

**COMMUNITY HEALTH**  
**Summary of FY 2009-10 Enacted Appropriations**  
**2009 Public Act 131 (House Bill 4436)**



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IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10			FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
		Executive Revised	House	Senate		Amount	Percent
<b>Federal</b>							
ARRA	0	529,057,100	936,735,900	972,971,300	1,080,092,400	1,080,092,400	--
Non- ARRA	7,219,405,800	7,799,196,600	8,024,518,800	7,719,575,200	7,863,825,900	644,420,100	8.9
<b>Local</b>	241,578,600	229,677,200	217,839,500	227,986,700	225,972,600	(15,606,000)	(6.5)
<b>Private</b>	66,686,800	70,208,500	72,608,500	72,308,500	72,308,500	5,621,700	8.4
<b>Restricted</b>	1,862,478,400	1,493,425,200	1,512,437,600	1,551,463,300	1,487,063,400	(375,415,000)	(20.2)
<b>GF/GP</b>	3,057,671,800	2,800,964,300	2,669,841,200	2,267,988,400	2,304,602,500	(753,069,300)	(24.6)
<b>Gross</b>	<b>\$12,488,705,300</b>	<b>\$12,972,974,900</b>	<b>\$13,481,158,500</b>	<b>\$12,859,470,400</b>	<b>\$13,082,811,300</b>	<b>\$594,106,000</b>	<b>4.8</b>
<b>FTEs</b>	4,608.7	4,386.1	4,384.6	4,375.6	4,380.6	(228.1)	(5.0)

Note: (1) FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12. (2) "ARRA" represents temporary funds received under 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 Drug Control Policy, the Office of Services to the Aging, the Crime Victim Services Commission, and health regulatory functions.

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>	<b>FY 2008-09 YTD (as of 2/12/09)</b>	<b>Enacted Change From YTD</b>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A \$13,407,300</b>
Includes \$13.4 million gross (\$5.9 million GF/GP) to fund 1.0% salary/wage increase for non-bargaining and unionized employees and economic adjustments for defined benefit/ contribution retirement, insurance, worker's compensation, building occupancy, food, and gas, fuel, and utility costs for FY 2009-10.	IDG	N/A 843,200
	Federal	N/A 2,745,400
	Restricted	N/A 762,700
	Local	N/A 3,159,700
	Private	N/A 1,800
	GF/GP	N/A \$5,894,500
<b>2. Office of Long-Term Care Supports and Services</b>	<b>Gross</b>	<b>\$3,882,000 (\$2,453,800)</b>
Abolishes the Office of Long-Term Care Supports and Services, effective October 1, 2009, in accordance with Executive Order 2009-3, and integrates functions of this Office within the DCH.	Federal	3,048,300 (1,660,200)
	Private	40,100 0
	GF/GP	\$793,600 (\$793,600)
<b>3. Actuarially Sound Capitation Payment Rates</b>	<b>Gross</b>	<b>\$5,293,292,900 \$197,711,000</b>
Increases capitation payment rates for Health Plan Services by 4.5% and Medicaid Mental Health and Substance Abuse Services by 4.0% (\$197.7 million gross, \$72.8 million GF/GP) to ensure rates are actuarially sound in FY 2009-10.	Federal	3,214,084,100 124,933,500
	Local	30,030,200 0
	Restricted	971,726,200 0
	GF/GP	\$1,077,452,400 \$72,777,500
<b>4. Mental Health Court Pilot Programs</b>	<b>Gross</b>	<b>\$1,126,900 (\$1,126,900)</b>
Eliminates \$1.1 million GF/GP for nine mental health court pilot programs as federal Byrne Justice Assistance Grant funding is available to fund these programs.	GF/GP	\$1,126,900 (\$1,126,900)

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD (as of 2/12/09)</b>	<b>Enacted Change From YTD</b>
<b>5. Wage Increase for Direct Care Workers</b>		<b>Gross \$2,092,155,700</b>	<b>\$3,009,000</b>
Adds \$3.0 million gross (\$1.3 million GF/GP) to annualize the cost of a 1.0% wage increase, effective February 1, 2009, for direct care workers in mental health settings. (Sec. 405)	Federal	1,067,036,500	1,718,800
	Restricted	97,074,300	0
	Local	25,228,900	0
	GF/GP	\$902,816,000	\$1,290,200
<b>6. CMH Non-Medicaid Services Reduction</b>		<b>Gross \$322,027,700</b>	<b>(\$40,000,000)</b>
Annualizes the Executive Order 2009-22 reduction of \$10.0 million GF/GP for CMH Non-Medicaid Services line item.	GF/GP	\$322,027,700	(\$40,000,000)
<b>7. Hospital Rate Adjustor for PIHPs</b>		<b>Gross \$1,770,128,000</b>	<b>\$30,000,000</b>
Adds \$30.0 million gross (\$0 GF/GP) to Medicaid Mental Health Services due to the establishment of hospital rate adjustor for Prepaid Inpatient Health Plans (PIHPs). As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services would be passed through PIHPs.	Federal	1,067,036,500	18,957,000
	Restricted	97,074,300	11,043,000
	Local	25,228,900	0
	GF/GP	\$580,788,300	\$0
<b>8. Mt. Pleasant Center Closure</b>		<b>Gross \$0</b>	<b>(\$15,409,700)</b>
Includes a net reduction of \$15.4 million gross (\$3.1 million GF/GP) due to the closure of Mt. Pleasant Center for Persons with Developmental Disabilities on October 10, 2009. The reduction reflects the shifting of funds to Medicaid Mental Health Services and other closure-related adjustments.	Federal	0	(2,199,100)
	Restricted	0	(880,000)
	Local	0	(9,248,800)
	GF/GP	\$0	(\$3,081,800)
<b>9. Forensic Mental Health Services to DOC</b>		<b>Gross \$39,344,800</b>	<b>\$5,318,300</b>
Adds \$5.3 million to the interdepartmental grant from the Department of Corrections (DOC) to reflect the increased demand for DOC mental health services.	IDG	\$39,344,800	\$5,318,300
<b>10. State Disability Assistance Program</b>		<b>Gross \$2,509,800</b>	<b>(\$266,700)</b>
Includes a reduction of \$266,700 GF/GP for the State Disability Assistance Program which provides per diem room and board payments for needy persons 18 years of age or older who reside in substance abuse residential facilities and do not qualify for SSI.	GF/GP	\$2,509,800	(\$266,700)
<b>11. Community Substance Abuse Prevention, Education, and Treatment Programs</b>		<b>Gross \$84,968,000</b>	<b>(\$1,225,800)</b>
Includes a reduction of \$2.2 million GF/GP for this line item which is offset by \$950,000 in carryforward substance abuse licensing/fine revenue.	Federal	65,777,500	0
	Restricted	1,784,200	950,000
	GF/GP	\$17,406,300	(\$2,175,800)
<b>12. Respite Services</b>		<b>Gross \$1,000,000</b>	<b>(\$1,000,000)</b>
Eliminates funding for respite care services for children with serious emotional disturbances and their families.	GF/GP	\$1,000,000	(\$1,000,000)
<b>13. Vital Records - New Fraud Unit and Funding Adjustments</b>		FTEs 88.4	(7.0)
Establishes a vital records fraud unit with \$174,000 carryforward fee revenue, responding to audit deficiencies and federal Intelligence Reform and Terrorism Prevention Act provisions. One-time federal funding of \$1.5 million is available to improve the interface between driver and birth records. Unrealized and completed federal grants are also recognized.	<b>Gross \$11,199,800</b>	<b>(\$807,800)</b>	
	IDG-DHS	981,600	142,300
	Federal	5,327,700	(1,465,000)
	Restricted	4,890,500	514,900
	GF/GP	\$0	\$0
<b>14. Primary Care Services</b>		<b>Gross \$4,241,700</b>	<b>\$100,000</b>
Allocates \$100,000 GF/GP for Beaver, Drummond, and Mackinac Island clinics.	Federal	2,970,200	0
	GF/GP	\$1,271,500	\$100,000
<b>15. Criminal Background Check Program</b>		<b>Gross \$3,956,400</b>	<b>(\$1,277,600)</b>
Partially replaces health systems fees/collections and matching federal Medicaid revenue with GF/GP for Criminal Background Check Program for employees of health facilities due to lack of available fee revenue.	Federal	782,500	(246,700)
	Restricted	3,173,900	(3,173,900)
	GF/GP	\$0	\$2,143,000
<b>16. Immunization and Infectious Disease ARRA Funding</b>		<b>Gross \$0</b>	<b>\$2,822,700</b>
Includes American Recovery and Reinvestment Act grants to increase vaccinations (\$2,352,700), improve immunization registry data (\$160,000), and for prevention of healthcare associated infection (\$310,000).	Federal	0	2,822,700
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD (as of 2/12/09)</b>	<b>Enacted Change From YTD</b>
<b>17. Injury Control Intervention Project - VETOED</b>	<b>Gross</b>	<b>\$404,500</b>	<b>(\$404,500)</b>
Governor vetoed line item appropriation in enrolled bill of \$200,000 Gross (\$100,000 GF/GP) to continue two pilot programs encouraging use of traumatic brain injury treatment models, and related Sec. 1031 boilerplate.	Federal	0	0
	GF/GP	\$404,500	(\$404,500)
<b>18. Healthy Michigan Funded (HMF) Projects and Poison Control</b>	<b>Gross</b>	<b>\$41,364,600</b>	<b>(\$13,404,800)</b>
HMF project funding is reduced from \$25.1 million to \$11.0 million, and HMF funding for Medicaid match is increased from \$15.9 million to \$26.5 million, for GF/GP savings. Funds to 16 of 27 projects are eliminated. HMF funding for poison control is replaced with GF/GP, with Gross funding of \$1.1 million. Overall HMF revenue is down by \$3.5 million due to declining cigarette tax revenue. Related boilerplate is deleted or revised.	Federal	395,000	427,300
	Restricted	40,969,600	(3,541,400)
	GF/GP	\$0	(\$10,290,700)
<b>19. Public Health Program State Funding Reductions</b>	<b>Gross</b>	<b>\$12,708,400</b>	<b>(\$3,588,400)</b>
GF/GP savings of \$3.3 million is generated by elimination of AIDS and risk reduction clearinghouse and media campaign, African-American male health initiative, public health physician practice project, FY 2008-09 sexually transmitted disease targeted initiative for gonorrhea and chlamydia, and methamphetamine cleanup fund, and by reduction of GF/GP funding for laboratory services and family planning local agreements.	Private	300,000	(300,000)
	Restricted	1,351,000	0
	GF/GP	\$11,057,400	(\$3,288,400)
<b>20. Local Public Health Operations Funding</b>	<b>Gross</b>	<b>\$40,618,400</b>	<b>(\$535,600)</b>
Funding to local public health departments for state-local cost-shared key public health services is reduced by \$535,600.	Local	5,150,000	0
	GF/GP	\$35,468,400	(\$535,600)
<b>21. Zero to Three Early Childhood Program Funding - VETOED</b>	<b>Gross</b>	<b>\$524,000</b>	<b>(\$524,000)</b>
Governor vetoed Early Childhood Collaborative Secondary Prevention line item, a cooperative program with Departments of Human Services and Education for children ages 0-3 at risk of abuse and neglect, indicating that Department of Human Services funding would be supported.	GF/GP	\$524,000	(\$524,000)
<b>22. Prenatal Care Outreach - VETOED</b>	<b>Gross</b>	<b>\$3,049,300</b>	<b>(\$3,049,300)</b>
Governor vetoed Prenatal Care Outreach and Service Delivery Support line item appropriation of \$3,249,300 Gross (\$1,028,900 GF/GP), funding services for low-income pregnant women including Nurse Family Partnerships and prenatal smoking cessation, and related boilerplate sections 1107, 1112, and 1139.	Federal	2,020,400	(2,020,400)
	GF/GP	\$1,028,900	(\$1,028,900)
<b>23. Women, Infants, and Children (WIC) Food Program</b>	<b>Gross</b>	<b>\$210,800,600</b>	<b>\$35,161,200</b>
Increases federal funds for the WIC special supplemental food and nutrition program by \$35.2 million for food and administration, related to continued increases in program participation and food costs.	Federal	157,556,300	35,161,200
	Private	53,244,300	0
	GF/GP	\$0	\$0
<b>24. Office of Drug Control Policy Dissolved</b>	FTEs	15.0	(4.5)
Executive Order 2009-2 abolished the Office of Drug Control Policy effective October 1, 2009. GF/GP funding is eliminated. Office programs, funding, and 10.5 FTEs are transferred into the DCH Mental Health and Substance Abuse Services Administration.	<b>Gross</b>	<b>\$12,129,300</b>	<b>(\$382,300)</b>
	Federal	11,747,000	0
	GF/GP	\$382,300	(\$382,300)
<b>25. Crime Victim's Rights Fund Increase for Forensic Exams</b>	<b>Gross</b>	<b>\$11,000,000</b>	<b>\$1,500,000</b>
Increases crime victim services funding by \$1.5 million using state restricted Crime Victim's Rights Fund monies, to implement Public Acts 390 and 391 of 2008 which allow reimbursement to providers for victim forensic exams related to sexual assault.	Federal	1,700,000	0
	Restricted	9,300,000	1,500,000
	GF/GP	\$0	\$0
<b>26. Aging Program Reductions</b>	<b>Gross</b>	<b>\$86,551,600</b>	<b>(\$4,715,700)</b>
Reduces GF/GP funding for senior community services programs by \$2,147,600, senior nutrition services and meals by \$1,610,000, and three senior volunteer programs by \$771,700. Merit Award Trust Fund monies for respite care program are reduced \$531,300. Senior Olympics \$100,000 GF/GP funding is eliminated. (\$167,000 of HMF eliminated for nutrition services is included in item 18). Governor vetoed Sec. 1419 and eliminates \$120,100 GF/GP of nutrition services funding allocated for Michigan Agricultural Surplus System. Other funding adjustments are also included.	Federal	46,873,100	340,000
	Private	132,000	225,000
	Merit Awd	5,000,000	(531,300)
	Restricted	1,967,000	0
	GF/GP	\$32,579,500	(\$4,749,400)

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD (as of 2/12/09)</b>	<b>Enacted Change From YTD</b>
<b>27. Elimination of Health IT Initiatives Funding</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>
Removes funding for Health Information Exchanges (HIEs) and the HIE Resource Center for health information technology initiatives. The recent federal stimulus provides new federal funding for health IT initiatives that could help offset this reduction.	GF/GP	\$5,000,000	(\$5,000,000)
<b>28. CSHCS and Parent Participation Fee Increase</b>	<b>Gross</b>	<b>\$184,668,100</b>	<b>\$0</b>
Includes savings from Executive proposal to increase fees on families utilizing Children's Special Health Care Services (CSHCS). Executive assumed fee revenue would offset \$1.1 million in GF/GP; enacted budget further increases fee levels to achieve savings of \$1.5 million GF/GP.	Federal	97,014,600	0
	Restricted	1,800,000	1,540,100
	GF/GP	\$85,853,500	(\$1,540,100)
<b>29. CSHCS - Health Care Coverage Expansion</b>	<b>Gross</b>	<b>\$184,668,100</b>	<b>\$11,373,200</b>
Concurs with the Executive by increasing federal Title XIX Medicaid funding in the Children's Special Health Care Services program expanding primary care coverage for disabled children in households with income between 200% and 300% of the federal poverty level. This would cover an estimated 4,000 more children.	Federal	97,014,600	11,373,200
	Restricted	1,800,000	0
	GF/GP	\$85,853,500	\$0
<b>30. Other CSHCS Reductions</b>	<b>Gross</b>	<b>\$184,668,100</b>	<b>(\$4,198,300)</b>
Incorporates budget reduction to reflect 4% Medicaid provider rate reductions implemented in Executive Order 2009-22 (\$1.9 million gross, \$752,100 GF/GP savings), and eliminates non-emergency medical transportation services and coverage for diapers and incontinence supplies for children in non-Medicaid families at or above 200% of the federal poverty level (\$2.3 million GF/GP savings).	Federal	97,014,600	(1,164,400)
	Restricted	1,800,000	0
	GF/GP	\$85,853,500	(\$3,033,900)
<b>31. Medicaid Caseload, Utilization and Inflation Increase</b>	<b>Gross</b>	<b>\$9,996,061,200</b>	<b>\$635,442,800</b>
Includes an increase to cover caseload/utilization/inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services, Adult Benefits Waiver and Federal Medicare Prescription programs. This caseload adjustment includes the annualization of the 4% Medicaid provider rate reduction and reductions to Single Point of Entry, Medicaid optional services for adults, and non-emergency transportation included in Executive Order 2009-22.	Federal	6,127,686,700	399,849,500
	Local	43,567,800	0
	Merit Awd	55,856,200	0
	Restricted	1,600,165,000	0
	GF/GP	\$2,168,785,500	\$235,593,300
<b>32. Federal Stimulus Savings from Enhanced FMAP Rate</b>	<b>Gross</b>	<b>\$9,996,061,200</b>	<b>(\$3,382,200)</b>
Contains GF/GP savings for Medicaid medical services as well as mental health and substance abuse services resulting from the increased Federal Medical Assistance Percentage (FMAP) rate implemented through the federal American Recovery and Reinvestment Act. The rate is used to determine the federal share of state Medicaid expenditures. The stimulus act increased Michigan's FMAP rate from a base rate of 63.19% to an enhanced rate of 73.27% for FY 2009-10, increasing federal funding and leading to offsetting state savings.	Federal	6,127,686,700	1,077,139,700
	Local	43,567,800	(5,396,300)
	Merit Awd	55,856,200	0
	Restricted	1,600,165,000	(97,579,500)
	GF/GP	\$2,168,785,500	(\$977,546,100)
<b>33. Adult Home Help Worker Increase</b>	<b>Gross</b>	<b>\$258,789,300</b>	<b>\$16,584,000</b>
Raises pay rates for adult home help workers in all counties by \$0.50 per hour over FY 2008-09 levels.	Federal	155,972,300	12,151,100
	GF/GP	\$102,817,000	\$4,432,900
<b>34. Additional 4% Provider Rate Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$177,488,800)</b>
Includes additional savings in various Medical Services line items linked to an additional 4% reduction in Medicaid provider rates beyond the rate reduction imposed in Executive Order 2009-22. This reduction would impact the same providers affected by the cut in Executive Order 2009-22.	Federal	N/A	(130,046,000)
	GF/GP	N/A	(\$47,442,800)
<b>35. Restoration of Executive Order Rate Reductions through QAAP</b>	<b>Gross</b>	<b>N/A</b>	<b>\$101,498,500</b>
Appropriates funding to replace the reductions attributed to the 4% provider rate reductions to hospitals and nursing homes in Executive Order 2009-22 by increasing the Quality Assurance Assessment Program tax on these entities. Generates additional net GF/GP savings for the overall budget.	Federal	N/A	74,367,900
	Restricted	N/A	31,081,800
	GF/GP	N/A	(\$3,951,200)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
<b>36. Preferred Drug List Savings</b>	<b>Gross</b>	<b>\$240,959,100</b>	<b>(\$18,663,500)</b>
Assumes pharmaceutical services savings from moving behavioral health drugs to the preferred drug list. The action would also require changes to current state law.	Federal	145,181,300	(13,674,700)
	Restricted	1,000,000	0
	GF/GP	\$94,777,800	(\$4,988,800)
<b>37. Pharmacy Dispensing Fee Increase</b>	<b>Gross</b>	<b>\$240,959,100</b>	<b>\$629,200</b>
Annualizes the \$0.25 per script increase in the pharmaceutical dispensing fee for FY 2009-10. The increase for FY 2008-09 had been eliminated in Executive Order 2009-22.	Federal	145,181,300	397,600
	Restricted	1,000,000	0
	GF/GP	\$94,777,800	\$231,600
<b>38. Nursing Home Transition Savings</b>	<b>Gross</b>	<b>\$1,928,347,300</b>	<b>(\$17,379,400)</b>
Concurs with Executive proposal for net savings of \$17.4 million gross, \$4.6 million GF/GP resulting from nursing home transitions. Direct savings in the Long-Term Care Services line are offset by increases in other long-term care services lines.	Federal	1,182,871,100	(12,733,800)
	Local	6,883,800	0
	Merit Awd	55,856,200	0
	Restricted	219,536,400	0
	GF/GP	\$463,199,800	(\$4,645,600)
<b>39. Long-Term Care Estate Recovery Savings</b>	<b>Gross</b>	<b>\$1,928,347,300</b>	<b>(\$29,600,100)</b>
Assumes savings of \$29.6 million gross, \$7.9 million GF/GP from estate recovery efforts from persons receiving Medicaid-funded long-term care services. Executive budget included lower savings assumptions of \$7.9 million gross, \$2.9 million GF/GP.	Federal	1,182,871,100	(21,688,000)
	Local	6,883,800	0
	Merit Awd	55,856,200	0
	Restricted	219,536,400	0
	GF/GP	\$463,199,800	(\$7,912,100)
<b>40. Medicaid HMO Federal Pharmaceutical Rebates</b>	<b>Gross</b>	<b>\$3,486,952,200</b>	<b>(\$120,000,000)</b>
Concurs with Executive reduction of \$120.0 million which represents anticipated savings in the Health Plan Services line item from allowing health plans to receive federal pharmaceutical rebates for prescription drugs provided to managed care Medicaid enrollees. This would also require a change in federal law.	Federal	2,125,222,000	(87,924,000)
	Restricted	872,660,200	0
	Local	4,801,300	0
	GF/GP	\$484,268,700	(\$32,076,000)
<b>41. Fund Shift - Medicaid Benefits Trust Fund</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Includes fund shift replacing GF/GP with Medicaid Benefits Trust Fund revenue from an estimated \$11.4 million fund balance plus \$3.7 million in additional presumed fraud savings to be generated from enhanced efforts through fraudulent billing reform legislation.	Restricted	N/A	15,094,100
	GF/GP	N/A	(\$15,094,100)
<b>42. Savings from Data Requirements on Auto Insurers</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$18,705,600)</b>
Assumes new savings to result from data requirements on automobile insurers to identify third-party liability to the State for Medicaid.	Federal	N/A	(13,705,600)
	GF/GP	N/A	(\$5,000,000)
<b>43. Medicaid HMO Administrative Rate Reduction</b>	<b>Gross</b>	<b>\$3,486,952,200</b>	<b>(\$6,586,600)</b>
Reduces the administrative rate paid to Medicaid HMOs by around 2.1%. This action is expected to reduce allowable administrative costs as a percent of the overall rate to approximately 10.9%.	Federal	2,125,222,000	(5,221,200)
	Restricted	872,660,200	0
	Local	4,801,300	0
	GF/GP	\$484,268,700	(\$1,365,400)

#### Major Boilerplate Changes From FY 2008-09

##### GENERAL

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

Requires DCH to report on the estimated general fund/general purpose appropriation lapses at the close of the fiscal year by no later than December 1, 2010.

##### **Sec. 285. Prescription Drug Website - VETOED**

Requires DCH to expand its current prescription drug website. Funds totaling \$150,000 Gross (\$75,000 GF/GP) were included in the Medical Services Administration line item for the costs associated with expanding the drug website.

##### **Sec. 286. Financial Transparency Information - NEW**

Directs DCH to expend no more than \$10,000 to develop, post, and maintain on a publicly accessible Internet site all expenditures made by the agency within a fiscal year. Prohibits DCH from hiring additional employees to comply with this section.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 288. Antipsychotic Prescriptions – NEW***

Requires DCH to report on the feasibility and impact of including antipsychotic prescriptions, net of actual rebates, into the actuarially sound capitation rates for the PIHPs.

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

### ***Sec. 407. (5) Medications for Treatment of Substance Abuse Disorders - VETOED***

Appropriates \$100 for medications for the treatment of alcoholism and other substance abuse disorders.

### ***Sec. 407. (6) Methadone/Buprenorphinic Clinic - VETOED***

Appropriates \$300,000 for a methadone/buprenorphinic clinic in a county with a population less than 35,000.

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

Requires DCH to report on the funding formula and allocations for all CMHSPs that receive funds appropriated under the CMH non-Medicaid Services line. The report shall include a comparison of the current fiscal year allocation to the prior fiscal year allocation, and a description of the factors used in the funding formula to achieve an equitable distribution of funds.

### ***Sec. 489. CMH Non-Medicaid Funding Reductions - NEW***

Requires DCH to work with Michigan Association of CMH Boards and individual CMHSPs to mitigate reductions to CMH non-Medicaid Services line by seeking alternative funding sources.

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

### ***Sec. 610. Closure of State Facilities - NEW***

Requires DCH to make every effort to minimize job losses due to any reductions in force or closing of facilities by placing those employees displaced by the reduction or closure within other state positions and encouraging CMHSPs to hire those displaced employees.

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

### ***Sec. 720. Helen M. Nickless Volunteer Clinic - VETOED***

Allocates \$75,000 for the Helen M. Nickless Volunteer Clinic located in Bay City, MI.

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

### ***Sec. 1413. Support of Locally-Based Community Senior Services and Area Agencies on Aging – REVISED***

Eliminates legislative intent language from this section, including support of locally-based services and prohibiting area agencies on aging from providing direct services except access services, unless a waiver is obtained.

## **MEDICAL SERVICES**

### ***Sec. 1625. Anti-Psychotic Medications and Preferred Drug List - DELETED***

Requires DCH to continue placing all atypical anti-psychotic medications on the preferred drug list.

### ***Sec. 1634. Ambulance Service Payment Rates - DELETED***

Requires the department to continue a 5% increase in payment rates for ambulance services implemented in FY 2001 and the ground mileage reimbursement rate of \$4.25 per statute mile.

### ***Sec. 1670. MiChild Program Guidelines - REVISED***

New subsection (9) requires DCH to develop an automatic enrollment algorithm based on quality and performance factors.

### ***Sec. 1717. (1) Disproportionate Share Hospital (DSH) Pool - VETOED***

Allocates \$50.0 million for hospital DSH payments. Governor vetoed a portion of this subsection which establishes a \$5.0 million pool for unaffiliated hospitals and hospital systems that received less than \$900,000 in DSH payments in FY 2007-08

### ***Sec. 1753. Auto Insurer Third Party Liability Information - DELETED***

Requires Department, upon passage of legislation, to collect medical expense information from auto insurers to allow the State to make third party liability claims for Medicaid recipients.

### ***Sec. 1757. Medicaid and Fugitive Felons - REVISED***

Includes new intent language that DCH seek clarification from the federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver.

### ***Sec. 1783. Medicare Advantage Special Needs Plans - NEW***

Requires the department to develop rates by April 1, 2010 for the enrollment of individuals who are dually eligible for Medicare and Medicaid into Medicaid health plans if the health plans also maintain a Medicare Advantage Special Needs Plan (SNP) certification.

### ***Sec. 1808. Medicaid Ambulance Quality Assurance Assessment Program – DELETED***

Requires the Department to implement an ambulance quality assurance assessment program with the State to retain a portion of the assessment, if legislation is enacted allowing the ambulance QAAP.

**Major Boilerplate Changes From FY 2008-09**

***Sec. 1812. Regional Healthcare Resource Sharing Network Pilot Project – NEW***

Allows DCH to allocate funds to support a pilot project to develop a regional healthcare resource sharing network.

***Sec. 1815. Limit on Capitation Withhold - NEW***

Prohibits DCH from implementing a capitation withhold as part of the overall capitation rate schedule that exceeds 0.19% as administered during FY 2008-09.

***Sec. 1822. Coverage for Mental Health Prescription Drugs - NEW***

Requires DCH, the contracted pharmacy benefits manager, and all health plans to implement coverage for a mental health prescription drug within 30 days of the drug's approval by the DCH's Pharmacy and Therapeutics Committee.

***Sec. 1826. Beneficiary Monitoring Program - NEW***

Requires DCH to develop a plan to expand and improve its beneficiary monitoring program.

***Sec. 1828. Medicaid Provider Rate Reductions - NEW***

Provides for a reduction in Medicaid provider rates by 8% from their May 1, 2009 levels for all providers subject to the rate reductions in Executive Order 2009-22; provides if new revenue to match federal funds is generated, that the revenue shall be used to restore the rate reductions and other reductions made to the FY 2009-10 DCH budget.