

Legislative Analysis



ADMINISTRATION OF SOCIAL WELFARE ACT PROGRAMS

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5307 (H-2)

Sponsor: Rep. George Cushingberry, Jr.

Committee: Appropriations

Complete to 12-09-09

A SUMMARY OF HOUSE BILL 5307 SUBSTITUTE (H-2)

The bill amends section 1b of the Social Welfare Act. Current law provides that the Family Independence Agency (now the Department of Human Services) is not required to operate a program created or authorized in the act unless the Legislature appropriates funds for the program. Substitute (H-2) revises this section to expand this provision to any department that administers a program created or authorized in the Social Welfare Act.

FISCAL IMPACT:

The bill would have no direct fiscal impact on the State or on local units of government. Substitute (H-2) would serve as a substitute for the introduced version of this bill, which would have repealed the sections in the Social Welfare Act authorizing the Single Point of Entry (SPE) program administered by the Department of Community Health. The Legislature approved Executive Order 2009-22, which eliminated \$4.2 million in remaining FY 2009 funding for the SPE program earlier this year, and also approved in October a FY 2010 Department of Community Health budget that included the elimination of FY 2010 SPE program funding. For FY 2007-08, gross expenditures for the program were just over \$10.7 million.

It appears the intent of the substitute is to allow the current law authorizing the SPE program to remain in place, but to clarify that the Department of Community Health would not be responsible for administering the program until such time that funding is restored by the Legislature, if that occurs in the future.

Proponents of Single Point of Entry have asserted the statewide implementation of the program would reduce state long-term care costs. An April 2009 cost effectiveness evaluation of the program by Health Management Associates indicated the program was not yet generating sufficient savings to offset the costs of the program, but suggested that the program could be expected in the long run to generate savings to offset its costs.

Fiscal Analyst: Bob Schneider

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.