### **COMMUNITY HEALTH FY 2010-11 Appropriations**

**Summary: Conference Report** 

SB 1152 (H-1) CR-1\*

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		EV 0040 44				Difference	
	FY 2009-10 YTD	FY 2010-11 Executive	FY 2010-11	FY 2010-11	FY 2010-11	Conference From FY 2009-1	
	as of 2/11/10	Revised	Senate	House	Conference	Amount	%
IDG/IDT	\$48,946,000	\$54,020,800	\$54,224,300	\$54,224,300	\$54,020,800	\$5,074,800	10.4
Federal							
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	8,823,755,700	965,853,900	12.3
Local	225,972,600	231,643,100	232,374,700	233,837,800	235,104,200	9,131,600	4.0
Private	72,308,500	80,266,800	80,272,500	88,109,300	88,103,600	15,795,100	21.8
Restricted	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
GF/GP	2,304,602,500	2,014,477,300	1,920,421,400	2,023,521,200	2,421,521,400	116,918,900	5.1
Gross	\$13,077,632,600	\$14,454,313,400	\$13,565,966,400	\$13,712,528,800	14,124,179,800	\$1,046,547,200	8.0
FTEs	4,380.6	4,371.8	4,360.3	4,390.1	4,399.8	19.2	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.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Conference Change <u>From YTD</u>
1. Economic Adjustments Includes a net increase of \$26,547,500 gross (\$11,510,000 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 economic adjustment for non-exclusively represented employees (NEREs) totaling \$4,849,200 gross (\$1,984,500 GF/GP).	Gross IDG Federal Restricted Local Private GF/GP	N/A N/A N/A N/A N/A N/A	\$26,547,500 2,339,800 4,821,600 1,619,500 6,257,400 (800) \$11,510,000
2. Family Support Subsidy Program Caseload Increase 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.	Gross	<b>\$18,599,200</b>	<b>\$871,300</b>
	Federal	18,599,200	871,300
	GF/GP	\$0	\$0
3. Actuarially Sound Capitation Payment Rates Adjustment Increases capitation payment rates for Health Plan Services and Medicaid Mental Health and Substance Abuse Services by 3.0% (\$133.2 million gross, \$45.6 million GF/GP) to ensure rates are actuarially sound in FY 2010-11. However, due to changes in Medicaid enrollment and the rebasing of more current encounter data for Health Plans and Prepaid Inpatient Health Plans, savings of \$98,190,000 gross (\$23,756,400 GF/GP) are recognized which result in a capitation rate increase of .4% for Health Plan Services and Medicaid Mental Health Services and 4.8% for Medicaid Substance Abuse Services.	Gross	\$5,495,522,200	\$34,980,300
	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

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Conference Change <u>From YTD</u>
4. State Disability Assistance Program Funding Rejects a reduction of \$2.2 million for the State Disability Assistance Program Substance Abuse Services line item which supports per diem room and board payments for needy persons 18 years of age or older or emancipated minors who reside in substance abuse residential facilities and persons who do not qualify for SSI. (Sec. 406)	<b>Gross</b>	<b>\$2,243,100</b>	<b>\$0</b>
	GF/GP	\$2,243,100	\$0
5. Multicultural Services Funding Allocates an additional \$50,000 GF/GP for the Chaldean Chamber Foundation.	<b>Gross</b>	<b>\$6,823,800</b>	<b>\$50,000</b>
	GF/GP	\$6,823,800	\$50,000
6. CMH Non-Medicaid Services Reduction Reduces administrative funds included in the CMH Non-Medicaid Services appropriation by \$3,797,900 GF/GP. Also, reduces funding for non-Medicaid services provided to persons with mental illness and developmentally disabilities by \$1,637,500 GF/GP.(Sec. 462)	<b>Gross</b> GF/GP	<b>\$287,468,000</b> \$287,468,000	<b>(\$5,435,400)</b> (\$5,435,400)
7. Hospital Rate Adjustor Increase for PIHPs Adds \$15,957,400 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.	Gross	\$1,970,775,800	\$15,957,400
	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
8. Freeze on Enrollment in Community-Based Services Waiver 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.	Gross	\$1,970,775,800	(\$8,634,600)
	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)
9. Community Substance Abuse Prevention, Education, and Treatment Programs Funding Reduction and Fund Shift Includes a reduction of \$1,636,100 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)	Gross	\$82,292,200	(\$636,100)
	Federal	65,777,500	0
	Restricted	2,734,200	(950,000)
	GF/GP	\$13,780,500	\$313,900
10. Annualize Forensic Mental Health Services to DOC Costs 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.	<b>Gross</b> IDG GF/GP	<b>\$45,489,700</b> 45,489,700 \$0	<b>\$2,735,000</b> 2,735,000 \$0
11. Primary Care Services Funding 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 current fiscal year budget.	<b>Gross</b>	<b>\$4,268,800</b>	<b>\$175,000</b>
	Federal	3,031,400	0
	GF/GP	\$1,237,400	\$175,000
12. Medical Marihuana Program 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 Marihuana Program's licensing backlog.	Gross	<b>\$259,000</b>	<b>\$450,000</b>
	Restricted	259,000	450,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Conference Change <u>From YTD</u>
13. Criminal Background Check Program Rejects the Executive proposal to recognize savings of \$2,133,800 gross (\$1,707,000 GF/GP) by shifting the costs of criminal background checks for employees to adult foster care facilities and homes for the aged.	Gross	<b>\$2,681,000</b>	<b>\$0</b>
	Federal	538,000	0
	GF/GP	\$2,143,000	\$0
14. Health Systems Administration  Agrees with the Executive's technical adjustment request to include federal revenue financing 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)	Gross	\$20,644,300	\$1,298,700
	Federal	13,103,200	1,298,700
	Restricted	3,111,500	0
	Private	200,000	0
	GF/GP	\$4,229,600	\$0
15. Healthy Michigan Fund 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 a \$3.4 million fund shift to GF/GP in Medicaid to recognize reduced Healthy Michigan Fund revenue.	<b>Gross</b> Restricted GF/GP	<b>\$37,428,200</b> 37,428,200 \$0	<b>(\$39,900)</b> (3,446,500) \$3,406,600
16. Public Health Laboratory Services and Facilities Reduces public health laboratory services by \$711,800 GF/GP and 7 FTEs with elimination of certain testing services for parasitology and mycology (fungal infections). Funding for the Houghton public health laboratory, one of 5 regional laboratories, is reduced from \$600,000 to \$250,000 for planned 2-year transition to local operation of the lab; related 6 FTEs are eliminated. New Sec. 840 is related boilerplate.	FTEs	122.0	(13.0)
	Gross	<b>\$18,439,100</b>	(\$1,061,800)
	IDG	447,100	0
	Federal	1,683,600	0
	Restricted	9,048,100	0
	GF/GP	<b>\$7,260,300</b>	(\$1,061,800)
17. Public Health Epidemiology and Tuberculosis Programs Reductions are made to public health epidemiology programs of \$368,000 and 3.3 FTE positions. \$85,000 of supplemental funding to local public health and hospitals for difficult cases of tuberculosis is eliminated.	<b>Gross</b> GF/GP	42.3 \$8,112,400 5,595,600 25,000 337,300 \$2,154,500	(3.3) (\$453,000) 0 0 (\$453,000)
18. Local Public Health Operations Funding Reduces GF/GP funding to local public health departments by \$1,000,000 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 to Essential Local Public Health Services.	Gross	<b>\$40,082,800</b>	<b>(\$1,000,000)</b>
	Local	5,150,000	0
	GF/GP	\$34,932,800	(\$1,000,000)
19. Vision Clinic and Traumatic Brain Injury Pilots Retains \$50,000 GF/GP for the Special Needs Vision Clinic, and restores \$200,000 Gross (\$100,000 GF/GP) funding for traumatic brain injury pilot programs vetoed by the Governor in FY 2009-10, including related Sec. 1031 boilerplate.	<b>Gross</b>	<b>\$50,000</b>	<b>\$200,000</b>
	Federal	0	100,000
	GF/GP	\$50,000	\$100,000
20. Stillbirth Awareness Includes \$50,000 GF/GP for public and provider awareness and education about stillbirth, and related new boilerplate Sec. 1117 to encourage state efforts to reduce the incidence of stillbirth and allocate funds.	<b>Gross</b>	<b>\$0</b>	<b>\$50,000</b>
	GF/GP	\$0	\$50,000
<b>21.</b> Aging Program GF/GP Reductions Reduces GF/GP funding for senior programs including \$1,073,200 for senior community services programs, \$763,200 for senior nutrition services and meals, and \$387,900 for three senior volunteer programs. GF/GP funding of \$120,000 for Tribal Elders programs is retained.	Gross Federal Private Merit Awd Restricted GF/GP	\$91,889,400 55,203,900 537,000 4,468,700 1,800,000 \$29,879,800	(\$2,224,300) 0 0 0 0 0 (\$2,224,300)
<b>22.</b> Human Growth Hormone Therapy Funding-Title V Eligibles Does not include elimination of human growth hormone therapy funding for non-Medicaid Children's Special Health Care Services (CSHCS) eligibles saving \$2,006,400 GF/GP.	<b>Gross</b>	<b>\$2,006,400</b>	<b>\$0</b>
	GF/GP	\$2,006,400	\$0

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10/12/2010

House Fiscal Agency

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Conference Change <u>From YTD</u>
23. Nonemergency Transportation & Incontinent Supplies-Title V Eligibles Restores \$1,151,700 GF/GP for nonemergency transportation that had been eliminated in FY 2009-10 for Title V CSHCS eligibles. Incontinent supply funding for Title V CSHCS eligibles was not restored.	<b>Gross</b>	<b>\$0</b>	<b>\$1,151,700</b>
	GF/GP	\$0	\$1,151,700
24. Transitional Medical Assistance Plus Program 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))	<b>Gross</b>	<b>\$3,735,200</b>	<b>(\$3,735,200)</b>
	GF/GP	\$3,735,200	(\$3,735,200)
25. General Motors Pension FMAP Fix GF/GP is reduced by \$160.0 million which will be offset by a Medicaid Benefits Trust Fund revenue increase due to an anticipated deposit to the fund related to the correction of a historical FMAP calculation. The creation by General Motors of a Voluntary Employee Benefits Association (VEBA) in 2006 resulted in artificially low FMAP rates in subsequent years. This payment is authorized by the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, but the final amount is still yet to be determined.	Gross	<b>N/A</b>	\$0
	Restricted	N/A	160,000,000
	GF/GP	N/A	(\$160,000,000)
26. Medicaid Caseload, Utilization and Inflation Increase 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.	Gross Federal Local Private Merit Awd Restricted GF/GP	\$10,662,313,300 7,872,832,400 46,068,800 2,100,000 18,431,200 1,279,543,500 \$1,443,337,400	\$554,186,000 392,671,900 0 0 0 \$161,514,100
<b>27.</b> Medicaid FMAP Federal Stimulus Bill Adjustment Provides an increase of \$439.4 million GF/GP to offset the change from 4 quarters of federal Medicaid funds resulting from the American Recovery and Reinvestment Act (ARRA) in FY 2009-10 to one quarter of ARRA and two additional quarters of the enhanced FMAP at stepped-down rates in FY 2010-11.	Gross Federal Local Private Merit Awd Restricted GF/GP	\$10,662,313,300 7,872,832,400 46,068,800 2,100,000 18,431,200 1,279,543,500 \$1,443,337,400	\$0 (439,391,900) 0 0 0 \$439,391,900
28. Medicare Part D ARRA FMAP Adjustment 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), that contribution being required by the Medicare Part D drug program.	<b>Gross</b>	<b>N/A</b>	\$0
	Federal	N/A	28,826,600
	GF/GP	N/A	(\$28,826,600)
<b>29.</b> Reinstatement of 2nd DSH Pool 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. The 2nd DSH pool for FY 2009-10 was removed by the Governor's veto. (Sec. 1699)	Gross Federal Restricted GF/GP	\$45,000,000 28,435,500 6,114,900 \$10,449,600	<b>\$7,500,000</b> 4,739,300 2,760,700 \$0
30. Other Medicaid Fund Source Adjustments 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.	Gross	<b>N/A</b>	<b>\$0</b>
	Federal	N/A	0
	Restricted	N/A	(103,857,700)
	GF/GP	N/A	\$108,857,700

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Change From YTD
31. Reduction of Certain Medicaid Physician Payments Not included is a reduction of \$12.7 million gross (\$3.4 million GF/GP) representing a 4% reduction to physician rates excluding those payments for pediatrics, well child visits, obstetrics, primary care and emergency services.	Gross	<b>N/A</b>	<b>\$0</b>
	Federal	N/A	O
	GF/GP	N/A	\$0
<b>32.</b> Reinstatement of Medicaid Adult Dental and Podiatric Services 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.	<b>Gross</b>	<b>\$0</b>	<b>\$20,787,000</b>
	Federal	0	14,808,600
	GF/GP	\$0	\$5,978,400
<b>33.</b> Nursing Home Transition Savings 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.	Gross Federal Local Private Merit Awd Restricted GF/GP	\$2,071,356,400 1,559,697,400 6,883,800 2,100,000 18,431,200 200,781,800 \$283,462,200	(\$29,565,000) (21,062,100) 0 0 0 0 (\$8,502,900)
34. Eliminate Medicaid Coverage for Group 2 Caretaker Relatives and 19 & 20 Year Olds - 1 Quarter  Does not include savings of \$25.4 million gross (\$7.7 million GF/GP) generated by the elimination of Medicaid benefits for Group 2 caretaker relatives and \$6.9 million gross (\$2.1 million GF/GP) by the elimination of Medicaid benefits for Group 2 19 and 20 year olds. Both actions were to be effective July 1, 2011.	<b>Gross</b>	<b>\$129,532,800</b>	<b>\$0</b>
	Federal	94,908,700	O
	GF/GP	\$34,624,100	\$0
<b>35.</b> MIChild Program to Medicaid HMOs  Does not include \$2.2 million of GF/GP savings generated by the transfer of responsibility for the MIChild program to the Medicaid HMOs.	<b>Gross</b>	<b>\$50,000,000</b>	<b>\$0</b>
	Federal	37,115,000	0
	GF/GP	\$12,885,000	\$0

Conference

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

#### GENERAL

#### 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 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 to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies that apply to community living supports, personal care services, and skill building services.

#### 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.

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

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

#### 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.

#### **HEALTH POLICY, REGULATION, AND PROFESSIONS**

#### Sec. 727. Outsourcing the Medical Marihuana Program - REVISED

Requires DCH to establish and implement a bid process to identify a private or public contractor to provide management of the Medical Marihuana 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 or 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.

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

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

Includes new language that requires the Department to explore ways to permit enhanced local public health operations (now essential local public health services) grants to local public health departments that successfully consolidate.

#### CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

Revised language requires the Department to work with the Michigan Association of Health Plans to identify and report on a Medicaid HMO reimbursement methodology.

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

New language 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.

#### **MEDICAL SERVICES**

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

New language 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 the for free breakfast, lunch or milk under the National School Lunch Act.

#### Sec. 1679. MIChild Mental Health Rate Redetermination - NEW

New language 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

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

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

#### Sec. 1836. Coverage for Certain Optical Services - NEW

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

#### Sec. 1841. Health Care Reform Fiscal Impact - NEW

New language 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

New language requires the Department, subject to the availability of funds, to adjust the hospital outpatient Medicaid reimbursement rate paid to qualifying hospitals to the hospital's actual cost of delivering outpatient services to Medicaid recipients. The term qualifying hospital is defined.