

COMMUNITY HEALTH FY 2010-11 Appropriations

Summary: As Passed by the Senate

SB 1152 (S-1)

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IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Senate From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$48,946,000	\$54,224,300	\$54,224,300			\$5,278,300	10.8
Federal							
ARRA	1,080,092,400	851,400,600	920,178,700			(159,913,700)	(14.8)
Non-ARRA	7,857,901,800	8,982,050,000	8,473,442,300			615,540,500	7.8
Local	225,972,600	232,374,700	232,374,700			6,402,100	2.8
Private	72,308,500	80,272,500	80,272,500			7,964,000	11.0
Restricted	1,487,808,800	2,180,147,100	1,885,052,500			397,243,700	26.7
GF/GP	2,304,602,500	2,016,461,800	1,920,421,400			(384,181,100)	(16.7)
Gross	\$13,077,632,600	\$14,396,931,000	\$13,565,966,400			\$488,333,800	3.7
FTEs	4,380.6	4,362.8	4,360.3			(20.3)	(0.5)

Notes: (1) FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 11, 2010. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

Overview

The Department of Community Health (DCH) budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health regulatory functions.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
1. Economic Adjustments		Gross	N/A
The Senate concurs with some of the Executive recommendations to fund economic adjustments for defined benefit and contribution retirement, insurance, worker's compensation, building occupancy, food, and gas, fuel, and utility costs for FY 2010-11. However, the Senate does not concur with the Executive to finance 3.0% salary and wage increase for employees and its related impact on FICA and retirement costs.	IDG	N/A	\$25,556,300
	Federal	N/A	2,543,300
	Restricted	N/A	6,293,400
	Local	N/A	2,071,600
	Private	N/A	6,989,000
	GF/GP	N/A	4,900
2. Family Support Subsidy Program Caseload Increase		Gross	\$18,599,200
The Senate concurs with the Executive recommendation projecting a 2.6% caseload increase in the Family Support Subsidy Program and increasing TANF funds for this program by \$871,300. This program provides \$222.11 monthly payment to income-eligible families with a child under 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic.	Federal	18,599,200	\$871,300
	GF/GP	\$0	\$0
3. Actuarially Sound Capitation Payment Rates Adjustment		Gross	\$5,495,522,200
The Senate concurs with the Executive to increase capitation payment rates for Health Plan Services and Medicaid Mental Health and Substance Abuse Services by 3.0% (\$133.2 million gross, \$45.6 million GF/GP) to ensure rates are actuarially sound in FY 2010-11.	Federal	4,033,672,800	\$133,170,300
	Local	32,531,200	87,612,800
	Restricted	751,990,500	0
	GF/GP	\$677,327,700	0
			\$45,557,500
4. Elimination of State Disability Assistance Program		Gross	\$2,243,100
Concurring with the Executive, the Senate eliminates funding of \$2.2 million for the State Disability Assistance Program Substance Abuse Services line item which supports per diem room and board payments for needy persons 18 years of age or older or emancipated minors who reside in substance abuse residential facilities and persons who do not qualify for SSI. (Sec. 406)	GF/GP	\$2,243,100	(\$2,243,100)
			(\$2,243,100)

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
5. Multicultural Services Funding		Gross \$6,823,800	\$50,000
The Senate rejects the Executive proposal to reduce funding for mental health services provided to multicultural populations and groups such as Chinese American, Asian American, Hispanics, Arab/Chaldean, ACCESS, Michigan Inter-Tribal Council, Jewish Federation, Chaldean Community Foundation, and Vietnam Veterans by \$1,364,800 GF/GP. The Senate allocates an additional \$50,000 GF/GP for the Chaldean Chamber Foundation.		GF/GP \$6,823,800	\$50,000
6. CMH Non-Medicaid Services Reduction		Gross \$287,468,000	(\$57,493,600)
The Senate concurs with the Executive to reduce administrative funds included in the CMH Non-Medicaid Services appropriation by \$3,797,900 GF/GP. The Senate also reduces funding for this appropriation by \$53,695,700 GF/GP. The adjustment represents a 20% reduction from the year-to-date authorization for CMH Non-Medicaid Services.		GF/GP \$287,468,000	(\$57,493,600)
7. Hospital Rate Adjustor Increase for PIHPs		Gross \$1,970,775,800	\$15,957,400
The Senate concurs with the Executive proposal to add \$16.0 million gross (\$257,300 GF/GP) to Medicaid Mental Health Services due to an increase in the hospital rate adjustor for Prepaid Inpatient Health Plans (PIHPs) which was established in FY 2009-10. As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services are passed through PIHPs.		Federal 1,443,987,500	11,669,600
		Restricted 8,019,000	4,030,500
		Local 25,228,900	0
		GF/GP \$493,540,400	\$257,300
8. Freeze on Enrollment in Community-Based Services Waiver		Gross \$1,970,775,800	(\$8,634,600)
Concurring with the Executive, the Senate proposal includes a reduction of \$8.6 million gross (\$2.3 million GF/GP) for Medicaid Mental Health Services as enrollment in the federal Home-and Community-Based Services Habilitation/Supports Program would be frozen and/or reduced by 300 persons. Under this Medicaid waiver, PIHPs provide services to persons with developmental disabilities who would otherwise need the level of care provided in an Intermediate Care Facility for Mental Health Retardation.		Federal 1,443,987,500	(6,314,500)
		Restricted 8,019,000	0
		Local 25,228,900	0
		GF/GP \$493,540,400	(\$2,320,100)
9. Community Substance Abuse Prevention, Education, and Treatment Programs Funding Reduction and Fund Shift		Gross \$82,292,200	(\$1,636,100)
The Senate concurs with the Executive to include a reduction of \$1.6 million GF/GP for the community substance abuse prevention, education, and treatment programs line item. Also, one-time carryforward substance abuse licensing/fine revenue of \$950,000 for this line item is replaced with GF/GP.		Federal 65,777,500	0
		Restricted 2,734,200	(950,000)
		GF/GP \$13,780,500	(\$686,100)
10. Annualize Forensic Mental Health Services to DOC Costs		Gross \$45,489,700	\$2,735,000
The Senate concurs with the Executive to add \$2.7 million to the interdepartmental grant from the Department of Corrections (DOC) to annualize the FY 2009-10 phase-in costs for six outpatient and one residential treatment programs.		IDG 45,489,700	2,735,000
		GF/GP \$0	\$0
11. Primary Care Services Funding		Gross \$4,268,800	(\$25,000)
The Senate concurs with the Executive to eliminate \$100,000 GF/GP allocation for Beaver, Drummond, and Mackinac Island clinics. The Senate also restores funding of \$75,000 GF/GP for the Helen M. Nickless Volunteer which was vetoed by the Governor in the current fiscal year budget.		Federal 3,031,400	0
		GF/GP \$1,237,400	(\$25,000)
12. Criminal Background Check Program		Gross \$2,681,000	\$0
The Senate rejects the Executive proposal to recognize savings of \$2,133,800 gross (\$1,707,000 GF/GP) by shifting the costs of criminal background checks for employees to adult foster care facilities and homes for the aged.		Federal 538,000	0
		GF/GP \$2,143,000	\$0

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
13. Public Health Program State Funding Reductions		Gross	N/A (\$1,214,400)
The Senate concurs with \$1.2 million of public health administration and program reductions and fund shifts for GF/GP savings proposed by the Executive, including \$453,000 from epidemiology and tuberculosis, \$366,300 from infectious disease control, and other reductions.	Restricted	N/A	0
	GF/GP	N/A	(\$1,214,400)
14. Local Public Health Operations Funding		Gross	\$40,082,800 (\$1,000,000)
The Senate reduces GF/GP funding to local public health departments by \$1,000,000 or 2.9%, for most state-local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, food protection, public water supply, private groundwater supply, and on-site sewage management. Hearing and vision screening programs are not affected. The Executive had proposed a 7.7% \$2.7 million GF/GP reduction.	Local	5,150,000	0
	GF/GP	\$34,932,800	(\$1,000,000)
15. Public Health Laboratory Services and Facilities		FTEs	122.0 (13.0)
The Senate concurs with Executive-proposed reductions to public health laboratory services including \$711,800 GF/GP and 7.0 FTEs with elimination of certain testing services for parasitology and mycology (fungal infections), and \$600,000 GF/GP and 6.0 FTEs with closure of the Houghton laboratory, one of 5 regional public health laboratories. This is a reduction of 18% of the GF/GP for laboratory services.	Gross	\$18,439,100 (\$1,311,800)	
	IDG	447,100	0
	Federal	1,683,600	0
	Restricted	9,048,100	0
	GF/GP	\$7,260,300	(\$1,311,800)
16. Donated Dental, Vision Clinic, and Traumatic Brain Pilots		Gross	\$175,000 \$200,000
The Senate rejects the Executive proposal to eliminate GF/GP funding of \$125,000 for the public health Donated Dental Program and \$50,000 for the Special Needs Vision Clinic, and restores \$200,000 Gross (\$100,000 GF/GP) funding for traumatic brain injury pilot programs vetoed by the Governor in FY 2009-10, including related Sec. 1031 boilerplate.	Federal	0	100,000
	GF/GP	\$175,000	\$100,000
17. Healthy Michigan Fund Project Reduction and Fund Shift		Gross	\$37,428,200 (\$5,039,900)
The Senate eliminates all Healthy Michigan Fund (HMF) individual appropriations for public health projects totaling \$10,953,500, and establishes a single line item at a reduced funding amount of \$5,913,600 for the Department to fund projects at its discretion, within parameters established under Senate Sec. 652. The allocation of HMF funds to Medicaid is increased to \$31,223,600, including a shift of \$5.0 million from project funding to replace GF/GP for savings, and a loss of \$251,100 to recognize reduced HMF revenue.	Restricted	37,428,200	(291,000)
	GF/GP	\$0	(\$4,748,900)
18. Crime Victim's Rights Fund		Gross	\$2,353,300 (\$2,353,300)
The Senate concurs with the Executive recommendation to eliminate state restricted Crime Victim's Rights Fund interdepartmental grant appropriations of \$1,053,300 to Michigan State Police and \$1,300,000 to Department of Human Services to support certain programs, due to declining balance in the Fund and prioritization of expenditures of the Fund per statute. The Fund has supported these IDGs since FY 2006-07. The lost funds are partially restored with GF and TANF funds in the current versions of the FY 2010-11 MSP and DHS budgets, as of 3/31/10.	Restricted	2,353,300	(2,353,300)
	GF/GP	\$0	\$0
19. Aging Program GF/GP Reductions		FTEs	44.5 (1.0)
The Senate concurs with Executive-proposed GF/GP reductions to senior programs including \$1,073,200 to senior community services programs, \$763,200 to senior nutrition services and meals, and \$387,900 to three senior volunteer programs. Reductions represent 8% of the GF/GP funding for these programs. GF/GP funding of \$120,000 for Tribal Elders programs is eliminated. Administration and Commission funding is reduced \$92,500 GF/GP and one FTE.	Gross	\$91,889,400 (\$2,436,800)	
	Federal	55,203,900	0
	Private	537,000	0
	Merit Awd	4,468,700	0
	Restricted	1,800,000	0
	GF/GP	\$29,879,800	(\$2,436,800)
20. Eliminate Human Growth Hormone Therapy Funding		Gross	\$2,006,400 (\$2,006,400)
The Senate concurs with the Executive to eliminate human growth hormone therapy funding for non-Medicaid Children's Special Health Care Services (CSHCS) eligibles saving \$2,006,400 GF/GP. An estimated 231 individuals would be affected.	GF/GP	\$2,006,400	(\$2,006,400)

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
21. Eliminate Transitional Medical Assistance Plus Program		Gross \$3,735,200	(\$3,735,200)
The Senate concurs with the Executive to reduce funding of \$3.7 million GF/GP by eliminating the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Monthly premiums from \$50 to \$110 are paid by the individuals. Approximately 950 eligibles would be affected. (Sec. 1603)		GF/GP \$3,735,200	(\$3,735,200)
22. General Motors Pension FMAP Fix		Gross N/A	\$0
The Senate concurs with the Executive to reduce GF/GP by \$160.0 million which will be offset by a Medicaid Benefits Trust Fund revenue increase due to an anticipated deposit to the fund related to the correction of a historical FMAP calculation. The creation by General Motors of a Voluntary Employee Benefits Association (VEBA) in 2006 resulted in artificially low FMAP rates in subsequent years. This payment is authorized by the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, but the final amount is still yet to be determined.		Restricted N/A	160,000,000
		GF/GP N/A	(\$160,000,000)
23. Medicaid Caseload, Utilization and Inflation Increase		Gross \$10,662,313,300	\$141,906,300
The Senate and Executive both include an increase of \$141.9 million gross (\$58.5 million GF/GP) to cover caseload, utilization and inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription Programs.		Federal 7,872,832,400	83,415,800
		Local 46,068,800	0
		Private 2,100,000	0
		Merit Awd 18,431,200	0
		Restricted 1,279,543,500	0
		GF/GP \$1,443,337,400	\$58,490,500
24. Medicaid FMAP Federal Stimulus Bill Adjustment		Gross \$10,662,313,300	\$1,227,300
Both the Senate and the Executive provide an increase of \$245.1 million GF/GP to offset the change from 4 quarters of federal Medicaid funds resulting from the American Recovery and Reinvestment Act (ARRA) in FY 2009-10 to one quarter of ARRA and an anticipated two additional quarters of the enhanced FMAP rate in FY 2010-11. The Senate includes savings of \$123,800,000 GF/GP offset by additional federal ARRA FMAP funds. The funds are available due to a recent determination from the federal Department of Health and Human Services under which the enhanced ARRA FMAP rate will be applied to the State contribution (clawback provision), that contribution being required by the Medicare Part D drug program.		Federal 7,872,832,400	(214,218,800)
		Local 46,068,800	(1,150,700)
		Private 2,100,000	377,100
		Merit Awd 18,431,200	0
		Restricted 1,279,543,500	94,936,500
		GF/GP \$1,443,337,400	\$121,283,200
25. Other Medicaid Fund Source Adjustments		Gross \$10,662,313,300	(\$732,200)
The Senate concurs with the Executive in that federal Medicaid and SCHIP funds would offset \$224.5 million of GF/GP due to regular changes in federal match rates. An increase of Merit Award Trust Fund revenue offsets \$126.3 million of GF/GP.		Federal 7,872,832,400	225,289,600
		Local 46,068,800	(732,200)
		Private 2,100,000	0
		Merit Awd 18,431,200	126,320,600
		Restricted 1,279,543,500	(780,000)
		GF/GP \$1,443,337,400	(\$350,830,200)
26. Reinstatement of 2nd DSH Pool at \$10.0 Million		Gross \$45,000,000	\$10,000,000
The Senate provides \$10.0 million gross (\$3.4 million GF/GP) to fund a second disproportionate share hospital (DSH) payment pool. This pool had been funded in FY 2008-09 at \$5.0 million gross and had been maintained at this level by the Legislature for FY 2009-10. The 2nd DSH pool for FY 2009-10 was removed by the Governor's veto. (Sec. 1699)		Federal 28,435,500	6,579,000
		Restricted 6,114,900	0
		GF/GP \$10,449,600	\$3,421,000
27. Implement Physician Quality Assurance Assessment Program		Gross N/A	\$0
The Senate does not concur with the Executive in a planned reduction of \$98.6 million GF/GP resulting from the implementation of a proposed physician QAAP. Assessment revenue of \$300.0 million would be generated by a 3% tax on physician services gross revenues, with a net amount of \$548.2 million of new federal Medicaid funding available to the State in the Executive proposal. Funds will be used to increase Medicaid physician payments up to Medicare payment rates. (Sec. 1830)		Federal N/A	0
		Restricted N/A	0
		GF/GP N/A	\$0

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
28. Reduction of Certain Medicaid Physician Payments	Gross	N/A	(\$12,651,200)
The Senate includes a reduction of \$12.7 million gross (\$3.4 million GF/GP) representing a 4% reduction to physician rates excluding those payments for pediatrics, well child visits, obstetrics, primary care and emergency services. (Sec. 1840)	Federal	N/A	(9,251,200)
	GF/GP	N/A	(\$3,400,000)
29. Pharmacy Dispensing Fee Decrease	Gross	\$1,258,400	\$0
The Senate does not concur with the Executive in the elimination of the FY 2009-10 pharmacy dispensing fee increase of 25¢ per script which would have resulted in a \$1.3 million gross (\$463,200 GF/GP) reduction in the Pharmaceutical Services line. (Sec. 1620)	Federal	922,000	0
	GF/GP	\$336,400	\$0
30. Reinstatement of Medicaid Adult Dental and Podiatric Services	Gross	\$0	\$20,787,000
The Senate proposal includes \$19.6 million gross (\$5.3 million GF/GP) to reinstate adult Medicaid dental services and \$1.2 million gross (\$330,300 GF/GP) to reinstate adult podiatric services. These services were not included in the FY 2009-10 budget and had been removed in the last quarter of FY 2008-09, pursuant to Executive Order 2009-22.	Federal	0	15,200,500
	GF/GP	\$0	\$5,586,500
31. Nursing Home Transition Savings	Gross	\$2,071,356,400	(\$29,565,000)
The Senate increases the Executive's net savings from \$19.7 million gross (\$5.3 million GF/GP) to \$29.6 million gross (\$7.9 million GF/GP), the result of transitioning more (300 in the Executive proposal, 450 in the Senate) nursing home occupants to the MIChoice program.	Federal	1,559,697,400	(21,620,800)
	Local	6,883,800	0
	Private	2,100,000	0
	Merit Awd	18,431,200	0
	Restricted	200,781,800	0
	GF/GP	\$283,462,200	(\$7,944,200)
32. Eliminate Medicaid Coverage for Group 2 Caretaker Relatives and 19 & 20 Year Olds - 1 Quarter	Gross	\$129,532,800	(\$32,383,200)
The Senate includes savings of \$25.4 million gross (\$7.7 million GF/GP) generated by the elimination of Medicaid benefits for Group 2 caretaker relatives and \$6.9 million gross (\$2.1 million GF/GP) by the elimination of Medicaid benefits for Group 2 19 and 20 year olds. Both actions would be effective July 1, 2011.	Federal	94,908,700	(22,583,200)
	GF/GP	\$34,624,100	(\$9,800,000)
33. MIChild Program to Medicaid HMOs	Gross	\$50,000,000	\$3,000,000
The Senate proposal transfers responsibility for the MIChild program to the Medicaid HMOs resulting in a gross increase of \$3.0 million and GF/GP savings of \$2.2 million generated by the use tax.	Federal	37,115,000	2,193,800
	Restricted	0	3,000,000
	GF/GP	\$12,885,000	(\$2,193,800)

Major Boilerplate Changes From FY 2009-10

GENERAL

Sec. 286. Financial Transparency Information - DELETED

The Senate deletes language that directs DCH to expend no more than \$10,000 to develop, post, and maintain on a publicly accessible Internet site all expenditures made by the agency within a fiscal year.

Sec. 287. General Fund/General Purpose Lapses -REVISED

The Senate revises current law to require DCH to report on the estimated general fund/general purpose appropriation lapses at the close of the fiscal year by no later than December 1, 2011.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 462. CMH Non-Medicaid Funding Formula - REVISED

The Senate revises current law to require DCH to continue to utilize the FY 2009-10 funding formula for all CMHSPs that receive funds appropriated under the CMH non-Medicaid Services line. The Senate also adds a subsection that provides that it is the legislature's intent that DCH modify the process for determining PIHP allocations for Medicaid Mental Health Services by removing geographic factors during the next bidding process.

Sec. 490. Workgroup on Uniform Standards for Providers Contracting with PIHPs, CMHSPs, and Coordinating Agencies - NEW

The Senate adds new language that requires the establishment of a Workgroup to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies that apply to community living supports, personal care services, and skill building services.

Major Boilerplate Changes From FY 2009-10

Sec. 491. Habilitation Supports Waiver for Persons with Developmental Disabilities - NEW

The Senate proposes new language that requires the Department to explore changes in the Habilitation Supports Waiver for persons with developmental disabilities that would permit the movement of a slot that has become available to a county that has demonstrated a greater need for the services.

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

Sec. 603. Forensic Mental Health Provided to the Department of Corrections - REVISED

The Senate adds a new subsection that requires the interdepartmental agreement between DCH and DOC to be updated every 3 years and meet the standard of care for the provision of mental health services.

PUBLIC HEALTH ADMINISTRATION

Sec. 653. Public Health Emergency Planning - NEW

New Senate language requires the Department to develop plans to address potential state public health emergencies.

HEALTH POLICY, REGULATION, AND PROFESSIONS

Sec. 727. Outsourcing the Medical Marijuana Program - REVISED

The Senate revises the section to require DCH to establish and implement a bid process to identify a private or public contractor to provide management of the Medical Marijuana Program by October 1, 2010. The DCH is also required to transfer management of the program by April 1, 2011.

INFECTIOUS DISEASE CONTROL

Sec. 805. Michigan Care Improvement Immunization Registry Access - NEW

New Senate language requires the Department to allow individual online access to the Michigan care improvement immunization registry.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 902. (2) Enhanced Grants to Local Health Departments for Consolidation - NEW

Senate adds language that requires the Department to explore ways to permit enhanced local public health operations grants to local public health departments that have successfully consolidated after October 1 of the current fiscal year.

Sec. 905. Local Public Health Operations Payment Model - NEW

Senate adds language that requires the Department to study changing the local public health operations payments to a block grant model.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1003. Alzheimer's Information Network - DELETED

Language is eliminated that requires DCH to use Alzheimer's information network line item funds to provide information and referral services through regional networks for persons with Alzheimer's disease or related disorders, their families, and health care providers. The Senate concurred with the Executive.

Sec. 1006. Allocation for Smoking Quit Kits - REVISED

Language prioritizing use of smoking prevention program funds is modified to reduce the allocation for the quit kit program from \$365,000 to \$100,000. The Senate concurred with the Executive.

Sec. 1111. Family Planning and Pregnancy Prevention Administration Allocation - REVISED

The maximum allocation of family planning and pregnancy prevention funds for administration is reduced by the Senate from 12% to 10%.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1204. CSHCS and Medicaid HMOs - REVISED

Additional Senate language requires the Department to work with the Michigan Association of Health Plans to identify and report on a Medicaid HMO reimbursement methodology. Also, requires the Department to adjust policy to ensure that CSHCS enrollees that do not have an established relationship with a physician become enrolled in a Medicaid HMO.

OFFICE OF SERVICES TO THE AGING

Sec. 1404. Area Agencies and Local Provider Fees - REVISED

Language that permits area agencies on aging and local providers to receive and expend fees is modified by the Senate to allow fees to be used to maintain services in addition to being used to expand services.

MEDICAL SERVICES

Sec. 1603. Medical Services Buy-In Program - REVISED

Allows DCH to establish a statewide program for persons to purchase medical coverage at a rate determined by DCH. The Senate requires DCH to offer 100% cost share for those who would have been eligible for the TMA Plus program in FY 2009-10.

Major Boilerplate Changes From FY 2009-10

Sec. 1633. Healthy Kids Dental Coverage in Cities - DELETED

Requires DCH to report on the feasibility of providing Healthy Kids dental coverage in cities rather than entire counties.

Sec. 1652. Health Plan Service Area Expansion - DELETED

Requires that any new or renegotiated Medicaid health plan contracts shall include the following conditions regarding service area expansion: 1) not sell or transfer any portion of the HMO's assets or business for a period of three years, and 2) the HMO that expands into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has one or fewer HMOs participating in the Medicaid program.

Sec. 1687. Health Insurance for Direct Care Workers - DELETED

Requires DCH to study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund health care insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged, and home- and community-based services programs.

Sec. 1695. Nursing Facility Case Mix Reimbursement - DELETED

Requires DCH to evaluate the impact of implementing a case mix reimbursement system for nursing facilities. DCH is to consult with Health Care Association of Michigan, Michigan County Medical Care Facilities Council, and Association of Homes and Services for the Aging, with a progress report due by August 1 of the current fiscal year.

Sec. 1712. Rural Health Initiative - DELETED

Subject to availability of funds, requires DCH to implement a rural health initiative with funds to be first allocated to a rural outpatient hospital adjustor, and remaining funds for defibrillator grants, EMT training, or other similar programs.

Sec. 1732. Nursing Home QAAP Modification Assurance - DELETED

Assures that nursing home reimbursement rates will not be reduced to achieve GF/GP savings if proposed modifications to the quality assurance assessment program for nursing homes are not implemented.

Sec. 1757. Medicaid Applicants, Legal Residence, and Fugitive Felon Status - DELETED

Requires DCH to direct Department of Human Services to require Medicaid applicants to prove that they are residing legally in the United States and that they are residents of Michigan. Establishes intent that DCH seek clarification from federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver.

Sec. 1786. Low-day Thresholds for Hospitals - REVISED

The Senate includes a new subsection that requires the Department to reimburse hospitals for admissions of less than 24 hours as outpatient observation stays.

Sec. 1815. Cap On Health Plan Capitation Withhold - REVISED

The Senate increases the cap on the health plan capitation withhold from 0.19% to 0.25% of the withhold administered during FY 2008-09.

Sec. 1834. Home and Community-Based Services Waiver Eligibility for managed Care Dual Eligibles - NEW

Senate language requires that individuals who are eligible for both Medicaid and Medicare who are enrolled in a Medicare advantage special needs plan shall be eligible for services provided through the home and community-based services waiver program.

Sec. 1836. Coverage for Certain Optical Services - NEW

Senate adds language that requires DCH to expand adult Medicaid optical coverage to medically necessary optical devices and other treatment services when conventional treatments do not provide functional vision correction.

Sec. 1841. Health Care Reform Fiscal Impact – NEW

Senate language requires the Department to research and report on the fiscal impact of federal health care reform legislation by October 1, 2010.