1,383,800
19	Hospital disproportionate share payments	18,000,000
20	Hospital services and therapy	17,559,300
21	Physician services	5,305,100
22	Pharmaceutical services	7,265,000
23	Home health services	1,195,200
24	Transportation	184,500
25	Community services	13,681,400
26	Nutrition services	12,363,000
27	Senior volunteer services	3,845,300
28	Michigan pharmaceutical program	140,000
29	Respite care program	2,000,000
30	Crime victim rights services grants	4,585,700

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1 Total \$ 999,699,100

2 (2) If it appears to the principal executive officer of a
3 department or branch that state spending to local units of government
4 will be less than the amount that was projected to be expended for any
5 quarter under subsection (1), the principal executive officer shall
6 immediately give notice of the approximate shortfall to the state
7 budget director, the senate and house of representatives standing
8 committees on appropriations, and the senate and house fiscal
9 agencies.

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

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

15 Sec. 204. As used in this bill:

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

17 (b) "CMHSP" means a community mental health service program as
18 that term is defined in section 100a of the mental health code, 1974
19 PA 258, MCL 330.1100a.

20 (c) "DAG" means the United States department of agriculture.

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

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

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

27 (g) "EPIC" means Elder prescription insurance coverage program.

28 (h) "EPSDT" means early and periodic screening, diagnosis, and
29 treatment

30 (i) "FTE" means full-time equated.

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1 (j) "GME" means graduate medical education.

2 (k) "HIV" means human immunodeficiency virus.

3 (l) "HMO" means health maintenance organization.

4 (m) "IDEA" means individual disability education act.

5 (n) "MCH" means maternal and child health.

6 (o) "MSS/ISS" means maternal and infant support services.

7 (p) "OBRA" means the omnibus budget reconciliation act of 1987,
8 Public Law 100-203, 101 Stat. 1330.

9 (q) "Qualified health plan" means, at a minimum, an organization
10 that meets the criteria for delivering the comprehensive package of
11 services under the department's comprehensive health plan.

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

17 (s) "Title XIX" means title XIX of the social security act,
18 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f, 1396g-1 to
19 1396r-6, and 1396r-8 to 1396v.

20 (t) "WIC" means women, infants, and children supplemental
21 nutrition program.

22 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
23 the state classified civil service. State departments and agencies
24 are prohibited from hiring any new full-time state classified civil
25 service employees and prohibited from filling any vacant state
26 classified civil service positions. This hiring freeze does not apply
27 to internal transfers of classified employees from one position to
28 another within a department or to positions that are funded with 80%
29 or more federal or restricted funds.

30 (2) The state budget director shall grant exceptions to this

1 hiring freeze when the state budget director believes that the hiring
 2 freeze will result in rendering a state department or agency unable to
 3 deliver basic services. The state budget director shall report by the
 4 30th of each month to the chairpersons of the senate and house of
 5 representatives standing committees on appropriations the number of
 6 exceptions to the hiring freeze approved during the previous month and
 7 the reasons to justify the exception.

8 Sec. 206. If the revenue collected by the department from fees and
 9 collections exceeds the amount appropriated in part 1, the revenue may
 10 be carried forward with the approval of the state budget director
 11 into the subsequent fiscal year. The revenue carried forward under
 12 this section shall be used as the first source of funds in the
 13 subsequent fiscal year.

14 Sec. 207. (1) From the amounts appropriated in part 1, no greater
 15 than the following amounts are supported with federal maternal and
 16 child health block grant, preventive health and health services block
 17 grant, substance abuse block grant, healthy Michigan fund, and
 18 Michigan health initiative funds:

19 (a) Maternal and child health block grant	\$ 20,977,000
20 (b) Preventive health and health services	
21 block grant	6,347,100
22 (c) Substance abuse block grant	61,371,200
23 (d) Healthy Michigan funds	42,714,100
24 (e) Michigan health initiative	9,900,800

25 (2) On or before February 1, 2001, the department shall report to
 26 the house and senate appropriations subcommittees on community health,
 27 the house and senate fiscal agencies, and the state budget director on
 28 the detailed name and amounts of federal, restricted, private, and
 29 local sources of revenue that support the appropriations in each of
 30 the line items in part 1 of this bill.

1 (3) Upon the release of the fiscal year 2001-2002 executive budget
2 recommendation, the department shall report to the same parties in
3 subsection (2) on the amounts and detailed sources of federal,
4 restricted, private, and local revenue proposed to support the total
5 funds appropriated in each of the line items in part 1 of the fiscal
6 year 2001-2002 executive budget proposal.

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

10 Sec. 208. The state departments, agencies, and commissions
11 receiving tobacco tax funds from part 1 shall report by November 1,
12 2000 to the senate and house appropriations committees, the senate and
13 house fiscal agencies, and the state budget director on the following:

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

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

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

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

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

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

24 Sec. 209. The use of state restricted tobacco tax revenue received
25 for the purpose of tobacco prevention, education, and reduction
26 efforts and deposited in the healthy Michigan fund shall not be used
27 for lobbying as defined in 1978 PA472, MCL 4.411 to 4.431.

28 Sec. 210. The department of civil service shall bill departments
29 and agencies at the end of the first fiscal quarter for the 1% charge
30 authorized by section 5 of article XI of the state constitution of

1 1963. Payments shall be made for the total amount of the billing by
2 the end of the second fiscal quarter.

3 Sec. 211. (1) In addition to funds appropriated in part 1 for all
4 programs and services, there is appropriated for write-offs of
5 accounts receivable, deferrals, and for prior year obligations in
6 excess of applicable prior year appropriations, an amount equal to
7 total write-offs and prior year obligations, but not to exceed amounts
8 available in prior year revenues.

9 (2) The department's ability to satisfy appropriation deductions
10 in part 1 shall not be limited to collections and accruals pertaining
11 to services provided in fiscal year 2000-2001, but shall also include
12 reimbursements, refunds, adjustments, and settlements from prior
13 years.

14 Sec. 212. On or before the tenth of each month, the department
15 shall report to the senate and house appropriations subcommittees on
16 community health, the senate and house fiscal agencies, and the state
17 budget director on the amount of funding paid to the CMHSPs to support
18 the Medicaid managed mental health care program in that month. The
19 information shall include the total paid to each CMHSP, per capita
20 rate paid for each eligibility group for each CMHSP, and number of
21 cases in each eligibility group for each CMHSP.

22 Sec. 213. (1) In addition to the funds appropriated in part 1,
23 there is appropriated an amount not to exceed \$100,000,000.00 for
24 federal contingency funds. These funds are not available for
25 expenditure until they have been transferred to another line item in
26 this bill pursuant to section 393(2) of the management and budget act,
27 1984 PA 431, MCL 18.1393.

28 (2) In addition to the funds appropriated in part 1, there is
29 appropriated an amount not to exceed \$50,000,000.00 for state
30 restricted contingency funds. These funds are not available for

1 expenditure until they have been transferred to another line item in
2 this bill pursuant to section 393(2) of the management and budget act,
3 1984 PA 431, MCL 18.1393.

4 (3) In addition to the funds appropriated in part 1, there is
5 appropriated an amount not to exceed \$50,000,000.00 for local
6 contingency funds. These funds are not available for expenditure
7 until they have been transferred to another line item in this bill
8 pursuant to section 393(2) of the management and budget act, 1984 PA
9 431, MCL 18.1393.

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

16 Sec. 214. Basic health services for the purpose of part 23 of the
17 public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are:
18 immunizations, communicable disease control, sexually transmitted
19 disease control, tuberculosis control, prevention of gonorrhea eye
20 infection in newborns, screening newborns for the 7 conditions listed
21 in section 5431(1)(a) through (g) of the public health code, 1978 PA
22 368, MCL 333.5431, community health annex of the Michigan emergency
23 management plan, and prenatal care.

24 Sec. 215. (1) The department may contract with the Michigan public
25 health institute for the design and implementation of projects and for
26 other public health related activities prescribed in section 2611 of
27 the public health code, 1978 PA 368, MCL 333.2611. The department may
28 develop a master agreement with the institute to carry out these
29 purposes for up to a 3-year period. The department shall report to
30 the house and senate appropriations subcommittees on community health,

1 the house and senate fiscal agencies, and the state budget director on
2 or before November 1, 2000 and May 1, 2001 all of the following:

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

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

7 (c) The expected project duration.

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

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

17 Sec. 216. All contracts with the Michigan public health institute
18 funded with appropriations in part 1 shall include a requirement that
19 the Michigan public health institute submit to financial and
20 performance audits by the state auditor general of projects funded
21 with state appropriations.

22 Sec. 217. Sixty days before beginning any effort to privatize, the
23 department shall submit a complete project plan to the appropriate
24 subcommittees of the senate and house of representatives standing
25 committees on appropriations and the senate and house fiscal agencies.
26 The plan shall include the criteria under which the privatization
27 initiative will be evaluated. The evaluation shall be completed and
28 submitted to the appropriate subcommittees of the senate and house of
29 representatives standing committees on appropriations and the senate
30 and house fiscal agencies within 30 months.

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1 Sec. 218. The department of community health may establish and
2 collect fees for publications, videos and related materials,
3 conferences, and workshops. Collected fees shall be used to offset
4 expenditures to pay for printing and mailing costs of the
5 publications, videos and related materials, and costs of the workshops
6 and conferences. The costs shall not exceed fees collected.

7 Sec. 219. The department shall continue to pilot the use of the
8 Internet to fulfill the reporting requirements in this bill. This may
9 include transmission of reports via electronic mail to the recipients
10 identified for each reporting requirement, or it may include placement
11 of reports on the Internet or on the Intranet. The appropriations
12 subcommittee shall be notified in writing of the Internet/Intranet
13 site of any such report.

14 **DEPARTMENTWIDE ADMINISTRATON**

15 Sec. 301. From funds appropriated for worker's compensation, the
16 department may make payments in lieu of worker's compensation payments
17 for wage/salary and related fringe benefits for employees who return
18 to work under limited duty assignments.

19 Sec. 302. Funds appropriated in part 1 for the community health
20 advisory council may be used for member per diems of \$50.00 and other
21 council expenditures.

22 **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

23 Sec. 401. (1) From funds appropriated in part 1, final
24 authorizations to CMHSPs shall be made upon the execution of contracts
25 between the department and CMHSPs. The contracts shall contain an
26 approved plan and budget as well as policies and procedures governing
27 the obligations and responsibilities of both parties to the contracts.
28 Each contract with a CMHSP that the department is authorized to enter
29 into under this subsection shall include a provision that the contract
30 is not valid unless the total dollar obligation for all of the

1 contracts between the department and the CMHSPs entered into under
2 this subsection for fiscal year 2000-2001 does not exceed the amount
3 of money appropriated in part 1 for the contracts authorized under
4 this subsection.

5 (2) The department shall immediately report to the senate and
6 house appropriations subcommittees on community health, the senate and
7 house fiscal agencies, and the state budget director if either of the
8 following occurs:

9 (a) Any new contracts with CMHSPs that would affect rates or
10 expenditures are enacted.

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

13 (3) The report required by subsection (2) shall include
14 information about the changes and their effects on rates and
15 expenditures.

16 Sec. 402. From the funds appropriated in part 1 for multicultural
17 services, the department shall ensure that CMHSPs continue contracts
18 with multicultural services providers.

19 Sec. 403. (1) Not later than May 31 of each fiscal year, the
20 department shall provide a report on the community mental health
21 services programs to the members of the house and senate
22 appropriations subcommittees on community health, the house and senate
23 fiscal agencies, and the state budget director which shall include
24 information required by this section.

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

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

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

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

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

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

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

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

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

18 (g) An analysis of information provided by community mental health
19 service programs in response to the needs assessment requirements of
20 the mental health code.

21 (h) An estimate of the number of FTEs employed by CMHSPs or
22 contracted directly by the CMHSPs as of September 30, 2000 and an
23 estimate of the number of FTEs employed through contracts with
24 provider organizations as of September 30, 2000.

25 (i) Lapses and carryforwards during fiscal year 1999-2000 for
26 CMHSPs.

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

30 (k) Information on the community mental health Medicaid managed

1 care program, including, but not limited to:

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

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

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

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

11 Sec. 404. (1) The funds appropriated in part 1 for the state
12 disability assistance substance abuse services program shall be used
13 to support per diem room and board payments in substance abuse
14 residential facilities. Eligibility of clients for the state
15 disability assistance substance abuse services program shall include
16 needy persons 18 years of age or older, or emancipated minors, who
17 reside in a substance abuse treatment center.

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

25 Sec. 405. (1) The amount appropriated in part 1 for substance
26 abuse prevention, education, and treatment grants shall be expended
27 for contracting with coordinating agencies or designated service
28 providers. It is the intent of the legislature that the coordinating
29 agencies or designated service providers work with the CMHSPs to
30 coordinate the care and services provided to individuals with both

1 mental illness and substance abuse diagnoses.

2 (2) The department shall establish a fee schedule for providing
3 substance abuse services and charge participants in accordance with
4 their ability to pay.

5 Sec. 406. (1) By April 15, 2001, the department shall report the
6 following data from fiscal year 1999-00 on substance abuse prevention,
7 education, and treatment programs to the senate and house
8 appropriations subcommittees on community health, the senate and house
9 fiscal agencies, and the state budget office:

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

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

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

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

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

27 Sec. 407. The funding in part 1 for substance abuse services shall
28 be distributed in a manner so as to provide priority to service
29 providers which furnish child care services to clients with children.

30 Sec. 408. The department shall assure that substance abuse

1 treatment is provided to applicants and recipients of public
2 assistance through the family independence agency who are required to
3 obtain substance abuse treatment as a condition of eligibility for
4 public assistance.

5 Sec. 409. (1) The department shall ensure that each contract with
6 a CMHSP shall require the CMHSP to implement programs to encourage
7 diversions of persons with serious mental illness, serious emotional
8 disturbance, or developmental disability from possible jail
9 incarceration when appropriate.

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

20 Sec. 410. The department is authorized to implement a plan for
21 competitive procurement of managed medicaid mental health,
22 developmental disabilities, and substance abuse services, as well as
23 non-medicaid services, based upon an approved plan by the health care
24 financing administration.

25 **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL**
26 **DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

27 Sec. 501. (1) In funding of staff in the financial support
28 division, reimbursement, and billing and collection sections, priority
29 shall be given to obtaining third-party payments for services.
30 Collection from individual recipients of services and their families

1 shall be handled in a sensitive and nonharassing manner.

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

10 Sec. 502. Unexpended and unencumbered amounts and accompanying
11 expenditure authorizations up to \$2,000,000.00 remaining on September
12 30, 2001 from pay telephone revenues and the amounts appropriated in
13 part 1 for gifts and bequests for patient living and treatment
14 environments shall be carried forward for 1 fiscal year. The purpose
15 of gifts and bequests for patient living and treatment environments is
16 to use additional private funds to provide specific enhancements for
17 individuals residing at state-operated facilities. Use of the gifts
18 and bequests shall be consistent with the stipulation of the donor.
19 The expected completion date for the use of gifts and bequests
20 donations is within 3 years unless otherwise stipulated by the donor.

21 Sec. 503. The funds appropriated in part 1 for forensic mental
22 health services provided to the department of corrections are in
23 accordance with the interdepartmental plan developed in cooperation
24 with the department of corrections. The department is authorized to
25 receive and expend funds from the department of corrections in
26 addition to the appropriations in part 1 to fulfill the obligations
27 outlined in the interdepartmental agreements.

28 Sec. 504. (1) The CMHSPs shall provide semiannual reports to the
29 department on the following information:

30 (a) The number of days of care purchased from state hospitals and

1 centers.

2 (b) The number of days of care purchased from private hospitals in
3 lieu of purchasing days of care from state hospitals and centers.

4 (c) The number and type of alternative placements to state
5 hospitals and centers other than private hospitals.

6 (d) Waiting lists for placements in state hospitals and centers.

7 (2) The department shall semiannually report the information in
8 subsection (1) to the house and senate appropriations subcommittees on
9 community health, the house and senate fiscal agencies, and the state
10 budget director.

11 Sec. 505. (1) The department shall not implement any closures or
12 consolidations of state hospitals, centers, or agencies until CMHSPs
13 have programs and services in place for those persons currently in
14 those facilities and a plan for service provision for those persons
15 who would have been admitted to those facilities.

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

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

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

30 **PUBLIC HEALTH ADMINISTRATION**

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1 Sec. 601. Of the amount appropriated in part 1 from revenues from
2 fees and collections, not more than \$250,000.00 received from the sale
3 of vital records death data shall be used for improvements in the
4 vital records and health statistics program.

5 **INFECTIOUS DISEASE CONTROL**

6 Sec. 701. State funds appropriated in any other account in part 1
7 may be used to supplant not more than \$350,000.00 in federal funds
8 projected for immunization, if the federal funds are unavailable. The
9 department shall inform the senate and house appropriations
10 subcommittees on community health, the senate and house fiscal
11 agencies, and the state budget director of the specific line items
12 reduced pursuant to this section.

13 Sec. 702. In the expenditure of funds appropriated in part 1 for
14 AIDS programs, the department and its subcontractors shall ensure that
15 adolescents receive priority for prevention, education, and outreach
16 services.

17 Sec. 703. The department shall continue the AIDS drug assistance
18 program maintaining the prior year eligibility criteria and drug
19 formulary. This section is not intended to prohibit the department
20 from providing assistance for improved AIDS treatment medications.

21 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

22 Sec. 801. The amount appropriated in part 1 for implementation of
23 the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and
24 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221,
25 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local
26 health departments for costs incurred related to implementation of
27 section 17015(15) of the public health code, 1978 PA 368, MCL
28 333.17015.

29 Sec. 802. If a county which has participated in a district health
30 department or an associated arrangement with other local health

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1 departments takes action to cease to participate in such an
2 arrangement after October 1, 2000, the department shall have the
3 authority to assess a penalty from the local health department's
4 administrative accounts in an amount equal to no more than 3% of the
5 local health department's local public health operations funding. This
6 penalty shall only be assessed to the local county that requests the
7 dissolution of the health department.

8 Sec. 803. (1) Funds appropriated in part 1 for local public health
9 operations shall be prospectively allocated to local health
10 departments to support immunizations, infectious disease control,
11 sexually transmitted disease control and prevention, hearing
12 screening, vision services, food protection, public water supply,
13 private groundwater supply, and on-site sewage management. Food
14 protection shall be provided in consultation with the department of
15 agriculture. Public water supply, private groundwater supply, and
16 on-site sewage management shall be provided under contract with the
17 Michigan department of environmental quality.

18 (2) Local public health departments will be held to contractual
19 standards for the services in subsection (1), including the local
20 public health accreditation program.

21 (3) Distributions in subsection (1) shall be made only to counties
22 that maintain local spending in fiscal year 2000-2001 of at least the
23 amount expended in fiscal year 1992-93 for the services described in
24 subsection (1).

25 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

26 Sec. 901. (1) The amount appropriated in part 1 for school health
27 and education programs shall be allocated in 2000-2001 to provide
28 grants to or contract with certain districts and intermediate
29 districts for the provision of a school health education curriculum.
30 Provision of the curriculum, such as the Michigan model or another

1 comprehensive school health education curriculum, shall be in
2 accordance with the health education goals established by the Michigan
3 model for the comprehensive school health education state steering
4 committee. The state steering committee shall be comprised of a
5 representative from each of the following 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
9 health.

10 (d) The office of substance abuse services in the department of
11 community health.

12 (e) The family independence agency.

13 (f) The department of state police.

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

24 Sec. 902. From the funds appropriated in part 1 for physical
25 fitness, nutrition, and health, up to \$1,000,000.00 may be allocated
26 to the Michigan physical fitness and sports foundation. The allocation
27 to the Michigan physical fitness and sports foundation is contingent
28 upon the foundation providing at least a 20% cash match.

29 Sec. 903. In spending the funds appropriated in part 1 for the
30 smoking prevention program, priority shall be given to prevention and

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

3 Sec. 904. From the funds appropriated in part 1 for the diabetes
4 program, a portion of the funds may be allocated to the national
5 kidney foundation of Michigan for kidney disease prevention
6 programming including early identification and education programs and
7 kidney disease prevention demonstration projects.

8 Sec. 905. From the funds appropriated in part 1 for the diabetes
9 program, \$320,000.00 shall be allocated for improving the health of
10 African-American men in Michigan. The funds shall be used for
11 screening and patient self-care activities for diabetes, hypertension,
12 stroke, and glaucoma and other eye diseases.

13 **COMMUNITY LIVING, CHILDREN, AND FAMILIES**

14 Sec. 1001. (1) Agencies receiving funds appropriated from part 1
15 for adolescent health care services shall:

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

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

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

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

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

27 (b) As a condition of the contract, a contract shall include the
28 establishment of a local advisory committee before the planning phase
29 of an adolescent health clinic intended to provide services within
30 that school district. The advisory committee shall be comprised of not

1 less than 50% residents of the local school district, and shall not be
2 comprised of more than 50% health care providers. A person who is
3 employed by the sponsoring agency shall not have voting privileges as
4 a member of the advisory committee.

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

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

13 (2) A local advisory committee established under subsection
14 (1)(b), in cooperation with the sponsoring agency, shall submit
15 written recommendations regarding the implementation and types of
16 services rendered by an adolescent health clinic to the local school
17 board for approval of adolescent health services rendered in a public
18 school building where instruction is provided in grades kindergarten
19 through 12.

20 (3) The department shall submit a report to the members of the
21 senate and house appropriations subcommittees on community health and
22 the senate and house fiscal agencies based on the information provided
23 under subsection (1)(a). The report is due 90 days after the end of
24 the calendar year.

25 Sec. 1002. (1) Federal abstinence money expended in part 1 for the
26 purpose of promoting abstinence education shall provide abstinence
27 education to teenagers most likely to engage in high risk behavior as
28 their primary focus, and may include programs that include 9- to
29 17-year-olds. Programs funded must meet all of the following
30 guidelines:

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

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

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

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

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

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

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

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

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

22 Sec. 1003. Of the amount appropriated in part 1 for prenatal care
23 outreach and service delivery support, not more than 10% shall be
24 expended for local administration, data processing, and evaluation.

25 Sec. 1004. The funds appropriated in part 1 for pregnancy
26 prevention programs shall not be used to provide abortion counseling,
27 referrals, or services.

28 Sec. 1005. From the amounts appropriated in part 1 for dental
29 programs, funds shall be allocated to the Michigan dental association
30 for the administration of a volunteer dental program that would

1 provide dental services to the uninsured in an amount that is no less
2 than the amount allocated to that program in fiscal year 1996-97.

3 Sec. 1006. Agencies that currently receive pregnancy prevention
4 funds and either receive or are eligible for other family planning
5 funds shall have the option of receiving all of their family planning
6 funds directly from the department of community health and be
7 designated as delegate agencies.

8 Sec. 1007. From the funds appropriated for prenatal care outreach
9 and service delivery support, the department shall allocate at least
10 \$1,000,000.00 to communities with high infant mortality rates.

11 Sec. 1008. From the funds appropriated in part 1 for special
12 projects, the department shall allocate no less than \$200,000.00 to
13 provide education and outreach to targeted populations on the dangers
14 of drug use during pregnancy and fetal alcohol syndrome and further
15 develop its infant support services to target families with infants
16 with fetal alcohol syndrome or suffering from drug addiction.

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

18 Sec. 1101. Funds appropriated in part 1 for medical care and
19 treatment of children with special health care needs shall be paid
20 according to reimbursement policies determined by the Michigan medical
21 services program. Exceptions to these policies may be taken with the
22 prior approval of the state budget director.

23 Sec. 1102. The department may do 1 or more of the following:

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

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

28 (c) Provide genetic diagnostic and counseling services for
29 eligible families.

30 (d) Provide medical care and treatment to eligible patients with

1 hereditary coagulation defects, commonly known as hemophilia, who are
2 21 years of age or older.

3 **OFFICE OF DRUG CONTROL POLICY**

4 Sec. 1201. From the amount appropriated in part 1 to the office of
5 drug control policy, anti-drug abuse grants, \$200,000.00 shall be
6 transferred to the department of education to fund the office for safe
7 schools.

8 **CRIME VICTIM SERVICES COMMISSION**

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

11 **OFFICE OF SERVICES TO THE AGING**

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

17 Sec. 1402. Money appropriated in part 1 for the Michigan
18 pharmaceutical program shall be used to purchase generic medicine when
19 available and medically practicable.

20 Sec. 1403. The office of services to the aging shall require each
21 region to report to the office of services to the aging home delivered
22 meals waiting lists based upon standard criteria. Determining criteria
23 shall include all of the following:

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

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

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

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

30 Sec. 1404. The office of services to the aging may receive and

1 expend fees for the provision of day care, care management, and
2 respite care. The office of services to the aging shall base the fees
3 on a sliding scale taking into consideration the client income. The
4 office of services to the aging shall use the fees to expand services.

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

7 **MEDICAL SERVICES ADMINISTRATION**

8 Sec. 1501. The funds appropriated in part 1 for the Michigan
9 essential health care provider program may also provide loan repayment
10 for dentists that fit the criteria established by part 27 of the
11 public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

12 **MEDICAL SERVICES**

13 Sec. 1601. (1) For care provided to medical services recipients
14 with other third-party sources of payment, medical services
15 reimbursement shall not exceed, in combination with such other
16 resources, including Medicare, those amounts established for medical
17 services-only patients. The medical services payment rate shall be
18 accepted as payment in full. Other than an approved medical services
19 copayment, no portion of a provider's charge shall be billed to the
20 recipient or any person acting on behalf of the recipient. Nothing in
21 this section shall be deemed to affect the level of payment from a
22 third-party source other than the medical services program. The
23 department shall require a nonenrolled provider to accept medical
24 services payments as payment in full.

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

1 Sec. 1602. The cost of remedial services incurred by residents of
2 licensed adult foster care homes and licensed homes for the aged shall
3 be used in determining financial eligibility for the medically needy.
4 Remedial services include basic self-care and rehabilitation training
5 for a resident.

6 Sec. 1603. The department shall require copayments on dental,
7 podiatric, chiropractic, vision, pharmaceutical, and hearing aid
8 services provided to Medicaid recipients, except as prohibited by
9 federal or state law or regulation.

10 Sec. 1604. (1) From the funds appropriated in part 1 for the
11 indigent medical care program, the department shall establish a
12 program which provides for the basic health care needs of indigent
13 persons as delineated in the following subsections.

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

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

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

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

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

29 (a) Physician services provided in private, clinic, or outpatient
30 office settings.

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

2 (c) Pharmaceutical services.

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

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

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

13 Sec. 1605. The department may require medical services recipients
14 residing in counties offering managed care options to choose the
15 particular managed care plan in which they wish to be enrolled.
16 Persons not expressing a preference may be assigned to a managed care
17 provider.

18 Sec. 1606. (1) The department of community health is authorized
19 to pursue reimbursement for eligible services provided in Michigan
20 schools from the federal Medicaid program. The department and the
21 state budget director are authorized to negotiate and enter into
22 agreements, together with the department of education, with local and
23 intermediate school districts regarding the sharing of federal
24 Medicaid services funds received for these services. The department
25 is authorized to receive and disburse funds to participating school
26 districts pursuant to such agreements and state and federal law.

27 (2) From the funds appropriated in part 1 for medical services
28 school based services payments, the department is authorized to do all
29 of the following:

30 (a) Finance activities within the medical services administration

1 related to this project.

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

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

7 Sec. 1607. The special medical services payments appropriation in
8 part 1 may be increased if the department submits a medical services
9 state plan amendment pertaining to this line item at a level higher
10 than the appropriation. The department is authorized to appropriately
11 adjust financing sources in accordance with the increased
12 appropriation.

13 Sec. 1608. (1) The department shall implement enforcement actions
14 as specified in the nursing facility enforcement provisions of section
15 1919 of title XIX of the social security act, chapter 531, 49 Stat.
16 620, 42 U.S.C. 1396r.

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

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

24 Sec. 1609. (1) From the funds appropriated in part 1, the
25 department, subject to the requirements and limitations in this
26 section, shall establish a funding pool of up to \$44,012,800.00 for
27 the purpose of enhancing the aggregate payment for medical services
28 hospital services.

29 (2) For counties with populations in excess of 2,000,000 persons,
30 the department shall distribute \$44,012,800.00 to hospitals if

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1 \$15,026,700.00 is received by the state from such a county, which
2 meets the criteria of an allowable state matching share as determined
3 by applicable federal laws and regulations. If the state receives a
4 lesser sum of an allowable state matching share from such a county,
5 the amount distributed shall be reduced accordingly.

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

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

13 (5) If a locally administered indigent health care program
14 replaces the state medical program authorized by section 1604 for a
15 given county on or before October 1, 1998, the state general
16 fund/general purpose dollars allocated for that county under this
17 section shall not be less than the general fund/general purpose
18 expenditures for the state medical program in that county in the
19 previous fiscal year.

20 Sec. 1610. An institutional provider that is required to submit a
21 cost report under the medical services program shall submit cost
22 reports completed in full within 5 months after the end of its fiscal
23 year.

24 Sec. 1611. (1) The department may establish a program for persons
25 to purchase medical coverage at a rate determined by the department.

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

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

30 Sec. 1612. Implementation and contracting for managed care by

1 Medicaid plans to the department are subject to the following
2 conditions:

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

7 (b) The department shall require contracted health plans to submit
8 data determined necessary for the evaluation on a timely basis.

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

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

17 (e) Enrollment of recipients of children's special health care
18 services in qualified health plans shall be voluntary during fiscal
19 year 2000 - 2001.

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

26 Sec. 1613. (1) Medicaid qualified health plans shall establish an
27 ongoing internal quality assurance program for health care services
28 provided to Medicaid recipients which includes:

29 (a) An emphasis on health outcomes.

30 (b) Establishment of written protocols for utilization review

1 based on current standards of medical practice.

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

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

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

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

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

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

13 (i) Consumer involvement in the development of the quality
14 assurance program and consideration of enrollee complaints and
15 satisfaction survey results.

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

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

28 (4) Medicaid qualified health plans shall assure that all covered
29 services are available and accessible to enrollees with reasonable
30 promptness and in a manner which assures continuity. Medically

1 necessary services shall be available and accessible 24 hours a day
2 and 7 days a week. Health plans shall continue to develop procedures
3 for determining medical necessity which may include a prior
4 authorization process.

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

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

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

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

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

27 (10) Medicaid qualified health plans shall meet other standards
28 and requirements contained in state laws, administrative rules, and
29 policies promulgated by the department.

30 (11) Medicaid qualified health plans shall develop written plans

1 for providing nonemergency medical transportation services funded
2 through supplemental payments made to the plans by the department, and
3 shall include information about transportation in their member
4 handbook.

5 Sec. 1614. (1) The department may require a 12-month lock-in to
6 the qualified health plan selected by the recipient during the initial
7 and subsequent open enrollment periods, but allow for good cause
8 exceptions during the lock-in period.

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

11 Sec. 1615. (1) The department shall provide an expedited
12 complaint review procedure for Medicaid eligible persons enrolled in
13 qualified health plans for situations where failure to receive any
14 health care service would result in significant harm to the enrollee.

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

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

25 Sec. 1616. The department may make separate payments directly to
26 qualifying hospitals serving a disproportionate share of indigent
27 patients, and to hospitals providing graduate medical education
28 training programs. If direct payment for GME and DSH is made to
29 qualifying hospitals for services to Medicaid clients, hospitals will
30 not include GME costs or DSH payments in their contracts with HMOs.

1 Sec. 1617. The mother of an unborn child shall be eligible for
2 medical services benefits for herself and her child if all other
3 eligibility factors are met. To be eligible for these benefits, the
4 applicant shall provide medical evidence of her pregnancy. If she is
5 unable to provide the documentation, payment for the examination may
6 be at state expense. The department of community health shall
7 undertake such measures as may be necessary to ensure that necessary
8 prenatal care is provided to medical services eligible recipients.

9 Sec. 1618. (1) The protected income level for Medicaid coverage
10 determined pursuant to section 106(1)(b)(iii) of the social welfare
11 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
12 assistance standard.

13 Sec. 1619. For the purpose of guardian and conservator charges,
14 the department of community health may deduct up to \$60.00 per month
15 as an allowable expense against a recipient's income when determining
16 medical services eligibility and patient pay amounts.

17 Sec. 1620. The department shall promote activities that preserve
18 the dignity and rights of terminally ill and chronically ill
19 individuals. Priority shall be given to programs, such as hospice,
20 that focus on individual dignity and quality of care provided persons
21 with terminal illness and programs serving persons with chronic
22 illnesses that reduce the rate of suicide through the advancement of
23 the knowledge and use of improved, appropriate pain management for
24 these persons; and initiatives that train health care practitioners
25 and faculty in managing pain, providing palliative care and suicide
26 prevention.

27 Sec. 1621. The following sections are the only ones which shall
28 apply to the following Medicaid managed care programs, including the
29 comprehensive plan, children's special health care services plan, MI
30 Choice long-term care plan, and the mental health, substance abuse,

1 and developmentally disabled services program: 213, 401, 403, 410,
2 1605, 1612, 1613, 1614, 1615, 1616, 1627, 1628, and 1629.

3 Sec. 1622. (1) The appropriation in part 1 for the MICHild
4 program is to be used to provide comprehensive health care to all
5 children under age 19 who reside in families with income at or below
6 200% of the federal poverty level, who are uninsured and have not had
7 coverage by other comprehensive health insurance within 6 months of
8 making application for MICHild benefits, and who are residents of this
9 state. The department shall develop detailed eligibility criteria
10 through the medical services administration public concurrence
11 process, consistent with the provisions of this act. Health care
12 coverage for children in families below 150% of the federal poverty
13 level shall be provided through expanded eligibility under the state's
14 Medicaid program. Health coverage for children in families between
15 150% and 200% of the federal poverty level shall be provided through a
16 state-based private health care program.

17 (2) The department shall enter into a contract to obtain MICHild
18 services from any health maintenance organization, dental care
19 corporation, or any other entity that offers to provide the managed
20 health care benefits for MICHild services at the MICHild capitated
21 rate. As used in this subsection:

22 (a) "Dental care corporation", "health care corporation",
23 "insurer", and "prudent purchaser agreement" mean those terms as
24 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
25 550.52.

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

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

30 (4) The department may make payments on behalf of children

1 enrolled in the MICHild program from the line-item appropriation
2 associated with the program as described in the MICHild state plan
3 approved by the United States department of health and human services,
4 or from other medical services line-item appropriations providing for
5 specific health care services.

6 Sec. 1623. The department may establish premiums for MICHild
7 eligible persons in families with income above 150% of the federal
8 poverty level. The monthly premiums shall not exceed \$5.00 for a
9 family.

10 Sec. 1624. The department shall not require copayments under the
11 MICHild program.

12 Sec. 1625. To be eligible for the MICHild program, a child must be
13 residing in a family with an adjusted gross income of less than or
14 equal to 200% of the federal poverty level. The department's
15 verification policy shall be used to determine eligibility.

16 Sec. 1626. All nursing home rates, class I and class III, must
17 have their respective fiscal year rate set 30 days prior to the
18 beginning of their rate year. Rates may take into account the most
19 recent cost report prepared and certified by the preparer, provider
20 corporate owner or representative as being true and accurate, and
21 filed timely, within 5 months of the fiscal year end in accordance
22 with Medicaid policy. If the audited version of the last report is
23 available, it shall be used. Any rate factors based on the filed cost
24 report may be retroactively adjusted upon completion of the audit of
25 that cost report.

26 Sec. 1627. (1) Reimbursement for medical services to screen and
27 stabilize a Medicaid recipient in a hospital emergency room shall not
28 be made contingent on obtaining prior authorization from the
29 recipient's qualified health plan. If the recipient is discharged
30 from the emergency room, the hospital shall notify the recipient's

1 qualified health plan within 24 hours of the diagnosis and treatment
2 received.

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

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

12 Sec. 1628. (1) It is the intent of the legislature that a uniform
13 Medicaid billing form be developed by the department in consultation
14 with affected Medicaid providers. Every 2 months, the department
15 shall provide reports to members of the senate and house
16 appropriations subcommittees on community health and the senate and
17 house fiscal agencies on the progress of this initiative.

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

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

25 (b) If a qualified health plan fails to provide reimbursement for
26 90% of its clean claims within 30 days, the qualified health plans
27 shall be subject to an interest charge based on the value of the
28 unpaid claims. Interest shall be paid at the rate specified in
29 section 3902(a) of title 31 of the United States Code, 31 U.S.C. 3902.
30 As used in this subdivision, "clean claim" means a claim that has no

1 defect or impropriety, including lack of required substantiating
2 documentation for noncontracting providers and suppliers, or
3 particular circumstances requiring special treatment that prevents
4 timely payment from being made on the claim.

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

8 (d) A Medicaid provider that submits a duplicate of a claim that
9 has been denied or returned with notice that it is incomplete or
10 incorrect shall be subject to a service charge for each duplicate
11 claim, in an amount determined by the department, if the duplicate
12 claim is submitted without completion, correction, or further
13 information that addresses the denial or return.

14 (3) The department shall hold regular Medicaid billing seminars
15 targeted to both qualified health plans and Medicaid providers. The
16 number and locations of these seminars should be sufficient to provide
17 reasonable access to qualified health plans and Medicaid providers
18 throughout the state. The department shall provide quarterly reports
19 to the members of the senate and house appropriations subcommittees on
20 community health and the senate and house fiscal agencies on the
21 number of seminars, their content and location, and the number of
22 persons attending these seminars.

23 Sec. 1629. (1) The department shall do or demonstrate that it has
24 accomplished all of the following concerning the provision of early
25 and periodic screening, diagnosis, and treatment (EPSDT) and maternal
26 and infant support services (MSS/ISS):

27 (a) Explore the feasibility of developing a uniform encounter
28 form for EPSDT services, MSS/ISS referral, and MSS/ISS screening and
29 services.

30 (b) Require each qualified health plan to evaluate 100% of

1 pregnant Medicaid enrollees for possible MSS/ISS screening referral
2 during the initial pregnancy services visit, using uniform screening
3 and referral criteria.

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

9 (d) Prohibit qualified health plans from requiring prior
10 authorization for their contracted providers for any EPSDT screening
11 and diagnostic service, for MSS/ISS screening referral, or for up to 3
12 MSS/ISS service visits.

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

19 (2) The department shall require the external quality review
20 contractor to conduct a statistically significant sampling of the
21 health records of Medicaid eligible clients of all qualified health
22 plans for the following information:

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

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

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

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

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

30 (f) The number of referrals to local health departments for blood

1 lead screening, immunization, or objective hearing and vision
2 screening services.

3 (g) The number of pregnant Medicaid enrollees.

4 (h) The number of referrals for MSS/ISS assessment.

5 (i) The number of MSS/ISS assessments performed.

6 (j) The number and description of MSS/ISS visits or services
7 delivered.

8 (k) The number of prenatal visits per pregnant enrollee.

9 (3) The department shall compile and report the information
10 required in subsection (2) to the senate and house appropriations
11 subcommittees on community health, the senate and house fiscal
12 agencies, and the state budget director no later than February 1,
13 2001.

14 Sec. 1630. (1) Effective January 1, 2001, an elder prescription
15 insurance coverage program will be established, referred to in this
16 section as the EPIC program. The guiding principles of this program
17 are all of the following:

18 (a) To enhance access to prescription medications for low income
19 elderly residents of this state.

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

22 (c) To assist the elderly in understanding how prescription
23 medications can be beneficial in treating diseases, illnesses, and
24 conditions that are more prevalent in the aged.

25 (d) To provide the means by which those persons who prescribe and
26 dispense prescription medications for the elderly are better able to
27 recognize those prescription situations in which combinations of new
28 and/or existing drugs, or other factors, could result in adverse drug
29 interaction in an elderly person.

30 (e) The program developed pursuant to this section is not an

1 entitlement and benefits are limited to the level supported by the
2 funding explicitly appropriated in this or subsequent acts.

3 (2) In furthering these guiding principles, the operational
4 parameters of the EPIC program shall include at least all of the
5 following:

6 (a) Limiting eligibility to Michigan residents who are over the
7 age of 64, who have household incomes at or below 200% of the federal
8 poverty level, and who are not eligible for Medicaid.

9 (b) Establishing variable premium rates based on a percentage of
10 household income, which rate shall be not more than 5% of household
11 income if household income is 200% of the federal poverty level and
12 shall be zero if household income is 100% or less of the federal
13 poverty level.

14 (c) A mechanism, such as limiting the number of policies sold, to
15 ensure that expenditures do not exceed available revenue.

16 (3) The EPIC program shall not be implemented until after an
17 automated pharmacy claims adjudication and prospective drug
18 utilization review system is operational.

19 (4) The EPIC program shall not be implemented until section 273
20 of the income tax act of 1967, 1967 PA 281, M.C.L. 206.273, is
21 repealed.