

# COMMUNITY HEALTH

## Summary of FY 2010-11 Enacted Appropriations 2010 Public Act 187 (Senate Bill 1152)

Analysts: Margaret Alston, Susan Frey, and Steve Stauff

|                   | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Executive<br>Revised | FY 2010-11<br>Senate    | FY 2010-11<br>House     | FY 2010-11<br>Enacted   | Difference: Enacted<br>From FY 2009-10 YTD |            |
|-------------------|---------------------------------|------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------------------------|------------|
| IDG/IDT           |                                 |                                    |                         |                         |                         | Amount                                     | %          |
| <b>Federal</b>    |                                 |                                    |                         |                         |                         |                                            |            |
| ARRA              | 1,080,092,400                   | 854,977,900                        | 920,178,700             | 927,383,700             | 650,327,000             | (429,765,400)                              | (39.8)     |
| Non-ARRA          | 7,857,901,800                   | 9,022,364,000                      | 8,473,442,300           | 8,511,571,100           | 8,823,718,200           | 965,816,400                                | 12.3       |
| <b>Local</b>      | 225,972,600                     | 231,643,100                        | 232,374,700             | 233,837,800             | 235,104,200             | 9,131,600                                  | 4.0        |
| <b>Private</b>    | 72,308,500                      | 80,266,800                         | 80,272,500              | 88,109,300              | 88,103,600              | 15,795,100                                 | 21.8       |
| <b>Restricted</b> | 1,487,808,800                   | 2,196,563,500                      | 1,885,052,500           | 1,873,881,400           | 1,851,347,100           | 363,538,300                                | 24.4       |
| <b>GF/GP</b>      | 2,304,602,500                   | 2,014,477,300                      | 1,920,421,400           | 2,023,521,200           | 2,421,483,700           | 116,881,200                                | 5.1        |
| <b>Gross</b>      | <b>\$13,077,632,600</b>         | <b>\$14,454,313,400</b>            | <b>\$13,565,966,400</b> | <b>\$13,712,528,800</b> | <b>\$14,124,104,600</b> | <b>\$1,046,472,000</b>                     | <b>8.0</b> |
| <b>FTEs</b>       | 4,380.6                         | 4,371.8                            | 4,360.3                 | 4,390.1                 | 4,398.8                 | 18.2                                       | 0.4        |

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.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              | FY 2009-10 YTD<br>(as of 2/11/10) | Enacted<br>Change<br>From YTD |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------|-------------------------------|
| <b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |                                   |                               |
| <b>1. Economic Adjustments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Gross</b> | <b>N/A</b>                        | <b>\$26,547,500</b>           |
| Includes a net increase of \$26.5 million gross (\$11.5 million GF/GP) to finance economic adjustments for a 3.0% salary and wage increase for unionized employees, defined benefit and contribution retirement, insurance, worker's compensation, building occupancy, food, and gas, fuel, and utility costs for FY 2010-11. Included in the net increase is the removal of the 3.0% salary and wage and related fringe benefit economic adjustment for non-exclusively represented employees (NEREs) totaling \$4.8 million gross (\$2.0 million GF/GP). | IDG          | N/A                               | 2,339,800                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Federal      | N/A                               | 4,821,600                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Restricted   | N/A                               | 1,619,500                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Local        | N/A                               | 6,257,400                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Private      | N/A                               | (800)                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | GF/GP        | N/A                               | \$11,510,000                  |
| <b>2. Family Support Subsidy Program Caseload Increase</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Gross</b> | <b>\$18,599,200</b>               | <b>\$871,300</b>              |
| Projecting a 2.6% caseload increase in the Family Support Subsidy Program, TANF funds for this program are increased 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                           |
| <b>3. Actuarially Sound Capitation Payment Rates Adjustment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Gross</b> | <b>\$5,495,522,200</b>            | <b>\$34,980,300</b>           |
| Increases capitation payment rates for Health Plan Services and Medicaid Mental Health Services by 0.4% and Medicaid Substance Abuse Services by 4.8% (\$35.0 million gross, \$17.3 million GF/GP) to ensure rates are actuarially sound in FY 2010-11. The actuarially sound rates adjustment is considerably lower than the FY 2009-10 adjustment due to changes in Medicaid enrollment and the rebasing of current encounter data for Health Plans and Prepaid Inpatient Health Plans (PIHPs).                                                          | Federal      | 4,033,672,800                     | 17,662,200                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Local        | 32,531,200                        | 0                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Restricted   | 751,990,500                       | 0                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | GF/GP        | \$677,327,700                     | \$17,318,100                  |

| <u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>                                                                                                                                                                                                                                                                                                                                                                                                      |  | FY 2009-10 YTD<br>(as of 2/11/10) | Enacted<br>Change<br>From YTD |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------|-------------------------------|----------------------|
| <b>4. Mental Health Services for Special Populations Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                    |  | <b>Gross</b>                      | <b>\$6,823,800</b>            | <b>\$50,000</b>      |
| Allocates an additional \$50,000 GF/GP for the Chaldean Chamber Foundation.                                                                                                                                                                                                                                                                                                                                                                                         |  | GF/GP                             | \$6,823,800                   | \$50,000             |
| <b>5. CMH Non-Medicaid Services Reduction</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |  | <b>Gross</b>                      | <b>\$287,468,000</b>          | <b>(\$5,435,400)</b> |
| Reduces administrative funds included in the Community Mental Health (CMH) Non-Medicaid Services appropriation by \$3.8 million GF/GP. Also, reduces funding for non-Medicaid services provided to persons with mental illness and developmental disabilities by \$1.6 million GF/GP. (Sec. 462)                                                                                                                                                                    |  | GF/GP                             | \$287,468,000                 | (\$5,435,400)        |
| <b>6. Hospital Rate Adjustor Increase for PIHPs</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |  | <b>Gross</b>                      | <b>\$1,970,775,800</b>        | <b>\$15,957,400</b>  |
| Adds \$16.0 million gross (\$275,300 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                 | 11,368,100           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Restricted                        | 8,019,000                     | 4,314,000            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Local                             | 25,228,900                    | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | GF/GP                             | \$493,540,400                 | \$275,300            |
| <b>7. Freeze on Enrollment in Home and Community-Based Services Waiver</b>                                                                                                                                                                                                                                                                                                                                                                                          |  | <b>Gross</b>                      | <b>\$1,970,775,800</b>        | <b>(\$8,634,600)</b> |
| Includes a reduction of \$8.6 million gross (\$2.5 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                 | (6,151,300)          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Restricted                        | 8,019,000                     | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Local                             | 25,228,900                    | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | GF/GP                             | \$493,540,400                 | (\$2,483,300)        |
| <b>8. Community Substance Abuse Prevention, Education, and Treatment Programs Funding Reduction and Fund Shift</b>                                                                                                                                                                                                                                                                                                                                                  |  | <b>Gross</b>                      | <b>\$82,292,200</b>           | <b>(\$636,100)</b>   |
| Includes 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. Allocates \$1.0 million GF/GP to enhance the community health outreach program provided by Self-Help Addiction Rehabilitation (SHAR). (Sec. 493)                                                  |  | Federal                           | 65,777,500                    | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Restricted                        | 2,734,200                     | (950,000)            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | GF/GP                             | \$13,780,500                  | \$313,900            |
| <b>9. Annualize Forensic Mental Health Services to DOC Costs</b>                                                                                                                                                                                                                                                                                                                                                                                                    |  | <b>Gross</b>                      | <b>\$45,489,700</b>           | <b>\$2,735,000</b>   |
| Adds \$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                  |
| <b>10. Primary Care Services Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Gross</b>                      | <b>\$4,268,800</b>            | <b>\$175,000</b>     |
| Includes \$100,000 GF/GP allocation for Beaver, Drummond, and Mackinac Island clinics. Also, restores funding of \$75,000 GF/GP for the Helen M. Nickless Volunteer Clinic which was vetoed by the Governor in the FY 2009-10 budget.                                                                                                                                                                                                                               |  | Federal                           | 3,031,400                     | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | GF/GP                             | \$1,237,400                   | \$175,000            |
| <b>11. Medical Marijuana Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |  | <b>Gross</b>                      | <b>\$259,000</b>              | <b>\$450,000</b>     |
| Agrees with the Executive's technical adjustment request to include state restricted revenue funding for an additional 5.0 FTE positions for the Health Professions line item to reduce the Medical Marijuana Program's licensing backlog.                                                                                                                                                                                                                          |  | Restricted                        | 259,000                       | 450,000              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | GF/GP                             | \$0                           | \$0                  |
| <b>12. Health Systems Administration</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Gross</b>                      | <b>\$20,644,300</b>           | <b>\$1,298,700</b>   |
| Agrees with the Executive's technical adjustment request to include federal revenue financing of \$1.3 million for an additional 6.0 FTE positions for the Health Systems Administration line item. The staff is needed for Tier 3 surveyor work of nursing homes and non long-term care facilities. (Sec. 730)                                                                                                                                                     |  | Federal                           | 13,103,200                    | 1,298,700            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Restricted                        | 3,111,500                     | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | Private                           | 200,000                       | 0                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | GF/GP                             | \$4,229,600                   | \$0                  |

| <b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>13. Healthy Michigan Fund</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |              | <b>Gross</b>                              | <b>\$37,428,200 (\$39,900)</b>         |
| Maintains current year Healthy Michigan Fund appropriations of \$10.9 million for public health projects with a \$39,900 reduction for pregnancy prevention programs, and \$23.1 million for Medicaid which includes a \$3.4 million fund shift to GF/GP to recognize reduced Healthy Michigan Fund revenue.                                                                                                                                                                                                             | Restricted   | 37,428,200                                | (3,446,500)                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | \$0                                       | \$3,406,600                            |
| <b>14. Public Health Laboratory Services and Facilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | FTEs                                      | 122.0 (13.0)                           |
| Reduces public health laboratory services by \$711,800 GF/GP and 7.0 FTEs with elimination of certain testing services for parasitology and mycology (fungal infections). Funding for the Upper Peninsula public health laboratory in Houghton, one of 5 regional laboratories, is reduced from \$600,000 to \$250,000 for planned 2-year transition to local operation of the laboratory; related 6.0 FTEs are eliminated. Sec. 840 is related new boilerplate allocating the Upper Peninsula laboratory funds.         | <b>Gross</b> | <b>\$18,439,100</b>                       | <b>(\$1,061,800)</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | IDG          | 447,100                                   | 0                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Federal      | 1,683,600                                 | 0                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Restricted   | 9,048,100                                 | 0                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | \$7,260,300                               | (\$1,061,800)                          |
| <b>15. Public Health and Family Health Grants</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | <b>Gross</b>                              | <b>N/A \$6,885,900</b>                 |
| Recognizes grant adjustments from federal and private sources for public health and family health programs, including new grants of \$1.2 million, grants that have ended totaling \$6.2 million, and net adjustments to ongoing grants and revenue of \$11.9 million.                                                                                                                                                                                                                                                   | Federal      | N/A                                       | (3,463,200)                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Private      | N/A                                       | 10,349,100                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | N/A                                       | \$0                                    |
| <b>16. ARRA and ACA Federal Public Health and Family Health Grants</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              | <b>Gross</b>                              | <b>\$0 \$7,700,000</b>                 |
| Includes \$5.0 million for anticipated federal ARRA public health grants including public health laboratory infrastructure, and electronic medical record and immunization registry information sharing. Also includes \$2.7 million for federal Patient Protection and Affordable Care Act grant funds including public health infrastructure, and maternal, infant and early childhood home visitation.                                                                                                                | Federal      | 0                                         | 7,700,000                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | \$0                                       | \$0                                    |
| <b>17. Public Health and Epidemiology Services and Staff</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | FTEs                                      | N/A (6.1)                              |
| Reduces state funding for public health staff and services for GF/GP savings, including \$453,000 and 3.3 FTE positions in epidemiology and tuberculosis, \$366,300 and 1.0 FTE in infectious disease control, \$199,000 and 1.0 FTE in public health administration, and \$71,100 and 0.8 FTE in injury prevention and chronic disease.                                                                                                                                                                                 | <b>Gross</b> | <b>N/A</b>                                | <b>(\$1,089,400)</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | N/A                                       | (\$1,089,400)                          |
| <b>18. Local Public Health Operations Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | <b>Gross</b>                              | <b>\$40,082,800 (\$1,000,000)</b>      |
| Reduces GF/GP funding to local public health departments by \$1.0 million 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 funded by this line item are not affected. Revises the funding line item name from Local Public Health Operations to Essential Local Public Health Services. | Local        | 5,150,000                                 | 0                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | \$34,932,800                              | (\$1,000,000)                          |
| <b>19. Traumatic Brain Injury Pilots</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              | <b>Gross</b>                              | <b>\$0 \$200,000</b>                   |
| Restores \$200,000 gross (\$100,000 GF/GP) funding for traumatic brain injury pilot programs vetoed in the prior fiscal year, including related Sec. 1031 boilerplate.                                                                                                                                                                                                                                                                                                                                                   | Federal      | 0                                         | 100,000                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | GF/GP        | \$0                                       | \$100,000                              |
| <b>20. Early Childhood Program Placeholder - VETOED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              | <b>Gross</b>                              | <b>\$0 \$0</b>                         |
| Includes \$100 placeholder for the early childhood collaborative secondary prevention program for at-risk families with children 0-3 years old. Funding for the program was vetoed in the prior fiscal year. Governor vetoes the line item.                                                                                                                                                                                                                                                                              | GF/GP        | \$0                                       | \$0                                    |
| <b>21. Stillbirth Awareness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              | <b>Gross</b>                              | <b>\$0 \$50,000</b>                    |
| Provides \$50,000 GF/GP for efforts to reduce the incidence of stillbirth including a counting fetal kicks awareness program, and includes related new Sec. 1117 boilerplate to encourage state efforts to reduce the incidence of stillbirth and to allocate the appropriated funds.                                                                                                                                                                                                                                    | GF/GP        | \$0                                       | \$50,000                               |

| <b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------|----------------------------------------|-----------------------|
| <b>22. Women, Infants, and Children (WIC) Food Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | <b>Gross</b>                              | <b>\$246,061,500</b>                   | <b>\$21,143,800</b>   |
| Recognizes net increase of \$21.1 million gross for the WIC special supplemental food and nutrition program for food and administration costs, related to continued increases in program participation and food costs and increased rebate revenue from infant formula manufacturers. A federal WIC nutrition grant of \$175,000 is completed.                                                                                                                                                                                                                                                     |  | Federal                                   | 192,815,400                            | 15,783,900            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | Private                                   | 53,246,100                             | 5,359,900             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | GF/GP                                     | \$0                                    | \$0                   |
| <b>23. Crime Victim's Rights Fund DHS and MSP Appropriations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | <b>Gross</b>                              | <b>\$2,353,300</b>                     | <b>(\$2,353,300)</b>  |
| Eliminates state restricted Crime Victim's Rights Fund interdepartmental grant appropriations of \$1.1 million to Michigan State Police and \$1.3 million 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 or fully replaced in the DHS and MSP enacted budgets using other revenues.                                                                                                                |  | Restricted                                | 2,353,300                              | (2,353,300)           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | GF/GP                                     | \$0                                    | \$0                   |
| <b>24. Aging Programs and Services</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | FTEs                                      | 44.5                                   | (1.0)                 |
| Reduces state funding for senior services for GF/GP savings, including: \$1.1 million for community services programs, \$763,200 for senior nutrition services and meals, and \$387,900 for three senior volunteer programs. Reductions represent 8% of the GF/GP funding for these programs. Funding for administration and the Commission on Services to the Aging is reduced by \$92,500 GF/GP and 1.0 FTE.                                                                                                                                                                                     |  | <b>Gross</b>                              | <b>\$91,889,400</b>                    | <b>(\$2,316,800)</b>  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | 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                           | (\$2,316,800)         |
| <b>25. Nonemergency Transportation &amp; Incontinent Supplies-Title V Eligibles</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | <b>Gross</b>                              | <b>\$0</b>                             | <b>\$1,151,700</b>    |
| Restores \$1,151,700 GF/GP for nonemergency transportation that had been eliminated in FY 2009-10 for Title V Children's Special Health Care Services (CSHCS) eligibles. Incontinent supply funding for Title V CSHCS eligibles was not restored.                                                                                                                                                                                                                                                                                                                                                  |  | GF/GP                                     | \$0                                    | \$1,151,700           |
| <b>26. Medicaid Recovery and Revenue Maximization</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | <b>Gross</b>                              | <b>N/A</b>                             | <b>(\$27,255,600)</b> |
| Includes net savings of \$7.5 million GF/GP from an increased cost of \$1.5 million gross (\$753,800 GF/GP) for 15.0 FTEs who will be dedicated to Medicaid payment recoveries and revenue maximization, and expected savings of \$28.8 million gross (\$8.3 million GF/GP) within Medicaid program services.                                                                                                                                                                                                                                                                                      |  | Federal                                   | N/A                                    | (19,737,300)          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | GF/GP                                     | N/A                                    | (\$7,518,300)         |
| <b>27. Transitional Medical Assistance Plus Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>Gross</b>                              | <b>\$3,735,200</b>                     | <b>(\$3,735,200)</b>  |
| Reduces funding of \$3.7 million GF/GP by eliminating the State support of 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. Boilerplate language requires DCH to permit TMA eligibles medical coverage at 100% cost share. (Sec. 1603(4)) |  | GF/GP                                     | \$3,735,200                            | (\$3,735,200)         |
| <b>28. General Motors Pension FMAP Fix</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | <b>Gross</b>                              | <b>N/A</b>                             | <b>\$0</b>            |
| Reduces GF/GP by \$160.0 million which will be offset by an increase in Medicaid Benefits Trust Fund revenue due to an anticipated deposit to the fund related to the correction of a historical Federal Medical Assistance Percentage (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 yet to be determined.                       |  | Restricted                                | N/A                                    | 160,000,000           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | GF/GP                                     | N/A                                    | (\$160,000,000)       |

| <b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                                                                                                                                        | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------|
| <b>29. Medicaid Caseload, Utilization and Inflation Increase</b>                                                                                                                                                                                                                                                                                                                                                                                      | <b>Gross \$10,662,313,300</b>             | <b>\$554,186,000</b>                   |
| Includes an increase of \$554.2 million gross (\$161.5 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                     | 392,671,900                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 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                     | \$161,514,100                          |
| <b>30. Medicaid FMAP Federal Stimulus Bill Adjustment</b>                                                                                                                                                                                                                                                                                                                                                                                             | <b>Gross \$10,662,313,300</b>             | <b>\$0</b>                             |
| Provides an increase of \$429.8 million GF/GP to offset the change from 4 quarters of enhanced federal Medicaid match rates resulting from the American Recovery and Reinvestment Act (ARRA) in FY 2009-10 to one quarter of ARRA and two additional quarters of stepped-down enhanced rates in FY 2010-11.                                                                                                                                           | Federal 7,872,832,400                     | (429,765,400)                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 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                     | \$429,765,400                          |
| <b>31. Medicare Part D ARRA FMAP Adjustment</b>                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Gross N/A</b>                          | <b>\$0</b>                             |
| Includes savings of \$28.8 million 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) required by the Medicare Part D drug program.                                                                                            | Federal N/A                               | 28,826,600                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | GF/GP N/A                                 | (\$28,826,600)                         |
| <b>32. Reinstatement of Second DSH Pool</b>                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Gross \$45,000,000</b>                 | <b>\$7,500,000</b>                     |
| Provides \$7.5 million gross 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, but funding was removed by the Governor's veto. The second DSH pool recipients are unaffiliated hospitals and hospital systems that received less than \$900,000 in DSH payments in FY 2007-08. (Sec. 1699) | Federal 28,435,500                        | 4,739,300                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Restricted 6,114,900                      | 2,760,700                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | GF/GP \$10,449,600                        | \$0                                    |
| <b>33. Other Medicaid Fund Source Adjustments</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Gross N/A</b>                          | <b>\$0</b>                             |
| Includes \$103.9 million GF/GP to offset \$63.6 million less Merit Award Trust Fund Revenue and \$40.3 million less Medicaid Benefits Trust Fund Revenue.                                                                                                                                                                                                                                                                                             | Federal N/A                               | 0                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Restricted N/A                            | (103,857,700)                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | GF/GP N/A                                 | \$103,857,700                          |
| <b>34. Reinstatement of Medicaid Adult Dental and Podiatric Services</b>                                                                                                                                                                                                                                                                                                                                                                              | <b>Gross \$0</b>                          | <b>\$20,787,000</b>                    |
| Includes \$19.6 million gross (\$5.6 million GF/GP) to reinstate adult Medicaid dental services and \$1.2 million gross (\$353,500 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                                 | 14,808,600                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | GF/GP \$0                                 | \$5,978,400                            |
| <b>35. Nursing Home Transition Savings</b>                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Gross \$2,071,356,400</b>              | <b>(\$29,565,000)</b>                  |
| Includes nursing home transition savings of \$29.6 million gross (\$8.5 million GF/GP), the result of transitioning 450 additional nursing home occupants to the MIChoice program.                                                                                                                                                                                                                                                                    | Federal 1,559,697,400                     | (21,062,100)                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 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                       | (\$8,502,900)                          |
| <b>36. School-Based Services</b>                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Gross \$64,630,600</b>                 | <b>\$26,665,900</b>                    |
| The School-Based Services line is increased by \$26.7 million gross (a reduction of \$17.8 million GF/GP) due to additional settlements with schools that provide Medicaid services. The schools provide the State match, with 60% of the federal matching dollars provided to the schools and 40% retained by the State to offset GF/GP.                                                                                                             | Federal 64,630,600                        | 44,443,200                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                       | GF/GP \$0                                 | (\$17,777,300)                         |

#### **Major Boilerplate Changes From FY 2009-10**

## **Major Boilerplate Changes From FY 2009-10**

### **GENERAL**

#### ***Sec. 284. Prescription Drug Website - VETOED***

Requires DCH to expand its current prescription drug website by July 1, 2011. Funds totaling \$75,000 gross (\$37,500 GF/GP) were included in the Medical Services Administration line item for the costs associated with expanding the drug website.

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

Requires DCH to report on the estimated general fund/general purpose appropriation lapses at the close of the previous fiscal year by no later than December 1, 2011.

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

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

Requires DCH to continue to utilize the FY 2009-10 funding formula for all Community Mental Health Services Programs (CMHSPs) that receive funds appropriated under the CMH non-Medicaid Services line, with the exception of administrative costs. Also, requires DCH to convene a Workgroup, including CMHSPs, regarding the allocation of the current fiscal year administrative reduction of \$3,797,900.

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

Requires the establishment of a Workgroup that includes representatives of DCH, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers 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, substance abuse services and skill-building services. Requires DCH to provide a status report on the Workgroup's effort by June 1, 2011.

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

Requires the Department to explore changes in the Habilitation Supports Waiver for persons with developmental disabilities that would permit a slot to become available to a county that has demonstrated a greater need for the services.

#### ***Sec. 492. Mental Health Services to County Jail Inmates - NEW***

Does not allow the Department to prohibit the use of GF/GP dollars by CMHSPs to provide mental health services to inmates of a county jail if a CMHSP has entered into an agreement with a county or county sheriff.

### **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***

Adds subsection (2) 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.

#### ***Sec. 608. Privatization of Food Service and Custodial Services - REVISED***

Requires DCH, in consultation with the Department of Technology, Management, and Budget, to establish and implement a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the DCH as capable of generating a minimum of 7.5% savings through the outsourcing of those services.

### **PUBLIC HEALTH ADMINISTRATION**

#### ***Sec. 653. Public Health Emergency Planning - NEW***

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***

Requires 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, if authorized by law. Requires DCH to transfer responsibility for management of the program to the contractor identified by the bid process, if authorized by law.

#### ***Sec. 729. Obstetrics and Gynecology Shortage - NEW***

Requires the Department to identify counties in which there are an insufficient number of health professionals providing obstetrical and gynecological services and identify policy or fiscal, or both, measures considered necessary to address the shortage.

#### ***Sec. 730. Outpatient End-Stage Renal Disease Facility - NEW***

Requires DCH to ensure that any Medicare certification survey authorized by the Center for Medicare and Medicaid Services for the expansion of, or the operation of, a new outpatient end-stage renal disease facility to be conducted within 120 days after that authorization as allowed by federal rules, regulations, and instructions.

## **Major Boilerplate Changes From FY 2009-10**

### **LOCAL HEALTH ADMINISTRATION AND GRANTS**

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

Requires the Department to explore ways to permit enhanced local public health operations (now renamed essential local public health services) grants to local public health departments that successfully consolidate.

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

#### ***Sec. 1006. Allocation for Smoking Quit Kits - REVISED***

Modifies language prioritizing use of smoking prevention program funds to reduce the allocation for the quit kit program from \$365,000 to \$100,000.

#### ***Sec. 1007. Violence Prevention Program - REVISED***

Modifies language directing the use of violence prevention funds to be permissive, and to strike prevention of workplace violence as priority programming. Eliminates language allowing DCH to provide funds to local school districts for family violence prevention programs.

### **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

#### ***Sec. 1112. Allocation for Communities with High Infant Mortality Rates - VETOED***

Requires that DCH allocate up to \$1,000,000 to communities with high infant mortality rates from the prenatal care outreach and service delivery support line item funds. This section relates to the \$100 funding that is vetoed with Sec. 1139.

#### ***Sec. 1139. Nurse Family Partnership Program - VETOED***

Requires that the Department fund the nurse family partnership program from the funds appropriated in part 1 for prenatal care outreach and service delivery support. Veto of Sec. 1139 eliminates related \$100 GF/GP placeholder funding.

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

#### ***Sec. 1204. CSHCS and Medicaid HMOs - REVISED***

Requires the Department to work with the Michigan Association of Health Plans to identify and report on a Medicaid HMO reimbursement methodology for Children's Special Health Care Services (CSHCS) eligibles.

#### ***Sec. 1205. Conditional CSHCS Eligibility - NEW***

Requires the Department to request that families complete a Healthy Kids application if the Department determines that a CSHCS enrollee is likely to qualify for Medicaid or MICHild coverage. If the application is not completed within 3 months of the Department's request the enrollee will be ineligible for participation in the CSHCS program.

### **OFFICE OF SERVICES TO THE AGING**

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

Modifies existing language that permits area agencies on aging and local providers to receive and expend fees by allowing fees to be used to maintain services in addition to being used to expand services.

### **MEDICAL SERVICES**

#### ***Sec. 1678. MICHild and National School Lunch Act Eligibility - NEW***

Requires the Department to explore the cost to implement automatic enrollment of a child in the MICHild program if the child meets the income criteria for free breakfast, lunch or milk under the National School Lunch Act.

#### ***Sec. 1679. MICHild Mental Health Rate Redetermination - NEW***

Requires the Department to redetermine MICHild program mental health rates based on the most recent encounter data and to pay the CMHSPs rates sufficient to cover costs of MICHild mental health service provision.

#### ***Sec. 1687. Health Insurance for Direct Care Workers - REVISED***

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 if the Patient Protection and Affordable Care Act (Health Care Reform) is repealed or overturned.

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

Requires the Department to convene a workgroup to consider reimbursement changes for hospital admissions of less than 24 hours. Any changes adopted by the Department must be budget neutral.

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

Requires that individuals 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***

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.

## **Major Boilerplate Changes From FY 2009-10**

### ***Sec. 1841. Health Care Reform Fiscal Impact – NEW***

Requires the Department to report on the fiscal impact of federal health care reform legislation on the Department by April 1, 2011.

### ***Sec. 1842. Hospital Outpatient Medicaid Rate Adjustment – NEW***

Requires the Department, subject to the availability of funds and the hospital qualifying, to adjust outpatient Medicaid reimbursement rates to be the actual cost of delivering outpatient services to that hospital's Medicaid recipients. The term qualifying hospital is defined.