



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2009-10 Year-to-Date Gross Appropriation	\$13,669,315,600
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Changes from FY 2009-10 Year-to-Date:

Items Included by the House and Senate

- | | |
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| 1. Retroactive Federal Medical Assistance Percentage (FMAP) Payment. Conference recognized savings of \$160.0 million from a retroactive FMAP payment. | 0 |
| 2. Restoration of Optional Services. Conference reflected restoration of Medicaid adult dental, podiatric, and certain optical services, at a cost of \$6,553,600 GF/GP. | 22,787,000 |
| 3. Economic Adjustments. Standard economic adjustments cost \$11,510,000 GF/GP. | 26,547,500 |

Conference Agreement on Items of Difference

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| 4. Base Funding. Conference included base adjustments for Medicaid & related programs, increasing GF/GP costs by \$89,228,700. | 170,862,100 |
| 5. FMAP Adjustments. Conference reflected the decrease in the average Federal Medicaid match rate to 71.24%, at a cost of \$205,893,800 GF/GP. | 0 |
| 6. Other Fund Source Adjustments. Conference reflected greater Merit Award Trust Fund revenue (GF/GP savings of \$63,557,700) and a loss in Medicaid Benefits Trust Fund revenue (GF/GP increase of \$40,300,000). | 0 |
| 7. Retroactive Medicare Part D Adjustment. Due to a change in Federal policy on the cost of the Medicare Part D program, the State was able to recognize a large savings in FY 2009-10 and a smaller savings. The net impact was an increase of \$65,473,400 GF/GP. | 65,473,400 |
| 8. Adjustments to Quality Assurance Assessment Program (QAAP) & Medicaid Special Payments. Conference included technical adjustments to reflect available QAAP revenue and various Medicaid special payments. Net savings was \$13,233,500 GF/GP. | 239,267,900 |
| 9. Actuarial Soundness Adjustments. Conference reflected a revised estimate of Medicaid Health Maintenance Organization (HMO) and Prepaid Inpatient Health Plan (PIHP) actuarially sound capitation rates. The respective increases were 0.4% and 1.4%, based on rebasing of rates. The net cost was \$17,318,100 GF/GP. | 34,980,300 |
| 10. Program Reductions & Savings. Conf. included a number of reductions including a freeze on HAB C waiver (\$8,674,600 Gross; \$2,483,300 GF/GP), CMH non-Medicaid cuts (\$5,435,400 Gross and GF/GP) and substance abuse (\$1,636,100 Gross and GF/GP), a cut to Local Public Health (\$1,000,000 Gross and GF/GP), elimination of Transitional Medical Assistance Plus program (\$3,735,200 Gross and GF/GP), savings from Medicaid recoveries Inspector General (\$26,681,200 Gross; \$10,631,300 GF/GP), savings from changes in DHS policies (\$6,545,200 Gross; \$1,882,400 GF/GP), and savings from transitions from nursing homes to community settings (\$29,565,000 Gross; \$8,502,900 GF/GP). | (131,783,300) |
| 11. Program Increases. Conference included restoration of Children's Special Health Care Transportation (\$1,151,700 Gross and GF/GP) and the "small" Disproportionate Share Hospital (DSH) pool (\$7,500,000 Gross; \$0 GF/GP). | 8,651,700 |
| 12. Other Changes. Other changes in Conference resulted in a minor increase in funding. | 17,927,200 |

Budget reflects \$75,200 in vetoes, including the veto of the proposed prescription drug website.

Total Changes.....	\$454,713,800
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FY 2009-10 Enacted Gross Appropriation.....	\$14,124,104,600
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Changes from FY 2009-10 Year to Date:Conference Agreement on Items of Difference

1. **Updated Prescription Drug Website.** Conference included language requiring the Department to maintain and regularly update a more comprehensive prescription drug website beginning July 1, 2011. The website would be used to provide consumers with information regarding customary prescription drug prices and dosages. (Sec. 285)
This language was vetoed by the Governor.
2. **Expenditure Data.** Conference added language requiring the Department to set up a website with information on all expenditures by the Department. (Sec. 292)
3. **Substance Abuse Coordinating Agencies.** Conference maintained current policy on coordinating agency reimbursement and did not include language to limit substance abuse reimbursement only to PIHPs. (Sec. 407)
4. **CMH non-Medicaid Funding.** Conference included language directing that non-administrative CMH non-Medicaid costs be reimbursed under the formula used in FY 2009-10 and set up a workgroup on the allocation of the CMH non-Medicaid administrative cost reduction. (Sec. 462)
5. **Reimbursement for County Jail Mental Health Services.** Conference included language barring the Department from prohibiting the use of funds by CMHs to support jail mental health services. (Sec. 492)
6. **Privatization of Food and Custodial Services at State Hospitals and Centers.** Conference included language requiring the Department to privatize of food and custodial services at State hospitals and centers if certain criteria were met. (Sec. 608)
7. **Outsourcing of Medical Marihuana Administration.** Conference included language directing the Department to bid out the medical Marihuana application and registration process to the extent allowed by law. (Sec. 727)
8. **Stillbirth Awareness Program.** Conference included language and \$50,000 in funding to support a stillbirth awareness program. (Sec. 1117)
9. **Exploration of Automatic MiChild Enrollment.** Conference included language allowing the Department to explore automatic enrollment in the MiChild program for those eligible for free school lunches. (Sec. 1678)
10. **Reimbursement for Hospital Stays Less than 24 Hours.** The Conference included language directing the Department to convene a workgroup to consider budget-neutral reimbursement changes for hospital stays of less than 24 hours. (Sec. 1786)
11. **Standardization of Forms, Institution of e-Billing, and Reporting of Claims.** Conference included language encouraging the standardization of forms. The language also set up a workgroup to explore making e-billing mandatory and required the Department to report the number of rejected Medicaid claims in the first quarter of FY 2010-11. (Sec. 1832)
12. **Workgroup on Long-Term Care Issues.** Conference added language creating a workgroup of interested parties on creating budget-neutral reimbursement changes for long-term care services, starting with case mix adjustments and then proceeding to incentive payments and alternative reimbursement methodologies. (Sec. 1838)

Date Completed: 10-7-10

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