

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 4436, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Gary McDowell

Roger Kahn

Richard Hammel

John Pappageorge

Kevin Green

Deborah Cherry

Conferees for the House

Conferees for the Senate

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4436**

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the

amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 4,375.6

Average population 893.0

GROSS APPROPRIATION..... \$ 13,092,429,800

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 48,946,000

ADJUSTED GROSS APPROPRIATION..... \$ 13,043,483,800

Federal revenues:

Total other federal revenues..... 7,869,380,800

Total federal revenues (ARRA) 1,080,092,400

Special revenue funds:

Total local revenues..... 225,972,600

Total private revenues..... 72,308,500

Merit award trust fund..... 22,899,900

Total other state restricted revenues..... 1,464,163,500

State general fund/general purpose..... \$ 2,308,666,100

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 182.2

Director and other unclassified--6.0 FTE positions... \$ 598,600

1	Departmental administration and management--172.2 FTE	
2	positions	22,407,300
3	Worker's compensation program.....	8,247,100
4	Rent and building occupancy.....	10,778,100
5	Developmental disabilities council and projects--10.0	
6	FTE positions	<u>2,793,500</u>
7	GROSS APPROPRIATION.....	\$ 44,824,600
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues.....	13,605,300
11	Special revenue funds:	
12	Total private revenues.....	35,200
13	Total other state restricted revenues.....	2,366,100
14	State general fund/general purpose.....	\$ 28,818,000
15	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
16	ADMINISTRATION AND SPECIAL PROJECTS	
17	Full-time equated classified positions..... 118.5	
18	Mental health/substance abuse program administration--	
19	117.5 FTE positions	\$ 14,691,200
20	Gambling addiction--1.0 FTE position.....	3,000,000
21	Protection and advocacy services support.....	194,400
22	Community residential and support services.....	2,136,000
23	Highway safety projects.....	400,000
24	Federal and other special projects.....	4,247,700
25	Family support subsidy.....	18,599,200
26	Housing and support services.....	9,306,800
27	Anti-drug abuse grants.....	8,575,000

1	Interdepartmental grant to judiciary for drug	
2	treatment courts	<u>1,800,000</u>
3	GROSS APPROPRIATION.....	\$ 62,950,300
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	47,800,000
7	Special revenue funds:	
8	Total private revenues.....	190,000
9	Total other state restricted revenues.....	3,000,000
10	State general fund/general purpose.....	\$ 11,960,300
11	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
12	SERVICES PROGRAMS	
13	Full-time equated classified positions..... 9.5	
14	Medicaid mental health services.....	\$ 1,970,775,800
15	Community mental health non-Medicaid services.....	287,468,000
16	Medicaid adult benefits waiver.....	40,000,000
17	Multicultural services.....	6,823,800
18	Medicaid substance abuse services.....	41,676,500
19	CMHSP, purchase of state services contracts.....	120,833,400
20	Civil service charges.....	1,499,300
21	Federal mental health block grant--2.5 FTE positions .	15,374,900
22	State disability assistance program substance abuse	
23	services	2,243,100
24	Community substance abuse prevention, education, and	
25	treatment programs	82,592,300
26	Children's waiver home care program.....	19,549,800
27	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,116,000

1	Children with serious emotional disturbance waiver...	<u>7,188,000</u>
2	GROSS APPROPRIATION.....	\$ 2,608,140,900
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	Interdepartmental grant from the department of human	
6	services	1,769,000
7	Federal revenues:	
8	Total other federal revenues.....	1,411,168,100
9	Federal FMAP stimulus (ARRA)	203,370,900
10	Special revenue funds:	
11	Total local revenues.....	25,228,900
12	Total other state restricted revenues.....	10,753,200
13	State general fund/general purpose.....	\$ 955,850,800
14	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
15	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
16	AND PRISON MENTAL HEALTH SERVICES	
17	Total average population	893.0
18	Full-time equated classified positions.....	2,590.5
19	Caro regional mental health center - psychiatric	
20	hospital - adult--468.3 FTE positions.....	\$ 52,809,300
21	Average population	185.0
22	Kalamazoo psychiatric hospital - adult--483.1 FTE	
23	positions	51,065,700
24	Average population	189.0
25	Walter P. Reuther psychiatric hospital - adult--433.3	
26	FTE positions	46,659,000
27	Average population	234.0

1	Hawthorn center - psychiatric hospital - children and	
2	adolescents--230.9 FTE positions.....	24,834,000
3	Average population	75.0
4	Mount Pleasant center - developmental disabilities...	2,465,000
5	Center for forensic psychiatry--578.6 FTE positions..	61,286,800
6	Average population	210.0
7	Forensic mental health services provided to the	
8	department of corrections--396.3 FTE positions.....	45,489,700
9	Revenue recapture.....	750,000
10	IDEA, federal special education.....	120,000
11	Special maintenance.....	332,500
12	Purchase of medical services for residents of	
13	hospitals and centers	445,600
14	Closed site, transition, and related costs.....	2,050,100
15	Gifts and bequests for patient living and treatment	
16	environment	<u>1,000,000</u>
17	GROSS APPROPRIATION.....	\$ 289,307,700
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from the department of	
21	corrections	45,489,700
22	Federal revenues:	
23	Total other federal revenues.....	30,633,400
24	Federal FMAP stimulus (ARRA).....	3,382,200
25	Special revenue funds:	
26	CMHSP, purchase of state services contracts.....	120,833,400
27	Other local revenues.....	16,928,200

1	Total private revenues.....	1,000,000
2	Total other state restricted revenues.....	12,331,700
3	State general fund/general purpose.....	\$ 58,709,100
4	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
5	Full-time equated classified positions.....	92.7
6	Public health administration--8.3 FTE positions.....	\$ 1,631,300
7	Minority health grants and contracts--3.0 FTE	
8	positions	1,100,400
9	Promotion of healthy behaviors.....	2,375,900
10	Vital records and health statistics--81.4 FTE	
11	positions	<u>10,392,000</u>
12	GROSS APPROPRIATION.....	\$ 15,499,600
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	Interdepartmental grant from the department of human	
16	services	1,123,900
17	Federal revenues:	
18	Total federal revenues.....	5,236,900
19	Special revenue funds:	
20	Total private revenues.....	1,700,000
21	Total other state restricted revenues.....	6,116,000
22	State general fund/general purpose.....	\$ 1,322,800
23	Sec. 107. HEALTH POLICY, REGULATION, AND	
24	PROFESSIONS	
25	Full-time equated classified positions.....	420.6
26	Health systems administration--193.6 FTE positions ...	\$ 20,644,300
27	Emergency medical services program state staff--8.5	

1	FTE positions	1,495,000
2	Radiological health administration--21.4 FTE positions	2,947,400
3	Emergency medical services grants and services	660,000
4	Health professions--147.0 FTE positions	24,598,200
5	Background check program--5.5 FTE positions	2,681,000
6	Health policy, regulation, and professions	
7	administration--25.2 FTE positions.....	2,985,800
8	Nurse scholarship, education, and research program--	
9	3.0 FTE positions	1,718,300
10	Certificate of need program administration--14.0 FTE	
11	positions	1,955,700
12	Rural health services--1.0 FTE position.....	1,405,700
13	Michigan essential health provider.....	1,325,100
14	Primary care services--1.4 FTE positions	2,318,800
15	Primary care services (ARRA)	<u>130,000</u>
16	GROSS APPROPRIATION.....	\$ 64,865,300
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	Interdepartmental grant from the department of	
20	treasury, Michigan state hospital finance authority.	116,300
21	Federal revenues:	
22	Total other federal revenues	23,123,000
23	Federal revenues (ARRA)	130,000
24	Special revenue funds:	
25	Total local revenues	227,700
26	Total private revenues	455,000
27	Total other state restricted revenues	31,606,600

1	State general fund/general purpose	\$	9,206,700
2	Sec. 108. INFECTIOUS DISEASE CONTROL		
3	Full-time equated classified positions.....		51.7
4	AIDS prevention, testing, and care programs--12.7 FTE		
5	positions	\$	41,367,600
6	Immunization local agreements.....		13,990,300
7	Immunization program management and field support--		
8	15.0 FTE positions		2,035,500
9	Pediatric AIDS prevention and control--1.0 FTE		
10	position		1,226,400
11	Sexually transmitted disease control local agreements		3,360,700
12	Sexually transmitted disease control management and		
13	field support--23.0 FTE positions.....		3,716,500
14	Infectious disease control (ARRA)		<u>2,822,700</u>
15	GROSS APPROPRIATION.....	\$	68,519,700
16	Appropriated from:		
17	Federal revenues:		
18	Total other federal revenues		42,128,500
19	Federal revenues (ARRA)		2,822,700
20	Special revenue funds:		
21	Total private revenues		10,873,600
22	Total other state restricted revenues		9,535,200
23	State general fund/general purpose	\$	3,159,700
24	Sec. 109. LABORATORY SERVICES		
25	Full-time equated classified positions.....		122.0
26	Laboratory services--122.0 FTE positions	\$	<u>18,439,100</u>
27	GROSS APPROPRIATION.....	\$	18,439,100

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grant from the department of	
4	environmental quality	447,100
5	Federal revenues:	
6	Total federal revenues	1,683,600
7	Special revenue funds:	
8	Total other state restricted revenues	9,048,100
9	State general fund/general purpose	\$ 7,260,300
10	Sec. 110. EPIDEMIOLOGY	
11	Full-time equated classified positions.....	131.0
12	AIDS surveillance and prevention program	\$ 2,254,100
13	Asthma prevention and control--2.6 FTE positions	843,500
14	Bioterrorism preparedness--68.6 FTE positions	48,905,100
15	Epidemiology administration--42.3 FTE positions	8,112,400
16	Lead abatement program--7.0 FTE positions	2,191,300
17	Newborn screening follow-up and treatment services--	
18	10.5 FTE positions	4,692,100
19	Tuberculosis control and prevention	<u>867,000</u>
20	GROSS APPROPRIATION	\$ 67,865,500
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues	60,390,800
24	Special revenue funds:	
25	Total private revenues	25,000
26	Total other state restricted revenues	5,295,200
27	State general fund/general purpose	\$ 2,154,500

1	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS		
2	Implementation of 1993 PA 133, MCL 333.17015	\$	20,000
3	Local health services		100,000
4	Local public health operations		40,082,800
5	Medicaid outreach cost reimbursement to local health		
6	departments		<u>9,000,000</u>
7	GROSS APPROPRIATION	\$	49,202,800
8	Appropriated from:		
9	Federal revenues:		
10	Total federal revenues		9,000,000
11	Special revenue funds:		
12	Total local revenues		5,150,000
13	Total other state restricted revenues		100,000
14	State general fund/general purpose	\$	34,952,800
15	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND		
16	HEALTH PROMOTION		
17	Full-time equated classified positions	75.3	
18	Alzheimer's information network	\$	99,500
19	Cancer prevention and control program--12.0 FTE		
20	positions		14,304,400
21	Chronic disease prevention--27.7 FTE positions		5,285,700
22	Diabetes and kidney program--12.2 FTE positions		2,512,700
23	Health education, promotion, and research programs--		
24	6.5 FTE positions		829,600
25	Injury control intervention project		200,000
26	Public health traffic safety coordination--1.0 FTE		
27	position		445,100

1	Smoking prevention program--14.0 FTE positions	4,662,400
2	Violence prevention--1.9 FTE positions	<u>1,892,900</u>
3	GROSS APPROPRIATION.....	\$ 30,232,300
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	22,388,600
7	Special revenue funds:	
8	Total private revenues.....	146,600
9	Total other state restricted revenues.....	5,896,800
10	State general fund/general purpose.....	\$ 1,800,300
11	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
12	SERVICES	
13	Full-time equated classified positions.....	56.3
14	Childhood lead program--6.0 FTE positions	\$ 1,766,600
15	Dental programs--3.0 FTE positions	1,094,400
16	Dental program for persons with developmental	
17	disabilities	151,000
18	Early childhood collaborative secondary prevention...	524,000
19	Family, maternal, and children's health services	
20	administration--43.6 FTE positions.....	5,631,200
21	Family planning local agreements.....	9,085,700
22	Local MCH services.....	7,018,100
23	Pregnancy prevention program.....	1,747,200
24	Prenatal care outreach and service delivery support ..	3,249,300
25	School health and education programs--1.0 FTE	
26	position	400,000
27	Special projects--2.7 FTE positions	3,032,400

1	Sudden infant death syndrome program.....		<u>321,300</u>
2	GROSS APPROPRIATION.....	\$	34,021,200
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		27,293,700
6	Special revenue funds:		
7	Total local revenues.....		75,000
8	Total other state restricted revenues.....		1,545,100
9	State general fund/general purpose.....	\$	5,107,400
10	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
11	NUTRITION PROGRAM		
12	Full-time equated classified positions.....	43.0	
13	Women, infants, and children program administration		
14	and special projects--43.0 FTE positions.....	\$	9,554,800
15	Women, infants, and children program local agreements		
16	and food costs		<u>236,506,700</u>
17	GROSS APPROPRIATION.....	\$	246,061,500
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues.....		192,815,400
21	Special revenue funds:		
22	Total private revenues.....		53,246,100
23	State general fund/general purpose.....	\$	0
24	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
25	Full-time equated classified positions.....	47.8	
26	Children's special health care services		
27	administration--45.0 FTE positions.....	\$	4,902,100

1	Bequests for care and services--2.8 FTE positions	1,514,600
2	Outreach and advocacy	3,773,500
3	Nonemergency medical transportation	1,527,600
4	Medical care and treatment	<u>231,455,100</u>
5	GROSS APPROPRIATION	\$ 243,172,900
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues	141,515,900
9	Federal FMAP stimulus (ARRA)	19,218,200
10	Special revenue funds:	
11	Total private revenues	1,000,000
12	Total other state restricted revenues	3,837,000
13	State general fund/general purpose	\$ 77,601,800
14	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
15	Full-time equated classified positions..... 11.0	
16	Grants administration services--11.0 FTE positions ...	\$ 1,498,200
17	Justice assistance grants	13,000,000
18	Crime victim rights services grants	12,500,000
19	Crime victim's rights fund revenue to Michigan state	
20	police	1,053,300
21	Crime victim's rights fund revenue to department of	
22	human services	<u>1,300,000</u>
23	GROSS APPROPRIATION	\$ 29,351,500
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues	15,055,300
27	Special revenue funds:	

1	Total other state restricted revenues	14,296,200
2	State general fund/general purpose	\$ 0
3	Sec. 117. OFFICE OF SERVICES TO THE AGING	
4	Full-time equated classified positions.....	44.5
5	Commission (per diem \$50.00)	\$ 10,500
6	Office of services to aging administration--44.5 FTE	
7	positions	6,760,500
8	Community services	34,496,600
9	Nutrition services	36,170,500
10	Foster grandparent volunteer program	2,427,600
11	Retired and senior volunteer program	681,800
12	Senior companion volunteer program	1,743,800
13	Employment assistance	3,449,500
14	Respite care program	<u>6,268,700</u>
15	GROSS APPROPRIATION	\$ 92,009,500
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues	55,203,900
19	Special revenue funds:	
20	Total private revenues	537,000
21	Merit award trust fund	4,468,700
22	Total other state restricted revenues	1,800,000
23	State general fund/general purpose	\$ 29,999,900
24	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
25	Full-time equated classified positions.....	379.0
26	Medical services administration--379.0 FTE positions .	\$ 59,977,300
27	Facility inspection contract	132,800

1	MIChild administration.....	<u>4,327,800</u>
2	GROSS APPROPRIATION.....	\$ 64,437,900
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	44,509,600
6	Special revenue funds:	
7	Total local revenues.....	5,000
8	Total other state restricted revenues.....	97,800
9	State general fund/general purpose.....	\$ 19,825,500
10	Sec. 119. MEDICAL SERVICES	
11	Hospital services and therapy.....	\$ 1,335,404,600
12	Hospital disproportionate share payments.....	50,000,000
13	Physician services.....	341,317,300
14	Medicare premium payments.....	341,408,400
15	Pharmaceutical services.....	315,359,600
16	Home health services.....	6,044,700
17	Hospice services.....	103,153,700
18	Transportation.....	13,000,000
19	Auxiliary medical services.....	7,599,500
20	Dental services.....	126,426,400
21	Ambulance services.....	11,734,700
22	Long-term care services.....	1,593,808,300
23	Medicaid home- and community-based services waiver...	176,426,800
24	Adult home help services.....	264,057,900
25	Personal care services.....	20,463,400
26	Program of all-inclusive care for the elderly.....	16,600,000
27	Health plan services.....	3,483,069,900

1	MiChild program.....	50,000,000
2	Plan first family planning waiver.....	8,782,200
3	Medicaid adult benefits waiver.....	139,198,700
4	Special indigent care payments.....	88,518,500
5	Federal Medicare pharmaceutical program.....	183,611,800
6	Promotion of healthy behavior waiver.....	10,000,000
7	Maternal and child health.....	20,279,500
8	Subtotal basic medical services program.....	8,706,265,900
9	School-based services.....	64,630,600
10	Special Medicaid reimbursement.....	239,696,400
11	Subtotal special medical services payments.....	<u>304,327,000</u>
12	GROSS APPROPRIATION.....	\$ 9,010,592,900
13	Appropriated from:	
14	Federal revenues:	
15	Total other federal revenues.....	5,688,603,000
16	Federal FMAP stimulus (ARRA).....	851,168,400
17	Special revenue funds:	
18	Total local revenues.....	57,524,400
19	Total private revenues.....	3,100,000
20	Merit award trust fund.....	18,431,200
21	Total other state restricted revenues.....	1,342,964,600
22	State general fund/general purpose.....	\$ 1,048,801,300
23	Sec. 120. INFORMATION TECHNOLOGY	
24	Information technology services and projects.....	\$ 36,133,500
25	Michigan Medicaid information system.....	<u>16,801,100</u>
26	GROSS APPROPRIATION.....	\$ 52,934,600
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues	37,225,800
3	Special revenue funds:	
4	Total other state restricted revenues	3,573,900
5	State general fund/general purpose	\$ 12,134,900

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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$3,795,729,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$1,217,612,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

AND SPECIAL PROJECTS

Community residential and support services	\$	344,600
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Housing and support services		599,800
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COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

State disability assistance program substance

abuse services	\$	2,243,100
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Community substance abuse prevention, education, and

treatment programs		16,814,800
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1	Medicaid mental health services.....		501,559,400
2	Community mental health non-Medicaid services.....		287,468,000
3	Medicaid adult benefits waiver.....		10,308,000
4	Multicultural services.....		6,823,800
5	Medicaid substance abuse services.....		11,140,100
6	Children's waiver home care program.....		5,225,700
7	Nursing home PASARR.....		2,688,400
8	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
9	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
10	MENTAL HEALTH SERVICES		
11	Center for forensic psychiatry.....	\$	290,300
12	PUBLIC HEALTH ADMINISTRATION		
13	Minority health grants and contracts.....	\$	241,000
14	Public health administration.....		61,500
15	HEALTH POLICY, REGULATION, AND PROFESSIONS		
16	Nurse scholarship, education, and research programs ..	\$	72,600
17	Primary care services.....		115,600
18	INFECTIOUS DISEASE CONTROL		
19	AIDS prevention, testing, and care programs.....	\$	865,700
20	Immunization local agreements.....		2,158,100
21	Immunization program management and field support		30,300
22	Sexually transmitted disease control local agreements		421,800
23	LABORATORY SERVICES		
24	Laboratory services.....	\$	3,300
25	EPIDEMIOLOGY		
26	Epidemiology administration.....	\$	125,000
27	LOCAL HEALTH ADMINISTRATION AND GRANTS		

1	Implementation of 1993 PA 133.....	\$	5,300
2	Local public health operations.....		34,932,800
3	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
4	Cancer prevention and control program.....	\$	397,300
5	Chronic disease prevention.....		261,600
6	Diabetes and kidney program.....		357,700
7	Smoking prevention program.....		959,900
8	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
9	Childhood lead program.....	\$	107,600
10	Family, maternal, and children's health administration		87,100
11	Family planning local agreements.....		111,300
12	Pregnancy prevention program.....		1,145,100
13	Prenatal care outreach and service delivery support ..		1,028,900
14	School health education programs.....		297,000
15	Special projects.....		175,000
16	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
17	Medical care and treatment.....	\$	451,100
18	Outreach and advocacy.....		3,077,500
19	MEDICAL SERVICES		
20	Dental services.....	\$	2,348,100
21	Long-term care services.....		262,002,000
22	Transportation.....		5,736,900
23	Medicaid adult benefits waiver.....		9,443,300
24	Hospital services and therapy.....		6,113,400
25	Physician services.....		3,717,400
26	OFFICE OF SERVICES TO THE AGING		
27	Community services.....	\$	12,326,700

1	Nutrition services.....	9,670,300
2	Foster grandparent volunteer program.....	679,800
3	Retired and senior volunteer program.....	187,300
4	Senior companion volunteer program.....	206,500
5	Respite care program.....	5,384,800

6 CRIME VICTIM SERVICES COMMISSION

7	Crime victim rights services grants.....	\$ <u>6,800,000</u>
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8 TOTAL OF PAYMENTS TO LOCAL UNITS

9	OF GOVERNMENT.....	\$ 1,217,612,600
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10 Sec. 202. (1) The appropriations authorized under this act are
 11 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 12 to 18.1594.

13 (2) Funds for which the state is acting as the custodian or
 14 agent are not subject to annual appropriation.

15 Sec. 203. As used in this act:

16 (a) "AIDS" means acquired immunodeficiency syndrome.

17 (b) "ARRA" means the American recovery and reinvestment act of
 18 2009, Public Law 111-5.

19 (c) "CMHSP" means a community mental health services program
 20 as that term is defined in section 100a of the mental health code,
 21 1974 PA 258, MCL 330.1100a.

22 (d) "Current fiscal year" means the fiscal year ending
 23 September 30, 2010.

24 (e) "Department" means the Michigan department of community
 25 health.

26 (f) "Director" means the director of the department.

27 (g) "DSH" means disproportionate share hospital.

1 (h) "EPSDT" means early and periodic screening, diagnosis, and
2 treatment.

3 (i) "Federal poverty level" means the poverty guidelines
4 published annually in the federal register by the United States
5 department of health and human services under its authority to
6 revise the poverty line under 42 USC 9902.

7 (j) "FMAP" means federal medical assistance percentages.

8 (k) "FTE" means full-time equated.

9 (l) "GME" means graduate medical education.

10 (m) "Health plan" means, at a minimum, an organization that
11 meets the criteria for delivering the comprehensive package of
12 services under the department's comprehensive health plan.

13 (n) "HIV/AIDS" means human immunodeficiency virus/acquired
14 immune deficiency syndrome.

15 (o) "HMO" means health maintenance organization.

16 (p) "IDEA" means the individuals with disabilities education
17 act, 20 USC 1400 to 1482.

18 (q) "IDG" means interdepartmental grant.

19 (r) "MCH" means maternal and child health.

20 (s) "MIChild" means the program described in section 1670.

21 (t) "MIHP" means the maternal infant health program.

22 (u) "PASARR" means the preadmission screening and annual
23 resident review required under the omnibus budget reconciliation
24 act of 1987, section 1919(e)(7) of the social security act, 42 USC
25 1396r.

26 (v) "PIHP" means a specialty prepaid inpatient health plan for
27 Medicaid mental health services, services to persons with

1 developmental disabilities, and substance abuse services as
2 described in section 232b of the mental health code, 1974 PA 258,
3 MCL 330.1232b.

4 (w) "Title XVIII" means title XVIII of the social security
5 act, 42 USC 1395 to 1395iii.

6 (x) "Title XIX" means title XIX of the social security act, 42
7 USC 1396 to 1396w-1.

8 (y) "Title XX" means title XX of the social security act, 42
9 USC 1397 to 1397f.

10 (z) "WIC" means women, infants, and children supplemental
11 nutrition program.

12 Sec. 204. The civil service commission shall bill the
13 department at the end of the first fiscal quarter for the 1% charge
14 authorized by section 5 of article XI of the state constitution of
15 1963. The department shall pay the total amount of the billing by
16 the end of the second fiscal quarter.

17 Sec. 205. (1) A hiring freeze is imposed on the state
18 classified civil service. State departments and agencies are
19 prohibited from hiring any new full-time state classified civil
20 service employees and prohibited from filling any vacant state
21 classified civil service positions. This hiring freeze does not
22 apply to internal transfers of classified employees from 1 position
23 to another within a department.

24 (2) The state budget director may grant exceptions to this
25 hiring freeze when the state budget director believes that the
26 hiring freeze will render a state department or agency unable to
27 deliver basic services, will cause loss of revenue to the state,

1 will result in the inability of the state to receive federal funds,
2 or will necessitate additional expenditures that exceed any savings
3 from maintaining a vacancy. The state budget director shall report
4 annually to the chairpersons of the senate and house standing
5 committees on appropriations the number of exceptions to the hiring
6 freeze approved during the previous quarter and the reasons to
7 justify the exception.

8 Sec. 206. (1) In addition to the funds appropriated in part 1,
9 there is appropriated an amount not to exceed \$100,000,000.00 for
10 federal contingency funds. These funds are not available for
11 expenditure until they have been transferred to another line item
12 in this act under section 393(2) of the management and budget act,
13 1984 PA 431, MCL 18.1393.

14 (2) In addition to the funds appropriated in part 1, there is
15 appropriated an amount not to exceed \$20,000,000.00 for state
16 restricted contingency funds. These funds are not available for
17 expenditure until they have been transferred to another line item
18 in this act under section 393(2) of the management and budget act,
19 1984 PA 431, MCL 18.1393.

20 (3) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$20,000,000.00 for local
22 contingency funds. These funds are not available for expenditure
23 until they have been transferred to another line item in this act
24 under section 393(2) of the management and budget act, 1984 PA 431,
25 MCL 18.1393.

26 (4) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$10,000,000.00 for private

1 contingency funds. These funds are not available for expenditure
2 until they have been transferred to another line item in this act
3 under section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393.

5 Sec. 208. The department shall use the Internet to fulfill the
6 reporting requirements of this act. This requirement may include
7 transmission of reports via electronic mail to the recipients
8 identified for each reporting requirement, or it may include
9 placement of reports on the Internet or Intranet site.

10 Sec. 209. Funds appropriated in part 1 shall not be used for
11 the purchase of foreign goods or services, or both, if
12 competitively priced and of comparable quality American goods or
13 services, or both, are available. Preference shall be given to
14 goods or services, or both, manufactured or provided by Michigan
15 businesses if they are competitively priced and of comparable
16 quality. In addition, preference shall be given to goods or
17 services, or both, that are manufactured or provided by Michigan
18 businesses owned and operated by veterans if they are competitively
19 priced and of comparable quality.

20 Sec. 210. The director shall take all reasonable steps to
21 ensure businesses in deprived and depressed communities compete for
22 and perform contracts to provide services or supplies, or both. The
23 director shall strongly encourage firms with which the department
24 contracts to subcontract with certified businesses in depressed and
25 deprived communities for services, supplies, or both.

26 Sec. 211. (1) If the revenue collected by the department from
27 fees and collections exceeds the amount appropriated in part 1, the

revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

(2) The department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the balance of each of the restricted funds administered by the department as of September 30 of the current fiscal year.

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant	\$ 19,030,900
(b) Preventive health and health services	
block grant	3,589,800
(c) Substance abuse block grant	60,632,200
(d) Healthy Michigan fund	37,428,200
(e) Michigan health initiative	9,100,000

(2) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

1 (3) Upon the release of the next fiscal year executive budget
2 recommendation, the department shall report to the same parties in
3 subsection (2) on the amounts and detailed sources of federal,
4 restricted, private, and local revenue proposed to support the
5 total funds appropriated in each of the line items in part 1 of the
6 next fiscal year executive budget proposal.

7 (4) The department shall provide to the same parties in
8 subsection (2) all revenue source detail for consolidated revenue
9 line item detail upon request to the department.

10 Sec. 213. The state departments, agencies, and commissions
11 receiving tobacco tax funds and healthy Michigan funds from part 1
12 shall report by April 1 of the current fiscal year to the senate
13 and house appropriations committees, the senate and house fiscal
14 agencies, and the state budget director on the following:

15 (a) Detailed spending plan by appropriation line item
16 including description of programs and a summary of organizations
17 receiving these funds.

18 (b) Description of allocations or bid processes including need
19 or demand indicators used to determine allocations.

20 (c) Eligibility criteria for program participation and maximum
21 benefit levels where applicable.

22 (d) Outcome measures used to evaluate programs, including
23 measures of the effectiveness of these programs in improving the
24 health of Michigan residents.

25 (e) Any other information considered necessary by the house of
26 representatives or senate appropriations committees or the state
27 budget director.

1 Sec. 214. The use of state-restricted tobacco tax revenue
2 received for the purpose of tobacco prevention, education, and
3 reduction efforts and deposited in the healthy Michigan fund shall
4 not be used for lobbying as defined in section 5 of 1978 PA 472,
5 MCL 4.415, and shall not be used in attempting to influence the
6 decisions of the legislature, the governor, or any state agency.

7 Sec. 215. (1) The department shall report to the house and
8 senate appropriations subcommittees on the budget for the
9 department, the joint committee on administrative rules, and the
10 senate and house fiscal agencies by no later than April 1, 2010 on
11 each specific policy change made by the department to implement a
12 public act affecting that department that took effect during the
13 preceding calendar year.

14 (2) Funds appropriated in part 1 shall not be used by the
15 department to adopt a rule that will apply to a small business and
16 that will have a disproportionate economic impact on small
17 businesses because of the size of those businesses if the
18 department fails to reduce the disproportionate economic impact of
19 the rule on small businesses as provided under section 40 of the
20 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

21 (3) As used in this section:

22 (a) "Rule" means that term as defined under section 7 of the
23 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

24 (b) "Small business" means that term as defined under section
25 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
26 24.207a.

27 Sec. 216. (1) In addition to funds appropriated in part 1 for

1 all programs and services, there is appropriated for write-offs of
2 accounts receivable, deferrals, and for prior year obligations in
3 excess of applicable prior year appropriations, an amount equal to
4 total write-offs and prior year obligations, but not to exceed
5 amounts available in prior year revenues.

6 (2) The department's ability to satisfy appropriation
7 deductions in part 1 shall not be limited to collections and
8 accruals pertaining to services provided in the current fiscal
9 year, but shall also include reimbursements, refunds, adjustments,
10 and settlements from prior years.

11 (3) The department shall report by March 15 of the current
12 fiscal year to the house of representatives and senate
13 appropriations subcommittees on community health on all
14 reimbursements, refunds, adjustments, and settlements from prior
15 years.

16 Sec. 218. The department shall include the following in its
17 annual list of proposed basic health services as required in part
18 23 of the public health code, 1978 PA 368, MCL 333.2301 to
19 333.2321:

20 (a) Immunizations.

21 (b) Communicable disease control.

22 (c) Sexually transmitted disease control.

23 (d) Tuberculosis control.

24 (e) Prevention of gonorrhea eye infection in newborns.

25 (f) Screening newborns for the conditions listed in section
26 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
27 recommended by the newborn screening quality assurance advisory

1 committee created under section 5430 of the public health code,
2 1978 PA 368, MCL 333.5430.

3 (g) Community health annex of the Michigan emergency
4 management plan.

5 (h) Prenatal care.

6 Sec. 219. (1) The department may contract with the Michigan
7 public health institute for the design and implementation of
8 projects and for other public health-related activities prescribed
9 in section 2611 of the public health code, 1978 PA 368, MCL
10 333.2611. The department may develop a master agreement with the
11 institute to carry out these purposes for up to a 3-year period.
12 The department shall report to the house and senate appropriations
13 subcommittees on community health, the house and senate fiscal
14 agencies, and the state budget director on or before November 1 and
15 May 1 of the current fiscal year all of the following:

16 (a) A detailed description of each funded project.

17 (b) The amount allocated for each project, the appropriation
18 line item from which the allocation is funded, and the source of
19 financing for each project.

20 (c) The expected project duration.

21 (d) A detailed spending plan for each project, including a
22 list of all subgrantees and the amount allocated to each
23 subgrantee.

24 (2) On or before September 30 of the current fiscal year, the
25 department shall provide to the same parties listed in subsection
26 (1) a copy of all reports, studies, and publications produced by
27 the Michigan public health institute, its subcontractors, or the

1 department with the funds appropriated in part 1 and allocated to
2 the Michigan public health institute.

3 Sec. 220. All contracts with the Michigan public health
4 institute funded with appropriations in part 1 shall include a
5 requirement that the Michigan public health institute submit to
6 financial and performance audits by the state auditor general of
7 projects funded with state appropriations.

8 Sec. 223. The department may establish and collect fees for
9 publications, videos and related materials, conferences, and
10 workshops. Collected fees shall be used to offset expenditures to
11 pay for printing and mailing costs of the publications, videos and
12 related materials, and costs of the workshops and conferences. The
13 department shall not collect fees under this section that exceed
14 the cost of the expenditures.

15 Sec. 259. From the funds appropriated in part 1 for
16 information technology, the department shall pay user fees to the
17 department of information technology for technology-related
18 services and projects. Such user fees shall be subject to
19 provisions of an interagency agreement between the department and
20 the department of information technology.

21 Sec. 260. Amounts appropriated in part 1 for information
22 technology may be designated as work projects and carried forward
23 to support technology projects under the direction of the
24 department of information technology. Funds designated in this
25 manner are not available for expenditure until approved as work
26 projects under section 451a of the management and budget act, 1984
27 PA 431, MCL 18.1451a.

1 Sec. 261. Funds appropriated in part 1 for the Medicaid
2 management information system upgrade are contingent upon approval
3 of an advanced planning document from the centers for Medicare and
4 Medicaid services. If the necessary matching funds are identified
5 and legislatively transferred to this line item, the corresponding
6 federal Medicaid revenue shall be appropriated at a 90/10
7 federal/state match rate. This appropriation may be designated as a
8 work project and carried forward to support completion of this
9 project.

10 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
11 state plan amendment, or a similar proposal to the centers for
12 Medicare and Medicaid services, the department shall notify the
13 house and senate appropriations subcommittees on community health
14 and the house and senate fiscal agencies of the submission.

15 (2) The department shall provide written or verbal quarterly
16 reports to the senate and house appropriations subcommittees on
17 community health and the senate and house fiscal agencies
18 summarizing the status of any new or ongoing discussions with the
19 centers for Medicare and Medicaid services or the federal
20 department of health and human services regarding potential or
21 future Medicaid waiver applications.

22 Sec. 265. The departments and agencies receiving
23 appropriations in part 1 shall receive and retain copies of all
24 reports funded from appropriations in part 1. Federal and state
25 guidelines for short-term and long-term retention of records shall
26 be followed.

27 Sec. 266. (1) Due to the current budgetary problems in this

1 state, out-of-state travel shall be limited to situations in which
2 1 or more of the following conditions apply:

3 (a) The travel is required by legal mandate or court order or
4 for law enforcement purposes.

5 (b) The travel is necessary to protect the health or safety of
6 Michigan citizens or visitors or to assist other states in similar
7 circumstances.

8 (c) The travel is necessary to produce budgetary savings or to
9 increase state revenues, including protecting existing federal
10 funds or securing additional federal funds.

11 (d) The travel is necessary to comply with federal
12 requirements.

13 (e) The travel is necessary to secure specialized training for
14 staff that is not available within this state.

15 (f) The travel is financed entirely by federal or nonstate
16 funds.

17 (2) If out-of-state travel is necessary but does not meet 1 or
18 more of the conditions in subsection (1), the state budget director
19 may grant an exception to allow the travel. Any exceptions granted
20 by the state budget director shall be reported on a monthly basis
21 to the house of representatives and senate standing committees on
22 appropriations.

23 (3) Not later than January 1 of each year, each department
24 shall prepare a travel report listing all travel by classified and
25 unclassified employees outside this state in the immediately
26 preceding fiscal year that was funded in whole or in part with
27 funds appropriated in the department's budget. The report shall be

1 submitted to the senate and house standing committees on
2 appropriations, the senate and house fiscal agencies, and the state
3 budget director. The report shall include the following
4 information:

5 (a) The name of each person receiving reimbursement for travel
6 outside this state or whose travel costs were paid by this state.

7 (b) The destination of each travel occurrence.

8 (c) The dates of each travel occurrence.

9 (d) A brief statement of the reason for each travel
10 occurrence.

11 (e) The transportation and related costs of each travel
12 occurrence, including the proportion funded with state general
13 fund/general purpose revenues, the proportion funded with state-
14 restricted revenues, the proportion funded with federal revenues,
15 and the proportion funded with other revenues.

16 (f) A total of all out-of-state travel funded for the
17 immediately preceding fiscal year.

18 Sec. 267. A department or state agency shall not take
19 disciplinary action against an employee for communicating with a
20 member of the legislature or his or her staff.

21 Sec. 269. The amount appropriated in part 1 for medical
22 services pharmaceutical services includes funds to cover
23 reimbursement of mental health medications under the Medicaid
24 program.

25 Sec. 270. Within 90 days after receipt of the notification
26 from the attorney general's office of a legal action in which
27 expenses had been recovered pursuant to section 106(4) of the

1 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
2 under which the department has the right to recover expenses, the
3 department shall submit a written report to the house and senate
4 appropriations subcommittees on community health, the house and
5 senate fiscal agencies, and the state budget office which includes,
6 at a minimum, all of the following:

7 (a) The total amount recovered from the legal action.

8 (b) The program or service for which the money was originally
9 expended.

10 (c) Details on the disposition of the funds recovered such as
11 the appropriation or revenue account in which the money was
12 deposited.

13 (d) A description of the facts involved in the legal action.

14 Sec. 271. (1) The department, in cooperation with a PIHP, a
15 Medicaid HMO, or a federally qualified health center shall
16 establish and implement an early mental health services
17 intervention pilot project. This project shall provide care
18 coordination, disease management, and pharmacy management to
19 eligible recipients suffering from chronic disease, including, but
20 not limited to, diabetes, asthma, substance addiction, or stroke.
21 Participating organizations may make use of data sharing, joint
22 information technology efforts, and financial incentives to health
23 providers and recipients in this project. The department shall
24 encourage that each CMHSP and Medicaid health plan act in a
25 coordinated manner in the establishment of their respective
26 electronic medical record systems.

27 (2) The pilot project shall make use of preestablished

1 objectives and outcome measures to determine the cost effectiveness
2 of the project. Participating organizations shall collect data to
3 study and monitor the correlation between early mental health
4 treatment services to program participants and improvement in the
5 management of their chronic disease.

6 (3) The department shall request any necessary Medicaid state
7 plan amendments or waivers to ensure participation in this project
8 by eligible Medicaid recipients.

9 (4) A progress report on the pilot project shall be provided
10 to the house and senate appropriations subcommittees on community
11 health, the house and senate fiscal agencies, and the state budget
12 director no later than May 1 of the current fiscal year.

13 Sec. 272. (1) The department shall make efforts to implement
14 the results of the study of current policies and allocation
15 methodologies specified in section 272 of 2007 PA 123. These
16 efforts to encourage administrative efficiencies shall apply to the
17 following entities:

18 (a) Local public health departments.

19 (b) CMHSPs.

20 (c) Substance abuse coordinating agencies.

21 (d) Area agencies on aging.

22 (2) The department shall consult with at least the following
23 applicable organizations in implementing the results of the study:

24 (a) The Michigan association of community mental health
25 boards.

26 (b) The Michigan association for local public health.

27 (c) The Michigan association of substance abuse coordinating

1 agencies.

2 (d) The area agencies on aging association of Michigan.

3 (3) The department shall submit a report on its efforts to
4 implement the results of the study to the senate and house
5 appropriations subcommittees on community health, the senate and
6 house committees on health policy, the senate and house fiscal
7 agencies, and the state budget director by April 1 of the current
8 fiscal year.

9 Sec. 276. Funds appropriated in part 1 shall not be used by a
10 principal executive department, state agency, or authority to hire
11 a person to provide legal services that are the responsibility of
12 the attorney general. This prohibition does not apply to legal
13 services for bonding activities and for those activities that the
14 attorney general authorizes.

15 Sec. 282. (1) The department, through its organizational units
16 responsible for departmental administration, operation, and
17 finance, shall establish uniform definitions, standards, and
18 instructions for the classification, allocation, assignment,
19 calculation, recording, and reporting of administrative costs by
20 the following entities:

21 (a) Coordinating agencies on substance abuse, Salvation Army
22 harbor light program, and their subcontractors that receive payment
23 or reimbursement from funds appropriated under section 104.

24 (b) Area agencies on aging and local providers, and their
25 subcontractors that receive payment or reimbursement from funds
26 appropriated under section 117.

27 (2) By May 15 of the current fiscal year, the department shall

1 provide a written draft of its proposed definitions, standards, and
2 instructions to the house of representatives and senate
3 appropriations subcommittees on community health, the house and
4 senate fiscal agencies, and the state budget director.

5 Sec. 284. The department shall not approve the travel of more
6 than 1 departmental employee to a specific professional development
7 conference or training seminar that is located outside of this
8 state unless the professional development conference or training
9 seminar is funded by a federal or private funding source and
10 requires more than 1 person from a department to attend, or the
11 conference or training seminar includes multiple issues in which 1
12 employee from the department does not have expertise.

13 Sec. 285. (1) By April 1 of the current fiscal year, the
14 department shall expand its current prescription drug website to
15 provide all of the following information:

16 (a) The 150 most commonly prescribed brand name drug products
17 under the Medicaid program and, if available, their generic
18 equivalents.

19 (b) The most commonly prescribed brand name drug products used
20 for the treatment of all major illnesses and diseases, if not
21 already included under subdivision (a), and, if available, their
22 generic equivalents.

23 (c) The usual and customary price of each brand name and
24 generic prescription drug listed.

25 (d) The dosage, including the number of doses and dosage
26 strength, on which the price is based.

27 (e) Names and addresses for the pharmacies associated with the

1 listed prescription drugs.

2 (f) A minimum of 5 links to other useful websites that can
3 provide assistance to consumers.

4 (g) The department's toll-free telephone number that residents
5 of this state may call to determine which prescription drug
6 programs they may be eligible for, including free and discounted
7 prescription drug programs.

8 (h) An advisory statement alerting consumers of the need to
9 tell their health professionals and pharmacists about all the
10 medications they are taking so that they know how to avoid harmful
11 interactions between medications.

12 (i) An advisory statement alerting consumers that the price
13 posted for a listed drug product is only for the strength and
14 quantity posted.

15 (j) A date stamp indicating the most recent date the usual and
16 customary price of each brand name and generic prescription drug
17 listed was updated.

18 (k) A notation indicating a prescription drug price was
19 corrected.

20 (2) The department shall provide a progress report on these
21 efforts to the senate and house appropriations subcommittees on
22 community health and the senate and house fiscal agencies by May 1
23 of the current fiscal year.

24 Sec. 286. From the funds appropriated in part 1, the
25 department shall use an amount not to exceed \$10,000.00 to develop,
26 post, and maintain on a publicly accessible Internet site all
27 expenditures made by the agency within a fiscal year. The

1 department shall not be required to hire additional employees to
2 comply with this section.

3 Sec. 287. Not later than December 1, 2010, the department
4 shall prepare and transmit a report that provides for estimates of
5 the total general fund/general purpose appropriation lapses at the
6 close of the fiscal year. This report shall summarize the projected
7 year-end general fund/general purpose appropriations lapses by
8 major departmental program or program areas. The report shall be
9 transmitted to the office of the state budget, the chairpersons of
10 the senate and house appropriations committees, and the fiscal
11 agencies.

12 Sec. 288. By April 1 of the current fiscal year, the
13 department shall report to the house and senate appropriations
14 subcommittees on community health, the house and senate fiscal
15 agencies, and the state budget director on the feasibility and
16 impact of including antipsychotic prescriptions, net of actual
17 rebates, into the actuarially sound capitation rates for the PIHPs.
18 If this initiative is feasible, the report shall include a proposed
19 implementation plan.

20 Sec. 291. From the funds appropriated in part 1, up to \$100.00
21 shall be allocated for a cooperative effort between the department,
22 the department of human services, and the department of state
23 police to coordinate the functions of the state police LEIN system
24 and the department of human services bridges case management
25 system. The purpose of this effort will be to provide usable data
26 that will allow authorized users of the bridges case management
27 system to identify those persons who may be ineligible to receive

1 certain assistance services due to their law enforcement status.

2 **DEPARTMENTWIDE ADMINISTRATION**

3 Sec. 301. From funds appropriated for worker's compensation,
4 the department may make payments in lieu of worker's compensation
5 payments for wage and salary and related fringe benefits for
6 employees who return to work under limited duty assignments.

7 Sec. 303. The department shall not require first-party payment
8 from individuals or families with a taxable income of \$10,000.00 or
9 less for mental health services for determinations made under
10 section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

11 **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL**
12 **PROJECTS**

13 Sec. 350. The department may enter into a contract with the
14 protection and advocacy agency, authorized under section 931 of the
15 mental health code, 1974 PA 258, MCL 330.1931, or a similar
16 organization to provide legal services for purposes of gaining and
17 maintaining occupancy in a community living arrangement that is
18 under lease or contract with the department or a community mental
19 health services program to provide services to persons with mental
20 illness or developmental disability.

21 Sec. 351. The department shall provide \$1,800,000.00 in Byrne
22 justice assistance grant program funding to the judiciary by
23 interdepartmental grant.

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

1 Sec. 401. Funds appropriated in part 1 are intended to support
2 a system of comprehensive community mental health services under
3 the full authority and responsibility of local CMHSPs or PIHPs. The
4 department shall ensure that each CMHSP or PIHP provides all of the
5 following:

6 (a) A system of single entry and single exit.

7 (b) A complete array of mental health services that includes,
8 but is not limited to, all of the following services: residential
9 and other individualized living arrangements, outpatient services,
10 acute inpatient services, and long-term, 24-hour inpatient care in
11 a structured, secure environment.

12 (c) The coordination of inpatient and outpatient hospital
13 services through agreements with state-operated psychiatric
14 hospitals, units, and centers in facilities owned or leased by the
15 state, and privately-owned hospitals, units, and centers licensed
16 by the state pursuant to sections 134 through 149b of the mental
17 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

18 (d) Individualized plans of service that are sufficient to
19 meet the needs of individuals, including those discharged from
20 psychiatric hospitals or centers, and that ensure the full range of
21 recipient needs is addressed through the CMHSP's or PIHP's program
22 or through assistance with locating and obtaining services to meet
23 these needs.

24 (e) A system of case management or care management to monitor
25 and ensure the provision of services consistent with the
26 individualized plan of services or supports.

27 (f) A system of continuous quality improvement.

1 (g) A system to monitor and evaluate the mental health
2 services provided.

3 (h) A system that serves at-risk and delinquent youth as
4 required under the provisions of the mental health code, 1974 PA
5 258, MCL 330.1001 to 330.2106.

6 Sec. 402. (1) From funds appropriated in part 1, final
7 authorizations to CMHSPs or PIHPs shall be made upon the execution
8 of contracts between the department and CMHSPs or PIHPs. The
9 contracts shall contain an approved plan and budget as well as
10 policies and procedures governing the obligations and
11 responsibilities of both parties to the contracts. Each contract
12 with a CMHSP or PIHP that the department is authorized to enter
13 into under this subsection shall include a provision that the
14 contract is not valid unless the total dollar obligation for all of
15 the contracts between the department and the CMHSPs or PIHPs
16 entered into under this subsection for the current fiscal year does
17 not exceed the amount of money appropriated in part 1 for the
18 contracts authorized under this subsection.

19 (2) The department shall immediately report to the senate and
20 house appropriations subcommittees on community health, the senate
21 and house fiscal agencies, and the state budget director if either
22 of the following occurs:

23 (a) Any new contracts with CMHSPs or PIHPs that would affect
24 rates or expenditures are enacted.

25 (b) Any amendments to contracts with CMHSPs or PIHPs that
26 would affect rates or expenditures are enacted.

27 (3) The report required by subsection (2) shall include

1 information about the changes and their effects on rates and
2 expenditures.

3 Sec. 403. (1) From the funds appropriated in part 1 for
4 multicultural services, the department shall ensure that CMHSPs or
5 PIHPs meet with multicultural service providers to develop a
6 workable framework for contracting, service delivery, and
7 reimbursement.

8 (2) Funds appropriated in part 1 for multicultural services
9 shall not be utilized for services provided to illegal immigrants,
10 fugitive felons, and people who are not residents of this state.
11 The department shall modify contracts with recipients of
12 multicultural services grants to mandate that grantees establish
13 that recipients of services are legally residing in the United
14 States. An exception to the contractual provision will be allowed
15 to address persons presenting with emergent mental health
16 conditions.

17 (3) The department shall require an annual report from the
18 independent organizations that receive multicultural services
19 funding. The annual report shall include specific information on
20 services and programs provided, the client base to which the
21 services and programs were provided, and the expenditures for those
22 services. The department shall provide the annual reports to the
23 senate and house appropriations subcommittees on community health
24 and the senate and house fiscal agencies.

25 Sec. 404. (1) Not later than May 31 of the current fiscal
26 year, the department shall provide a report on the community mental
27 health services programs to the members of the house and senate

1 appropriations subcommittees on community health, the house and
2 senate fiscal agencies, and the state budget director that includes
3 the information required by this section.

4 (2) The report shall contain information for each CMHSP or
5 PIHP and a statewide summary, each of which shall include at least
6 the following information:

7 (a) A demographic description of service recipients which,
8 minimally, shall include reimbursement eligibility, client
9 population, age, ethnicity, housing arrangements, and diagnosis.

10 (b) Per capita expenditures by client population group.

11 (c) Financial information that, minimally, includes a
12 description of funding authorized; expenditures by client group and
13 fund source; and cost information by service category, including
14 administration. Service category includes all department-approved
15 services.

16 (d) Data describing service outcomes that includes, but is not
17 limited to, an evaluation of consumer satisfaction, consumer
18 choice, and quality of life concerns including, but not limited to,
19 housing and employment.

20 (e) Information about access to community mental health
21 services programs that includes, but is not limited to, the
22 following:

23 (i) The number of people receiving requested services.

24 (ii) The number of people who requested services but did not
25 receive services.

26 (f) The number of second opinions requested under the code and
27 the determination of any appeals.

1 (g) An analysis of information provided by CMHSPs in response
2 to the needs assessment requirements of the mental health code,
3 1974 PA 258, MCL 330.1001 to 330.2106, including information about
4 the number of persons in the service delivery system who have
5 requested and are clinically appropriate for different services.

6 (h) Lapses and carryforwards during the immediately preceding
7 fiscal year for CMHSPs or PIHPs.

8 (i) Information about contracts for mental health services
9 entered into by CMHSPs or PIHPs with providers, including, but not
10 limited to, all of the following:

11 (i) The amount of the contract, organized by type of service
12 provided.

13 (ii) Payment rates, organized by the type of service provided.

14 (iii) Administrative costs for services provided to CMHSPs or
15 PIHPs.

16 (j) Information on the community mental health Medicaid
17 managed care program, including, but not limited to, both of the
18 following:

19 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
20 eligibility group, including per eligible individual expenditure
21 averages.

22 (ii) Performance indicator information required to be submitted
23 to the department in the contracts with CMHSPs or PIHPs.

24 (k) An estimate of the number of direct care workers in local
25 residential settings and paraprofessional and other nonprofessional
26 direct care workers in settings where skill building, community
27 living supports and training, and personal care services are

1 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
2 year employed directly or through contracts with provider
3 organizations.

4 (3) The department shall include data reporting requirements
5 listed in subsection (2) in the annual contract with each
6 individual CMHSP or PIHP.

7 (4) The department shall take all reasonable actions to ensure
8 that the data required are complete and consistent among all CMHSPs
9 or PIHPs.

10 Sec. 405. (1) It is the intent of the legislature that the
11 employee wage pass-through funded in previous years to the
12 community mental health services programs for direct care workers
13 in local residential settings and for paraprofessional and other
14 nonprofessional direct care workers in settings where skill
15 building, community living supports and training, and personal care
16 services are provided shall continue to be paid to direct care
17 workers.

18 (2) Each CMHSP awarded wage pass-through money from the funds
19 established under subsection (1) shall report on the actual
20 expenditures of the money in the format determined by the
21 department.

22 Sec. 406. (1) The funds appropriated in part 1 for the state
23 disability assistance substance abuse services program shall be
24 used to support per diem room and board payments in substance abuse
25 residential facilities. Eligibility of clients for the state
26 disability assistance substance abuse services program shall
27 include needy persons 18 years of age or older, or emancipated

1 minors, who reside in a substance abuse treatment center.

2 (2) The department shall reimburse all licensed substance
3 abuse programs eligible to participate in the program at a rate
4 equivalent to that paid by the department of human services to
5 adult foster care providers. Programs accredited by department-
6 approved accrediting organizations shall be reimbursed at the
7 personal care rate, while all other eligible programs shall be
8 reimbursed at the domiciliary care rate.

9 Sec. 407. (1) The amount appropriated in part 1 for substance
10 abuse prevention, education, and treatment grants shall be expended
11 for contracting with coordinating agencies. Coordinating agencies
12 shall work with CMHSPs or PIHPs to coordinate care and services
13 provided to individuals with severe and persistent mental illness
14 and substance abuse diagnoses.

15 (2) The department shall approve a fee schedule for providing
16 substance abuse services and charge participants in accordance with
17 their ability to pay.

18 (3) It is the intent of the legislature that the coordinating
19 agencies continue current efforts to collaborate on the delivery of
20 services to those clients with severe and persistent mental illness
21 and substance abuse diagnoses.

22 (4) Coordinating agencies that are located completely within
23 the boundary of a PIHP shall conduct a study of the administrative
24 costs and efficiencies associated with consolidation with that
25 PIHP. If that coordinating agency realizes an administrative cost
26 savings of 5% or greater of their current costs, then that
27 coordinating agency shall initiate discussions regarding a

1 potential merger in accordance with section 6226 of the public
2 health code, 1978 PA 368, MCL 333.6226.

3 (5) From the funds appropriated in part 1 for community
4 substance abuse prevention, education, and treatment programs,
5 \$100.00 shall be used to fund medically necessary medications
6 prescribed by a physician for the treatment of alcoholism and other
7 substance abuse disorders.

8 (6) From the funds appropriated in part 1 for community
9 substance abuse prevention, education, and treatment programs,
10 \$300,000.00 shall be used to establish a methadone/buprenorphine
11 clinic in a county with a population less than 35,000. The
12 department shall work with a local substance abuse coordinating
13 agency to develop the clinic. The coordinating agency shall serve
14 at least 25 counties.

15 (7) Effective April 1, 2010, only PIHPs shall be considered
16 substance abuse coordinating agencies for purposes of reimbursement
17 with funds appropriated in part 1.

18 Sec. 408. (1) By April 15 of the current fiscal year, the
19 department shall report the following data from the prior fiscal
20 year on substance abuse prevention, education, and treatment
21 programs to the senate and house appropriations subcommittees on
22 community health, the senate and house fiscal agencies, and the
23 state budget office:

24 (a) Expenditures stratified by coordinating agency, by central
25 diagnosis and referral agency, by fund source, by subcontractor, by
26 population served, and by service type. Additionally, data on
27 administrative expenditures by coordinating agency shall be

1 reported.

2 (b) Expenditures per state client, with data on the
3 distribution of expenditures reported using a histogram approach.

4 (c) Number of services provided by central diagnosis and
5 referral agency, by subcontractor, and by service type.

6 Additionally, data on length of stay, referral source, and
7 participation in other state programs.

8 (d) Collections from other first- or third-party payers,
9 private donations, or other state or local programs, by
10 coordinating agency, by subcontractor, by population served, and by
11 service type.

12 (2) The department shall take all reasonable actions to ensure
13 that the required data reported are complete and consistent among
14 all coordinating agencies.

15 Sec. 409. The funding in part 1 for substance abuse services
16 shall be distributed in a manner that provides priority to service
17 providers that furnish child care services to clients with
18 children.

19 Sec. 410. The department shall assure that substance abuse
20 treatment is provided to applicants and recipients of public
21 assistance through the department of human services who are
22 required to obtain substance abuse treatment as a condition of
23 eligibility for public assistance.

24 Sec. 411. (1) The department shall ensure that each contract
25 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
26 programs to encourage diversion of persons with serious mental
27 illness, serious emotional disturbance, or developmental disability

1 from possible jail incarceration when appropriate.

2 (2) Each CMHSP or PIHP shall have jail diversion services and
3 shall work toward establishing working relationships with
4 representative staff of local law enforcement agencies, including
5 county prosecutors' offices, county sheriffs' offices, county
6 jails, municipal police agencies, municipal detention facilities,
7 and the courts. Written interagency agreements describing what
8 services each participating agency is prepared to commit to the
9 local jail diversion effort and the procedures to be used by local
10 law enforcement agencies to access mental health jail diversion
11 services are strongly encouraged.

12 Sec. 412. The department shall contract directly with the
13 Salvation Army harbor light program to provide non-Medicaid
14 substance abuse services.

15 Sec. 414. Medicaid substance abuse treatment services shall be
16 managed by selected PIHPs pursuant to the centers for Medicare and
17 Medicaid services' approval of Michigan's 1915(b) waiver request to
18 implement a managed care plan for specialized substance abuse
19 services. The selected PIHPs shall receive a capitated payment on a
20 per eligible per month basis to assure provision of medically
21 necessary substance abuse services to all beneficiaries who require
22 those services. The selected PIHPs shall be responsible for the
23 reimbursement of claims for specialized substance abuse services.
24 The PIHPs that are not coordinating agencies may continue to
25 contract with a coordinating agency. Any alternative arrangement
26 must be based on client service needs and have prior approval from
27 the department.

1 Sec. 418. On or before the tenth of each month, the department
2 shall report to the senate and house appropriations subcommittees
3 on community health, the senate and house fiscal agencies, and the
4 state budget director on the amount of funding paid to PIHPs to
5 support the Medicaid managed mental health care program in the
6 preceding month. The information shall include the total paid to
7 each PIHP, per capita rate paid for each eligibility group for each
8 PIHP, and number of cases in each eligibility group for each PIHP,
9 and year-to-date summary of eligibles and expenditures for the
10 Medicaid managed mental health care program.

11 Sec. 424. Each PIHP that contracts with the department to
12 provide services to the Medicaid population shall adhere to the
13 following timely claims processing and payment procedure for claims
14 submitted by health professionals and facilities:

15 (a) A "clean claim" as described in section 111i of the social
16 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
17 days after receipt of the claim by the PIHP. A clean claim that is
18 not paid within this time frame shall bear simple interest at a
19 rate of 12% per annum.

20 (b) A PIHP must state in writing to the health professional or
21 facility any defect in the claim within 30 days after receipt of
22 the claim.

23 (c) A health professional and a health facility have 30 days
24 after receipt of a notice that a claim or a portion of a claim is
25 defective within which to correct the defect. The PIHP shall pay
26 the claim within 30 days after the defect is corrected.

27 Sec. 428. Each PIHP shall provide, from internal resources,

1 local funds to be used as a bona fide part of the state match
2 required under the Medicaid program in order to increase capitation
3 rates for PIHPs. These funds shall not include either state funds
4 received by a CMHSP for services provided to non-Medicaid
5 recipients or the state matching portion of the Medicaid capitation
6 payments made to a PIHP.

7 Sec. 435. A county required under the provisions of the mental
8 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
9 matching funds to a CMHSP for mental health services rendered to
10 residents in its jurisdiction shall pay the matching funds in equal
11 installments on not less than a quarterly basis throughout the
12 fiscal year, with the first payment being made by October 1 of the
13 current fiscal year.

14 Sec. 442. (1) It is the intent of the legislature that the
15 \$40,000,000.00 in funding transferred from the community mental
16 health non-Medicaid services line to support the Medicaid adult
17 benefits waiver program shall be used to provide state match for
18 increases in federal funding for primary care and specialty
19 services provided to Medicaid adult benefits waiver enrollees and
20 for economic increases for the Medicaid specialty services and
21 supports program.

22 (2) The department shall assure that persons enrolled in the
23 Medicaid adult benefits waiver program shall receive mental health
24 services as approved in the state plan amendment.

25 (3) Capitation payments to CMHSPs for persons who become
26 enrolled in the Medicaid adult benefits waiver program shall be
27 made using the same rate methodology as payments for the current

1 Medicaid beneficiaries.

2 (4) If enrollment in the Medicaid adult benefits waiver
3 program does not achieve expectations and the funding appropriated
4 for the Medicaid adult benefits waiver program for specialty
5 services is not expended, the general fund balance shall be
6 transferred back to the community mental health non-Medicaid
7 services line. The department shall report quarterly to the senate
8 and house appropriations subcommittees on community health a
9 summary of eligible expenditures for the Medicaid adult benefits
10 waiver program by CMHSPs.

11 Sec. 452. Unless otherwise authorized by law, the department
12 shall not implement retroactively any policy that would lead to a
13 negative financial impact on CMHSPs or PIHPs.

14 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to
15 the fullest extent possible when providing services and support
16 programs for individuals with mental illness, developmental
17 disabilities, or substance abuse issues. Consumer choices shall
18 include skill-building assistance, rehabilitative and habilitative
19 services, supported and integrated employment services program
20 settings, and other work preparatory services provided in the
21 community or by accredited community-based rehabilitation
22 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or
23 restrict any choices from the array of services and program
24 settings available to consumers without reasonable justification
25 that those services are not in the consumer's best interest.

26 (2) CMHSPs and PIHPs shall take all necessary steps to ensure
27 that individuals with mental illness, developmental disabilities,

1 or substance abuse issues be placed in the least restrictive
2 setting in the quickest amount of time possible if it is the
3 individual's choice.

4 Sec. 458. By April 15 of the current fiscal year, the
5 department shall provide each of the following to the house and
6 senate appropriations subcommittees on community health, the house
7 and senate fiscal agencies, and the state budget director:

8 (a) An updated plan for implementing each of the
9 recommendations of the Michigan mental health commission made in
10 the commission's report dated October 15, 2004.

11 (b) A report that evaluates the cost-benefit of establishing
12 secure residential facilities of fewer than 17 beds for adults with
13 serious mental illness, modeled after such programming in Oregon or
14 other states. This report shall examine the potential impact that
15 utilization of secure residential facilities would have upon the
16 state's need for adult mental health facilities.

17 (c) In conjunction with the state court administrator's
18 office, a report that evaluates the cost-benefit of establishing a
19 specialized mental health court program that diverts adults with
20 serious mental illness alleged to have committed an offense deemed
21 nonserious into treatment prior to the filing of any charges.

22 Sec. 460. (1) The uniform definitions, standards, and
23 instructions for the classification, allocation, assignment,
24 calculation, recording, and reporting of administrative costs by
25 PIHPs, CMHSPs, and contracted organized provider systems that
26 receive payment or reimbursement from funds appropriated under
27 section 104 that were implemented in fiscal year 2006-2007 by the

1 department shall also be implemented for their subcontractors in
2 fiscal year 2009-2010, and shall be consistent with Internal
3 Revenue Service 990 and Office of Management and Budget A-87
4 guidelines.

5 (2) The department shall provide the house and senate
6 appropriations subcommittees on community health, the house and
7 senate fiscal agencies, and the state budget director with a
8 progress report on the implementation required under subsection
9 (1). The progress report is due on July 1 of the current fiscal
10 year.

11 Sec. 462. By October 15 of the current fiscal year, the
12 department shall report to the house and senate appropriations
13 subcommittees on community health, the house and senate fiscal
14 agencies, and the state budget director the funding formula and
15 allocations for all CMHSPs that receive funds appropriated under
16 the community mental health non-Medicaid services line. The report
17 shall include a comparison of the current fiscal year allocation to
18 the prior fiscal year allocation and describe the factors used in
19 the funding formula to achieve an equitable distribution of funds.

20 Sec. 463. The department shall use standard program evaluation
21 measures to assess the overall effectiveness of programs provided
22 through coordinating agencies and service providers in reducing and
23 preventing the incidence of substance abuse. The measures
24 established by the department shall be modeled after the program
25 outcome measures and best practice guidelines for the treatment of
26 substance abuse as proposed by the federal substance abuse and
27 mental health services administration.

1 Sec. 465. Funds appropriated in part 1 for respite services
2 shall be used for direct respite care services for children with
3 serious emotional disturbances and their families. Not more than 1%
4 of the funds allocated for respite services shall be expended by
5 CMHSPs for administration and administrative purposes.

6 Sec. 468. To foster a more efficient administration of and to
7 integrate care in publicly funded mental health and substance abuse
8 services, the department shall maintain criteria for the
9 incorporation of a city, county, or regional substance abuse
10 coordinating agency into a local community mental health authority
11 that will encourage those city, county, or regional coordinating
12 agencies to incorporate as local community mental health
13 authorities. If necessary, the department may make accommodations
14 or adjustments in formula distribution to address administrative
15 costs related to the maintenance of the criteria under this section
16 and to the incorporation of the additional coordinating agencies
17 into local community mental health authorities provided that all of
18 the following are satisfied:

19 (a) The department provides funding for the administrative
20 costs incurred by coordinating agencies incorporating into
21 community mental health authorities. The department shall not
22 provide more than \$75,000.00 to any coordinating agency for
23 administrative costs.

24 (b) The accommodations or adjustments do not favor
25 coordinating agencies who voluntarily elect to integrate with local
26 community mental health authorities.

27 (c) The accommodations or adjustments do not negatively affect

1 other coordinating agencies.

2 Sec. 470. (1) For those substance abuse coordinating agencies
3 that have voluntarily incorporated into community mental health
4 authorities and accepted funding from the department for
5 administrative costs incurred pursuant to section 468, the
6 department shall establish written expectations for those CMHSPs,
7 PIHPs, and substance abuse coordinating agencies and counties with
8 respect to the integration of mental health and substance abuse
9 services. At a minimum, the written expectations shall provide for
10 the integration of those services as follows:

11 (a) Coordination and consolidation of administrative functions
12 and redirection of efficiencies into service enhancements.

13 (b) Consolidation of points of 24-hour access for mental
14 health and substance abuse services in every community.

15 (c) Alignment of coordinating agencies and PIHPs boundaries to
16 maximize opportunities for collaboration and integration of
17 administrative functions and clinical activities.

18 (2) By May 1 of the current fiscal year, the department shall
19 report to the house and senate appropriations subcommittees on
20 community health, the house and senate fiscal agencies, and the
21 state budget office on the impact and effectiveness of this section
22 and the status of the integration of mental health and substance
23 abuse services.

24 Sec. 474. The department shall ensure that each contract with
25 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
26 recipient and his or her family with information regarding the
27 different types of guardianship and the alternatives to

1 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
2 reduce or restrict the ability of a recipient or his or her family
3 from seeking to obtain any form of legal guardianship without just
4 cause.

5 Sec. 480. The department shall provide to the senate and house
6 appropriations subcommittees on community health and the senate and
7 house fiscal agencies by March 30 of the current fiscal year a
8 report on the number and reimbursement cost of atypical
9 antipsychotic prescriptions by each PIHP for Medicaid
10 beneficiaries.

11 Sec. 482. From the funds appropriated in part 1, the
12 department shall continue funding for programs provided by Odyssey
13 house.

14 Sec. 483. (1) A Medicaid recipient shall remain eligible and a
15 qualifying applicant shall be determined eligible for medical
16 assistance during a period of incarceration or detention. Medicaid
17 coverage is limited during such a period to off-site inpatient
18 hospitalization only.

19 (2) A Medicaid recipient is considered incarcerated or
20 detained until released on bail, released as not guilty, released
21 on parole, released on probation, released on pardon, released upon
22 completing a sentence, or released under home detention or tether.

23 Sec. 489. The department shall work with the Michigan
24 association of community mental health boards and individual CMHSPs
25 in an effort to mitigate necessary reductions to the community
26 mental health non-Medicaid services line by seeking alternative
27 funding sources.

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

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30 of the current fiscal year from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is

1 within 3 years unless otherwise stipulated by the donor.

2 Sec. 603. The funds appropriated in part 1 for forensic mental
3 health services provided to the department of corrections are in
4 accordance with the interdepartmental plan developed in cooperation
5 with the department of corrections. The department is authorized to
6 receive and expend funds from the department of corrections in
7 addition to the appropriations in part 1 to fulfill the obligations
8 outlined in the interdepartmental agreements.

9 Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports
10 to the department on the following information:

11 (a) The number of days of care purchased from state hospitals
12 and centers.

13 (b) The number of days of care purchased from private
14 hospitals in lieu of purchasing days of care from state hospitals
15 and centers.

16 (c) The number and type of alternative placements to state
17 hospitals and centers other than private hospitals.

18 (d) Waiting lists for placements in state hospitals and
19 centers.

20 (2) The department shall annually report the information in
21 subsection (1) to the house and senate appropriations subcommittees
22 on community health, the house and senate fiscal agencies, and the
23 state budget director.

24 Sec. 605. (1) The department shall not implement any closures
25 or consolidations of state hospitals, centers, or agencies until
26 CMHSPs or PIHPs have programs and services in place for those
27 persons currently in those facilities and a plan for service

1 provision for those persons who would have been admitted to those
2 facilities.

3 (2) All closures or consolidations are dependent upon adequate
4 department-approved CMHSP and PIHP plans that include a discharge
5 and aftercare plan for each person currently in the facility. A
6 discharge and aftercare plan shall address the person's housing
7 needs. A homeless shelter or similar temporary shelter arrangements
8 are inadequate to meet the person's housing needs.

9 (3) Four months after the certification of closure required in
10 section 19(6) of the state employees' retirement act, 1943 PA 240,
11 MCL 38.19, the department shall provide a closure plan to the house
12 and senate appropriations subcommittees on community health and the
13 state budget director.

14 (4) Upon the closure of state-run operations and after
15 transitional costs have been paid, the remaining balances of funds
16 appropriated for that operation shall be transferred to CMHSPs or
17 PIHPs responsible for providing services for persons previously
18 served by the operations.

19 Sec. 606. The department may collect revenue for patient
20 reimbursement from first- and third-party payers, including
21 Medicaid and local county CMHSP payers, to cover the cost of
22 placement in state hospitals and centers. The department is
23 authorized to adjust financing sources for patient reimbursement
24 based on actual revenues earned. If the revenue collected exceeds
25 current year expenditures, the revenue may be carried forward with
26 approval of the state budget director. The revenue carried forward
27 shall be used as a first source of funds in the subsequent year.

1 Sec. 608. By March 1, 2010, the department shall update the
2 figures contained in the January 1, 2009 report and, in
3 consultation with the department of management and budget, shall
4 establish and implement a bid process to identify 1 or more private
5 contractors to provide food service and custodial services or
6 otherwise implement opportunities to reduce these costs at those
7 state hospitals identified in the updated report as capable of
8 generating savings through the outsourcing of such services.

9 Sec. 609. The department shall continue to ban the use of all
10 tobacco products in and on the grounds of state psychiatric
11 facilities. As used in this section, "tobacco product" means a
12 product that contains tobacco and is intended for human
13 consumption, including, but not limited to, cigarettes,
14 noncigarette smoking tobacco, or smokeless tobacco, as those terms
15 are defined in section 2 of the tobacco products tax act, 1993 PA
16 327, MCL 205.422, and cigars.

17 Sec. 610. (1) The department shall make every effort to
18 minimize job losses due to any reductions in force or closing of
19 facilities by placing those employees displaced by the reduction or
20 closing within other positions within the department or, to the
21 extent applicable, within other positions in another state
22 department and by encouraging CMHSPs to hire those employees
23 displaced by the reduction or closing.

24 (2) It is the intent of the legislature that employees
25 displaced by any reductions in force or closing of facilities who
26 are not placed within other positions in the department or hired by
27 a CMHSP be given priority in state programs for job retraining or

1 education, such as the no worker left behind program.

2 **PUBLIC HEALTH ADMINISTRATION**

3 Sec. 650. The department shall communicate the annual public
4 health consumption advisory for sportfish. The department shall, at
5 a minimum, post the advisory on the Internet and make the
6 information in the advisory available to the clients of the women,
7 infants, and children special supplemental nutrition program.

8 Sec. 651. By April 30 of the current fiscal year, the
9 department shall submit a report to the house and senate fiscal
10 agencies and the state budget director on the activities and
11 efforts of the department to improve the health status of the
12 citizens of this state with regard to the goals and objectives
13 stated in the "Healthy Michigan 2010" report, and the measurable
14 progress made toward those goals and objectives.

15 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

16 Sec. 704. The department shall continue to contract with
17 grantees supported through the appropriation in part 1 for the
18 emergency medical services grants and contracts to ensure that a
19 sufficient number of qualified emergency medical services personnel
20 exist to serve rural areas of the state.

21 Sec. 706. When hiring any new nursing home inspectors funded
22 through appropriations in part 1, the department shall make every
23 effort to hire qualified individuals with past experience in the
24 long-term care industry.

25 Sec. 707. The funds appropriated in part 1 for the nursing

1 scholarship program, established in section 16315 of the public
2 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
3 the number of nurses practicing in Michigan. The board of nursing
4 is encouraged to structure scholarships funded under this act in a
5 manner that rewards recipients who intend to practice nursing in
6 Michigan. In addition, the department and the board of nursing
7 shall work cooperatively with the Michigan higher education
8 assistance authority to coordinate scholarship assistance with
9 scholarships provided pursuant to the Michigan nursing scholarship
10 act, 2002 PA 591, MCL 390.1181 to 390.1189.

11 Sec. 708. Nursing facilities shall report in the quarterly
12 staff report to the department, the total patient care hours
13 provided each month, by state licensure and certification
14 classification, and the percentage of pool staff, by state
15 licensure and certification classification, used each month during
16 the preceding quarter. The department shall make available to the
17 public, the quarterly staff report compiled for all facilities
18 including the total patient care hours and the percentage of pool
19 staff used, by classification.

20 Sec. 709. The funds appropriated in part 1 for the Michigan
21 essential health care provider program may also provide loan
22 repayment for dentists that fit the criteria established by part 27
23 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

24 Sec. 710. From the funds appropriated in part 1 for primary
25 care services, an amount not to exceed \$2,172,700.00 is
26 appropriated to enhance the service capacity of the federally
27 qualified health centers and other health centers that are similar

1 to federally qualified health centers.

2 Sec. 711. The department may make available to interested
3 entities customized listings of nonconfidential information in its
4 possession, such as names and addresses of licensees. The
5 department may establish and collect a reasonable charge to provide
6 this service. The revenue received from this service shall be used
7 to offset expenses to provide the service. Any balance of this
8 revenue collected and unexpended at the end of the fiscal year
9 shall revert to the appropriate restricted fund.

10 Sec. 712. From the funds appropriated in part 1 for primary
11 care services, \$250,000.00 shall be allocated to free health
12 clinics operating in the state. The department shall distribute the
13 funds equally to each free health clinic. For the purpose of this
14 appropriation, free health clinics are nonprofit organizations that
15 use volunteer health professionals to provide care to uninsured
16 individuals.

17 Sec. 713. The department is directed to continue support of
18 multicultural agencies that provide primary care services from the
19 funds appropriated in part 1.

20 Sec. 714. The department shall report by April 1 of the
21 current fiscal year to the legislature on the timeliness of nursing
22 facility complaint investigations and the number of allegations
23 that are substantiated on an annual basis. The report shall consist
24 of the number of allegations filed by consumers and the number of
25 facility-reported incidents. The department shall make every effort
26 to contact every complainant and the subject of a complaint during
27 an investigation.

1 Sec. 716. The department shall give priority in investigations
2 of alleged wrongdoing by licensed health care professionals to
3 instances that are alleged to have occurred within 2 years of the
4 initial complaint.

5 Sec. 718. The department shall gather information on its most
6 frequently cited complaint deficiencies for the prior 3 fiscal
7 years. The department shall determine whether there is an increase
8 in the number of citations from 1 year to the next and assess the
9 cause of the increase, if any, and whether education and training
10 of nursing facility staff or department staff is needed. The
11 department will implement any training indicated by the study. The
12 department shall provide the results of the study to the senate and
13 house appropriations subcommittees on community health and the
14 senate and house fiscal agencies by May 1 of the current fiscal
15 year.

16 Sec. 720. From the funds appropriated in part 1 for primary
17 care services, \$75,000.00 shall be allocated to the Helen M.
18 Nickless volunteer clinic in Bay City.

19 Sec. 722. A medical professional who is newly accepted into
20 the Michigan essential health provider program in fiscal year 2008-
21 2009 is eligible for 4 years of loan repayments.

22 Sec. 724. From the funds appropriated in part 1 for emergency
23 medical services program state staff, up to \$100.00 may be
24 allocated for the development of a coordinated statewide trauma
25 care system.

26 Sec. 725. From the funds appropriated in part 1 for rural
27 health services, up to \$100.00 may be allocated to support rural

1 health improvement as identified in "Michigan Strategic
2 Opportunities for Rural Health Improvement, A State Rural Health
3 Plan 2008-2012". The department shall make these funds available to
4 rural and micropolitan communities under a competitive bid process.
5 The department shall not allocate more than \$5,000.00 to each rural
6 or micropolitan community under this section. The department shall
7 not allocate funds appropriated under this section unless a 50/50
8 state and local match rate has occurred. The department shall
9 submit a report to the house and senate appropriations
10 subcommittees on community health, house and senate fiscal
11 agencies, and state budget director by April 1 of the current
12 fiscal year on the projects supported by this allocation.

13 Sec. 726. (1) The department shall submit a report to the
14 house and senate appropriations subcommittees on community health,
15 the house and senate fiscal agencies, and the state budget
16 director, on an annual basis, that includes all data on the amount
17 collected from medical marihuana program application and renewal
18 fees along with the cost of administering the medical marihuana
19 program under the Michigan medical marihuana act, 2008 IL 1, MCL
20 333.26421 to 333.26430.

21 (2) If the required fees are shown to be insufficient to
22 offset all expenses of implementing and administering the medical
23 marihuana program, the department shall review and revise the
24 application and renewal fees accordingly to ensure that all
25 expenses of implementing and administering the medical marihuana
26 program are offset as is permitted under section 5 of the Michigan
27 medical marihuana act, 2008 IL 1, MCL 333.26425.

1 Sec. 727. By March 1 of the current fiscal year, the
2 department shall report to the house and senate appropriations
3 subcommittees on community health, the house and senate fiscal
4 agencies, and the state budget director on the feasibility and cost
5 of outsourcing the medical marihuana program. The report shall
6 include the current projected annual cost of the program and the
7 current projected annual fee revenue. If the report identifies
8 privatization savings of 10% or greater and privatization is
9 allowable under the Michigan medical marihuana act, 2008 IL 1, MCL
10 333.26421 to 333.26430, the department, in consultation with the
11 department of management and budget, shall establish and implement
12 a bid process to identify a private or public contractor to provide
13 management of the medical marihuana program.

14 **INFECTIOUS DISEASE CONTROL**

15 Sec. 801. In the expenditure of funds appropriated in part 1
16 for AIDS programs, the department and its subcontractors shall
17 ensure that high-risk individuals ages 9 through 18 receive
18 priority for prevention, education, and outreach services.

19 Sec. 803. The department shall continue the AIDS drug
20 assistance program maintaining the prior year eligibility criteria
21 and drug formulary. This section does not prohibit the department
22 from providing assistance for improved AIDS treatment medications.
23 If the appropriation in part 1 or actual revenue is not sufficient
24 to maintain the prior year eligibility criteria and drug formulary,
25 the department may revise the eligibility criteria and drug
26 formulary in a manner that is consistent with federal program

1 guidelines.

2 Sec. 804. The department, in conjunction with efforts to
3 implement the Michigan prisoner reentry initiative, shall cooperate
4 with the department of corrections to share data and information as
5 they relate to prisoners being released who are HIV positive or
6 positive for the hepatitis C antibody.

7 **EPIDEMIOLOGY**

8 Sec. 851. The department shall provide a report annually to
9 the house and senate appropriations subcommittees on community
10 health, the senate and house fiscal agencies, and the state budget
11 director on the expenditures and activities undertaken by the lead
12 abatement program. The report shall include, but is not limited to,
13 a funding allocation schedule, expenditures by category of
14 expenditure and by subcontractor, revenues received, description of
15 program elements, and description of program accomplishments and
16 progress.

17 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

18 Sec. 901. The amount appropriated in part 1 for implementation
19 of the 1993 additions of or amendments to sections 9161, 16221,
20 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
21 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
22 333.17515, shall reimburse local health departments for costs
23 incurred related to implementation of section 17015(18) of the
24 public health code, 1978 PA 368, MCL 333.17015.

25 Sec. 902. If a county that has participated in a district

1 health department or an associated arrangement with other local
2 health departments takes action to cease to participate in such an
3 arrangement after October 1 of the current fiscal year, the
4 department shall have the authority to assess a penalty from the
5 local health department's operational accounts in an amount equal
6 to no more than 6.25% of the local health department's local public
7 health operations funding. This penalty shall only be assessed to
8 the local county that requests the dissolution of the health
9 department.

10 Sec. 904. (1) Funds appropriated in part 1 for local public
11 health operations shall be prospectively allocated to local health
12 departments to support immunizations, infectious disease control,
13 sexually transmitted disease control and prevention, hearing
14 screening, vision services, food protection, public water supply,
15 private groundwater supply, and on-site sewage management. Food
16 protection shall be provided in consultation with the Michigan
17 department of agriculture. Public water supply, private groundwater
18 supply, and on-site sewage management shall be provided in
19 consultation with the Michigan department of environmental quality.

20 (2) Local public health departments shall be held to
21 contractual standards for the services in subsection (1).

22 (3) Distributions in subsection (1) shall be made only to
23 counties that maintain local spending in the current fiscal year of
24 at least the amount expended in fiscal year 1992-1993 for the
25 services described in subsection (1).

26 (4) By April 1 of the current fiscal year, the department
27 shall make available a report to the senate and house

1 appropriations subcommittees on community health, the senate and
2 house fiscal agencies, and the state budget director on the planned
3 allocation of the funds appropriated for local public health
4 operations.

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

6 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
7 information network shall be used to provide information and
8 referral services through regional networks for persons with
9 Alzheimer's disease or related disorders, their families, and
10 health care providers.

11 Sec. 1006. (1) In spending the funds appropriated in part 1
12 for the smoking prevention program, priority shall be given to
13 prevention and smoking cessation programs for pregnant women, women
14 with young children, and adolescents.

15 (2) For purposes of complying with 2004 PA 164, \$365,000.00 of
16 the funds appropriated in part 1 for the smoking prevention program
17 shall be used for the quit kit program that includes the nicotine
18 patch or nicotine gum.

19 Sec. 1007. (1) The funds appropriated in part 1 for violence
20 prevention shall be used for, but not be limited to, the following:

21 (a) Programs aimed at the prevention of spouse, partner, or
22 child abuse and rape.

23 (b) Programs aimed at the prevention of workplace violence.

24 (2) In awarding grants from the amounts appropriated in part 1
25 for violence prevention, the department shall give equal
26 consideration to public and private nonprofit applicants.

1 (3) From the funds appropriated in part 1 for violence
2 prevention, the department may include local school districts as
3 recipients of the funds for family violence prevention programs.

4 Sec. 1008. From the funds appropriated in part 1 for the
5 diabetes and kidney program, the department may allocate up to
6 \$25,000.00 for a diabetes management pilot project in Muskegon
7 County.

8 Sec. 1009. From the funds appropriated in part 1 for the
9 diabetes and kidney program, a portion of the funds may be
10 allocated to the National Kidney Foundation of Michigan for kidney
11 disease prevention programming including early identification and
12 education programs and kidney disease prevention demonstration
13 projects.

14 Sec. 1019. From the funds appropriated in part 1 for chronic
15 disease prevention, \$50,000.00 may be allocated for stroke
16 prevention, education, and outreach. The objectives of the program
17 shall include education to assist persons in identifying risk
18 factors, and education to assist persons in the early
19 identification of the occurrence of a stroke in order to minimize
20 stroke damage.

21 Sec. 1028. Contingent on the availability of state restricted
22 healthy Michigan fund money or federal preventive health and health
23 services block grant fund money, funds may be appropriated for the
24 African-American male health initiative.

25 Sec. 1031. (1) From the funds appropriated in part 1 for the
26 injury control intervention project, \$200,000.00 shall be used to
27 continue 2 incentive-based pilot programs for level I and level II

1 trauma hospitals to ensure greater state utilization of an
2 interactive, evidence-based treatment guideline model for traumatic
3 brain injury.

4 (2) One pilot program shall be placed in a county of less than
5 225,000. The other pilot program shall be placed in a county with a
6 population over 1,000,000.

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

8 Sec. 1101. The department shall review the basis for the
9 distribution of funds to local health departments and other public
10 and private agencies for the women, infants, and children food
11 supplement program; family planning; and prenatal care outreach and
12 service delivery support program and indicate the basis upon which
13 any projected underexpenditures by local public and private
14 agencies shall be reallocated to other local agencies that
15 demonstrate need.

16 Sec. 1104. (1) Before April 1 of the current fiscal year, the
17 department shall submit a report to the house and senate fiscal
18 agencies and the state budget director on planned allocations from
19 the amounts appropriated in part 1 for local MCH services, prenatal
20 care outreach and service delivery support, family planning local
21 agreements, and pregnancy prevention programs. Using applicable
22 federal definitions, the report shall include information on all of
23 the following:

24 (a) Funding allocations.

25 (b) Actual number of women, children, and/or adolescents
26 served and amounts expended for each group for the immediately

1 preceding fiscal year.

2 (c) A breakdown of the expenditure of these funds between
3 urban and rural communities.

4 (2) The department shall ensure that the distribution of funds
5 through the programs described in subsection (1) takes into account
6 the needs of rural communities.

7 (3) For the purposes of this section, "rural" means a county,
8 city, village, or township with a population of 30,000 or less,
9 including those entities if located within a metropolitan
10 statistical area.

11 Sec. 1105. For all family, maternal, and children's health
12 services programs for which an appropriation is made in part 1, the
13 department shall contract with those local agencies best able to
14 serve clients. Factors to be used by the department in evaluating
15 agencies under this section include the ability to serve high-risk
16 population groups; ability to provide access to individuals in need
17 of services in rural communities; ability to serve low-income
18 clients, where applicable; availability of, and access to, service
19 sites; management efficiency; and ability to meet federal
20 standards, when applicable.

21 Sec. 1106. Each family planning program receiving federal
22 title X family planning funds under 42 USC 300 to 300a-8 shall be
23 in compliance with all performance and quality assurance indicators
24 that the office of family planning within the United States
25 department of health and human services specifies in the family
26 planning annual report. An agency not in compliance with the
27 indicators shall not receive supplemental or reallocated funds.

1 Sec. 1107. (1) Of the amount appropriated in part 1 for
2 prenatal care outreach and service delivery support, not more than
3 9% shall be expended for local administration, data processing, and
4 evaluation.

5 (2) The department shall provide to the senate and house
6 appropriations subcommittees on community health, senate and house
7 fiscal agencies, and state budget director a report by March 30 of
8 the current fiscal year that contains all of the following:

9 (a) The total allocation of state resources made to each
10 recipient agency by individual program and administration.

11 (b) Detail expenditure by each recipient agency by individual
12 program and administration including both state funded resources
13 and locally funded resources.

14 Sec. 1108. The funds appropriated in part 1 for pregnancy
15 prevention programs shall not be used to provide abortion
16 counseling, referrals, or services.

17 Sec. 1109. (1) From the amounts appropriated in part 1 for
18 dental programs, funds shall be allocated to the Michigan dental
19 association for the administration of a volunteer dental program
20 that provides dental services to the uninsured.

21 (2) Not later than December 1 of the current fiscal year, the
22 department shall report to the senate and house appropriations
23 subcommittees on community health and the senate and house standing
24 committees on health policy the number of individual patients
25 treated, number of procedures performed, and approximate total
26 market value of those procedures from the immediately preceding
27 fiscal year.

1 Sec. 1110. Agencies that currently receive pregnancy
2 prevention funds and either receive or are eligible for other
3 family planning funds shall have the option of receiving all of
4 their family planning funds directly from the department and be
5 designated as delegate agencies.

6 Sec. 1111. The department shall allocate no less than 88% of
7 the funds appropriated in part 1 for family planning local
8 agreements and the pregnancy prevention program for the direct
9 provision of family planning/pregnancy prevention services.

10 Sec. 1112. From the funds appropriated in part 1 for prenatal
11 care outreach and service delivery support, the department shall
12 allocate at least \$1,000,000.00 to communities with high infant
13 mortality rates.

14 Sec. 1129. The department shall provide a report annually to
15 the house and senate appropriations subcommittees on community
16 health, the house and senate fiscal agencies, and the state budget
17 director on the number of children with elevated blood lead levels
18 from information available to the department. The report shall
19 provide the information by county, shall include the level of blood
20 lead reported, and shall indicate the sources of the information.

21 Sec. 1133. The department shall release infant mortality rate
22 data to all local public health departments 72 hours or more before
23 releasing infant mortality rate data to the public.

24 Sec. 1135. (1) Provision of the school health education
25 curriculum, such as the Michigan model or another comprehensive
26 school health education curriculum, shall be in accordance with the
27 health education goals established by the Michigan model for

1 comprehensive school health education state steering committee. The
2 state steering committee shall be comprised of a representative
3 from each of the following offices and departments:

4 (a) The department of education.

5 (b) The department of community health.

6 (c) The health administration in the department of community
7 health.

8 (d) The bureau of mental health and substance abuse services
9 in the department of community health.

10 (e) The department of human services.

11 (f) The department of state police.

12 (2) Upon written or oral request, a pupil not less than 18
13 years of age or a parent or legal guardian of a pupil less than 18
14 years of age, within a reasonable period of time after the request
15 is made, shall be informed of the content of a course in the health
16 education curriculum and may examine textbooks and other classroom
17 materials that are provided to the pupil or materials that are
18 presented to the pupil in the classroom. This subsection does not
19 require a school board to permit pupil or parental examination of
20 test questions and answers, scoring keys, or other examination
21 instruments or data used to administer an academic examination.

22 Sec. 1137. From the funds appropriated in part 1 for special
23 projects, up to \$100.00 may be allocated to support an Alzheimer's
24 disease patient care training program involving a community college
25 and a retirement community.

26 Sec. 1138. From the funds appropriated in part 1 for special
27 projects, up to \$100.00 shall be allocated to the Ele's Place

1 organization in Lansing.

2 Sec. 1139. From the funds appropriated in part 1 for prenatal
3 care outreach and service delivery support, the department shall
4 fund the Kalamazoo nurse family partnership at the same level of
5 funding as was provided in fiscal year 2007-2008.

6 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

7 Sec. 1151. The department may work with local participating
8 agencies to define local annual contributions for the farmer's
9 market nutrition program, project FRESH, to enable the department
10 to request federal matching funds based on local commitment of
11 funds.

12 Sec. 1153. The department shall ensure that individuals
13 residing in rural communities have sufficient access to the
14 services offered through the WIC program.

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

16 Sec. 1201. Funds appropriated in part 1 for medical care and
17 treatment of children with special health care needs shall be paid
18 according to reimbursement policies determined and published by the
19 Michigan medical services program.

20 Sec. 1202. The department may do 1 or more of the following:

21 (a) Provide special formula for eligible clients with
22 specified metabolic and allergic disorders.

23 (b) Provide medical care and treatment to eligible patients
24 with cystic fibrosis who are 21 years of age or older.

25 (c) Provide genetic diagnostic and counseling services for

1 eligible families.

2 (d) Provide medical care and treatment to eligible patients
3 with hereditary coagulation defects, commonly known as hemophilia,
4 who are 21 years of age or older.

5 Sec. 1203. All children who are determined medically eligible
6 for the children's special health care services program shall be
7 referred to the appropriate locally based services program in their
8 community.

9 Sec. 1204. Effective July 1, 2010, children who are determined
10 medically eligible for and enroll in the children's special health
11 care services program and who also have Medicaid will have the
12 option to enroll in a Medicaid health plan and have their care co-
13 managed by the children's special health care services program.

14 **CRIME VICTIM SERVICES COMMISSION**

15 Sec. 1302. From the funds appropriated in part 1 for justice
16 assistance grants, up to \$200,000.00 shall be allocated for
17 expansion of forensic nurse examiner programs to facilitate
18 training for improved evidence collection for the prosecution of
19 sexual assault. The funds shall be used for program coordination
20 and training.

21 Sec. 1304. The department shall work with the department of
22 state police, the Michigan health and hospital association, the
23 Michigan state medical society, and the Michigan nurses association
24 to ensure that the recommendations included in the "Standard
25 Recommended Procedures for the Emergency Treatment of Sexual
26 Assault Victims" are followed in the collection of evidence.

1 OFFICE OF SERVICES TO THE AGING

2 Sec. 1401. The appropriation in part 1 to the office of
3 services to the aging for community services and nutrition services
4 shall be restricted to eligible individuals at least 60 years of
5 age who fail to qualify for home care services under title XVIII,
6 XIX, or XX.

7 Sec. 1403. (1) The office of services to the aging shall
8 require each region to report to the office of services to the
9 aging and to the legislature home-delivered meals waiting lists
10 based upon standard criteria. Determining criteria shall include
11 all of the following:

12 (a) The recipient's degree of frailty.

13 (b) The recipient's inability to prepare his or her own meals
14 safely.

15 (c) Whether the recipient has another care provider available.

16 (d) Any other qualifications normally necessary for the
17 recipient to receive home-delivered meals.

18 (2) Data required in subsection (1) shall be recorded only for
19 individuals who have applied for participation in the home-
20 delivered meals program and who are initially determined as likely
21 to be eligible for home-delivered meals.

22 Sec. 1404. The area agencies and local providers may receive
23 and expend fees for the provision of day care, care management,
24 respite care, and certain eligible home- and community-based
25 services. The fees shall be based on a sliding scale, taking client
26 income into consideration. The fees shall be used to expand

1 services.

2 Sec. 1406. The appropriation of \$4,468,700.00 of merit award
3 trust funds to the office of services to the aging for the respite
4 care program shall be allocated in accordance with a long-term care
5 plan developed by the long-term care working group established in
6 section 1657 of 1998 PA 336 upon implementation of the plan. The
7 use of the funds shall be for direct respite care or adult respite
8 care center services. Not more than 9% of the amount allocated
9 under this section shall be expended for administration and
10 administrative purposes.

11 Sec. 1413. Local counties may request to change membership in
12 the area agencies on aging if the change is to an area agency on
13 aging that is contiguous to that county pursuant to office of
14 services to the aging policies and procedures for area agency on
15 aging designation. The office of services to the aging shall adjust
16 allocations to area agencies on aging to account for any changes in
17 county membership. The office of services to the aging shall ensure
18 annually that county boards of commissioners are aware that county
19 membership in area agencies on aging can be changed subject to
20 office of services to the aging policies and procedures for area
21 agency on aging designation.

22 Sec. 1417. The department shall provide to the senate and
23 house appropriations subcommittees on community health, senate and
24 house fiscal agencies, and state budget director a report by March
25 30 of the current fiscal year that contains all of the following:

26 (a) The total allocation of state resources made to each area
27 agency on aging by individual program and administration.

1 (b) Detail expenditure by each area agency on aging by
2 individual program and administration including both state funded
3 resources and locally funded resources.

4 Sec. 1418. From the funds appropriated in part 1 for nutrition
5 services, the department shall maximize funding for home-delivered
6 meals to the extent allowable under federal law and regulation.

7 Sec. 1419. From the funds appropriated in part 1 for nutrition
8 services, \$120,100.00 shall be allocated to provide an
9 interdepartmental grant to the department of agriculture to support
10 the Michigan agricultural surplus system.

11 MEDICAL SERVICES

12 Sec. 1601. The cost of remedial services incurred by residents
13 of licensed adult foster care homes and licensed homes for the aged
14 shall be used in determining financial eligibility for the
15 medically needy. Remedial services include basic self-care and
16 rehabilitation training for a resident.

17 Sec. 1602. Medical services shall be provided to elderly and
18 disabled persons with incomes less than or equal to 100% of the
19 official poverty level, pursuant to the state's option to elect
20 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
21 XIX, 42 USC 1396a.

22 Sec. 1603. (1) The department may establish a program for
23 persons to purchase medical coverage at a rate determined by the
24 department.

25 (2) The department may receive and expend premiums for the
26 buy-in of medical coverage in addition to the amounts appropriated

1 in part 1.

2 (3) The premiums described in this section shall be classified
3 as private funds.

4 Sec. 1605. (1) The protected income level for Medicaid
5 coverage determined pursuant to section 106(1)(b)(iii) of the social
6 welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related
7 public assistance standard.

8 (2) The department shall notify the senate and house
9 appropriations subcommittees on community health and the state
10 budget director of any proposed revisions to the protected income
11 level for Medicaid coverage related to the public assistance
12 standard 90 days prior to implementation.

13 Sec. 1606. For the purpose of guardian and conservator
14 charges, the department of community health may deduct up to \$60.00
15 per month as an allowable expense against a recipient's income when
16 determining medical services eligibility and patient pay amounts.

17 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
18 condition is pregnancy, shall immediately be presumed to be
19 eligible for Medicaid coverage unless the preponderance of evidence
20 in her application indicates otherwise. The applicant who is
21 qualified as described in this subsection shall be allowed to
22 select or remain with the Medicaid participating obstetrician of
23 her choice.

24 (2) An applicant qualified as described in subsection (1)
25 shall be given a letter of authorization to receive Medicaid
26 covered services related to her pregnancy. All qualifying
27 applicants shall be entitled to receive all medically necessary

1 obstetrical and prenatal care without preauthorization from a
2 health plan. All claims submitted for payment for obstetrical and
3 prenatal care shall be paid at the Medicaid fee-for-service rate in
4 the event a contract does not exist between the Medicaid
5 participating obstetrical or prenatal care provider and the managed
6 care plan. The applicant shall receive a listing of Medicaid
7 physicians and managed care plans in the immediate vicinity of the
8 applicant's residence.

9 (3) In the event that an applicant, presumed to be eligible
10 pursuant to subsection (1), is subsequently found to be ineligible,
11 a Medicaid physician or managed care plan that has been providing
12 pregnancy services to an applicant under this section is entitled
13 to reimbursement for those services until such time as they are
14 notified by the department that the applicant was found to be
15 ineligible for Medicaid.

16 (4) If the preponderance of evidence in an application
17 indicates that the applicant is not eligible for Medicaid, the
18 department shall refer that applicant to the nearest public health
19 clinic or similar entity as a potential source for receiving
20 pregnancy-related services.

21 (5) The department shall develop an enrollment process for
22 pregnant women covered under this section that facilitates the
23 selection of a managed care plan at the time of application.

24 (6) The department shall mandate enrollment of women, whose
25 qualifying condition is pregnancy, into Medicaid managed care
26 plans.

27 (7) The department shall encourage physicians to provide

1 women, whose qualifying condition for Medicaid is pregnancy, with a
2 referral to a Medicaid participating dentist at the first
3 pregnancy-related appointment.

4 Sec. 1610. The department shall provide an administrative
5 procedure for the review of cost report grievances by medical
6 services providers with regard to reimbursement under the medical
7 services program. Settlements of properly submitted cost reports
8 shall be paid not later than 9 months from receipt of the final
9 report.

10 Sec. 1611. (1) For care provided to medical services
11 recipients with other third-party sources of payment, medical
12 services reimbursement shall not exceed, in combination with such
13 other resources, including Medicare, those amounts established for
14 medical services-only patients. The medical services payment rate
15 shall be accepted as payment in full. Other than an approved
16 medical services copayment, no portion of a provider's charge shall
17 be billed to the recipient or any person acting on behalf of the
18 recipient. Nothing in this section shall be considered to affect
19 the level of payment from a third-party source other than the
20 medical services program. The department shall require a
21 nonenrolled provider to accept medical services payments as payment
22 in full.

23 (2) Notwithstanding subsection (1), medical services
24 reimbursement for hospital services provided to dual
25 Medicare/medical services recipients with Medicare part B coverage
26 only shall equal, when combined with payments for Medicare and
27 other third-party resources, if any, those amounts established for

1 medical services-only patients, including capital payments.

2 Sec. 1620. (1) For fee-for-service recipients who do not
3 reside in nursing homes, the pharmaceutical dispensing fee shall be
4 \$2.75 or the pharmacy's usual or customary cash charge, whichever
5 is less. For nursing home residents, the pharmaceutical dispensing
6 fee shall be \$3.00 or the pharmacy's usual or customary cash
7 charge, whichever is less.

8 (2) The department shall require a prescription copayment for
9 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
10 brand-name drug, except as prohibited by federal or state law or
11 regulation.

12 (3) It is the intent of the legislature that if the department
13 realizes savings as a result of the implementation of average
14 manufacturer's price for reimbursement of multiple source generic
15 medication dispensing as imposed pursuant to the federal deficit
16 reduction act of 2005, Public Law 109-171, the savings shall be
17 returned to pharmacies in the form of an increased dispensing fee
18 for medications not to exceed \$2.00. The savings shall be
19 calculated as the difference in state expenditure between the
20 current methodology of payment, which is maximum allowable cost,
21 and the proposed new reimbursement method of average manufacturer's
22 price.

23 Sec. 1621. The department may implement prospective drug
24 utilization review and disease management systems. The prospective
25 drug utilization review, a pharmacist-approved medication therapy
26 program, and disease management systems authorized by this section
27 shall have physician oversight, shall focus on patient, physician,

1 and pharmacist education, and shall be developed in consultation
2 with the national pharmaceutical council, Michigan state medical
3 society, Michigan osteopathic association, Michigan pharmacists
4 association, Michigan health and hospital association, and Michigan
5 nurses association.

6 Sec. 1623. (1) The department shall continue the Medicaid
7 policy that allows for the dispensing of a 100-day supply for
8 maintenance drugs.

9 (2) The department shall notify all HMOs, physicians,
10 pharmacies, and other medical providers that are enrolled in the
11 Medicaid program that Medicaid policy allows for the dispensing of
12 a 100-day supply for maintenance drugs.

13 (3) The notice in subsection (2) shall also clarify that a
14 pharmacy shall fill a prescription written for maintenance drugs in
15 the quantity specified by the physician, but not more than the
16 maximum allowed under Medicaid, unless subsequent consultation with
17 the prescribing physician indicates otherwise.

18 Sec. 1627. (1) The department shall use procedures and rebates
19 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
20 to secure quarterly rebates from pharmaceutical manufacturers for
21 outpatient drugs dispensed to participants in the MIChild program,
22 maternal outpatient medical services program, children's special
23 health care services, and adult benefit waiver program.

24 (2) For products distributed by pharmaceutical manufacturers
25 not providing quarterly rebates as listed in subsection (1), the
26 department may require preauthorization.

27 Sec. 1629. The department shall utilize maximum allowable cost

1 pricing for generic drugs that is based on wholesaler pricing to
2 providers that is available from at least 2 wholesalers who deliver
3 in the state of Michigan.

4 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
5 dental services, and chiropractic services shall continue at not
6 less than the level in effect on October 1, 2002, except that
7 reasonable utilization limitations may be adopted in order to
8 prevent excess utilization. The department shall not impose
9 utilization restrictions on chiropractic services unless a
10 recipient has exceeded 18 office visits within 1 year.

11 (2) The department may implement the bulk purchase of hearing
12 aids, impose limitations on binaural hearing aid benefits, and
13 limit the replacement of hearing aids to once every 3 years.

14 Sec. 1631. (1) The department shall require copayments on
15 dental, podiatric, chiropractic, vision, and hearing aid services
16 provided to Medicaid recipients, except as prohibited by federal or
17 state law or regulation.

18 (2) Except as otherwise prohibited by federal or state law or
19 regulations, the department shall require Medicaid recipients to
20 pay the following copayments:

21 (a) Two dollars for a physician office visit.

22 (b) Three dollars for a hospital emergency room visit.

23 (c) Fifty dollars for the first day of an inpatient hospital
24 stay.

25 (d) One dollar for an outpatient hospital visit.

26 (3) In addition to the minimum copayments listed in subsection
27 (2), the department shall increase and expand Medicaid cost-sharing

1 mechanisms as permitted by the federal deficit reduction act of
2 2005, Public Law 109-171. These additional copayments or premiums,
3 or both, shall be designed so as to produce \$10,000,000.00 in
4 general fund/general purpose savings to the state Medicaid program.

5 Sec. 1633. By March 1 of the current fiscal year, the
6 department shall report to the house and senate appropriations
7 subcommittees on community health, the house and senate fiscal
8 agencies, and the state budget director on the feasibility of
9 providing healthy kids dental coverage in cities rather than entire
10 counties.

11 Sec. 1635. From the funds appropriated in part 1 for physician
12 services and health plan services, the department shall continue
13 the increase in Medicaid reimbursement rates for obstetrical
14 services implemented in fiscal year 2005-2006.

15 Sec. 1636. From the funds appropriated in part 1 for physician
16 services and health plan services, the department shall continue
17 the increase in Medicaid reimbursement rates for physician well
18 child procedure codes and primary care procedure codes implemented
19 in fiscal year 2006-2007 and fiscal year 2008-2009. The increased
20 reimbursement rates in this section shall not exceed the comparable
21 Medicare payment rate for the same services.

22 Sec. 1637. (1) All adult Medicaid recipients shall be offered
23 the opportunity to sign a Medicaid personal responsibility
24 agreement.

25 (2) The personal responsibility agreement shall include at
26 minimum the following provisions:

27 (a) That the recipient shall not smoke.

1 (b) That the recipient shall attend all scheduled medical
2 appointments.

3 (c) That the recipient shall exercise regularly.

4 (d) That if the recipient has children, those children shall
5 be up to date on their immunizations.

6 (e) That the recipient shall abstain from abusing controlled
7 substances and narcotics.

8 Sec. 1641. An institutional provider that is required to
9 submit a cost report under the medical services program shall
10 submit cost reports completed in full within 5 months after the end
11 of its fiscal year.

12 Sec. 1642. The department shall continue to allow ambulatory
13 surgery centers in this state to fully participate in the Medicaid
14 program when hospitals are reimbursed for Medicaid services through
15 the new Michigan Medicaid information system. Ambulatory surgery
16 centers that provide services to Medicaid eligible patients shall
17 be reimbursed in the same manner as hospitals. The reimbursement
18 schedule for ambulatory surgery centers that was developed and
19 implemented in consultation with the industry in fiscal year 2007-
20 2008 shall continue to be used in fiscal year 2009-2010.

21 Sec. 1643. Of the funds appropriated in part 1 for graduate
22 medical education in the hospital services and therapy line-item
23 appropriation, not less than \$10,947,400.00 shall be allocated for
24 the psychiatric residency training program that establishes and
25 maintains collaborative relations with the schools of medicine at
26 Michigan State University and Wayne State University if the
27 necessary allowable Medicaid matching funds are provided by the

1 universities.

2 Sec. 1647. From the funds appropriated in part 1 for medical
3 services, the department shall allocate for graduate medical
4 education not less than the level of rates and payments in effect
5 on April 1, 2005.

6 Sec. 1648. The department shall maintain and make available an
7 online resource to enable medical providers to obtain enrollment
8 and benefit information of Medicaid recipients. There shall be no
9 charge to providers for the use of the online resource.

10 Sec. 1649. From the funds appropriated in part 1 for medical
11 services, the department shall continue breast and cervical cancer
12 treatment coverage for women up to 250% of the federal poverty
13 level, who are under age 65, and who are not otherwise covered by
14 insurance. This coverage shall be provided to women who have been
15 screened through the centers for disease control breast and
16 cervical cancer early detection program, and are found to have
17 breast or cervical cancer, pursuant to the breast and cervical
18 cancer prevention and treatment act of 2000, Public Law 106-354.

19 Sec. 1650. (1) The department may require medical services
20 recipients residing in counties offering managed care options to
21 choose the particular managed care plan in which they wish to be
22 enrolled. Persons not expressing a preference may be assigned to a
23 managed care provider.

24 (2) Persons to be assigned a managed care provider shall be
25 informed in writing of the criteria for exceptions to capitated
26 managed care enrollment, their right to change HMOs for any reason
27 within the initial 90 days of enrollment, the toll-free telephone

1 number for problems and complaints, and information regarding
2 grievance and appeals rights.

3 (3) The criteria for medical exceptions to HMO enrollment
4 shall be based on submitted documentation that indicates a
5 recipient has a serious medical condition, and is undergoing active
6 treatment for that condition with a physician who does not
7 participate in 1 of the HMOs. If the person meets the criteria
8 established by this subsection, the department shall grant an
9 exception to mandatory enrollment at least through the current
10 prescribed course of treatment, subject to periodic review of
11 continued eligibility.

12 Sec. 1651. (1) Medical services patients who are enrolled in
13 HMOs have the choice to elect hospice services or other services
14 for the terminally ill that are offered by the HMOs. If the patient
15 elects hospice services, those services shall be provided in
16 accordance with part 214 of the public health code, 1978 PA 368,
17 MCL 333.21401 to 333.21420.

18 (2) The department shall not amend the medical services
19 hospice manual in a manner that would allow hospice services to be
20 provided without making available all comprehensive hospice
21 services described in 42 CFR part 418.

22 Sec. 1652. Any new contracts with Medicaid health plans
23 negotiated or signed, or both, during the current fiscal year shall
24 include the following provisions regarding expansion of services by
25 the Medicaid HMOs to counties not previously served by that
26 Medicaid HMO:

27 (a) The Medicaid HMO shall not sell, transfer, or otherwise

1 convey to any person all or any portion of the HMO's assets or
2 business, whether in the form of equity, debt or otherwise, for a
3 period of 3 years from the date the Medicaid HMO commences
4 operations in a new service area.

5 (b) That any Medicaid HMOs that expand into a county with a
6 population of at least 1,500,000 shall also expand its coverage to
7 a county with a population of less than 100,000 which has 1 or
8 fewer HMOs participating in the Medicaid program.

9 Sec. 1653. Implementation and contracting for managed care by
10 the department through HMOs shall be subject to the following
11 conditions:

12 (a) Continuity of care is assured by allowing enrollees to
13 continue receiving required medically necessary services from their
14 current providers for a period not to exceed 1 year if enrollees
15 meet the managed care medical exception criteria.

16 (b) The department shall require contracted HMOs to submit
17 data determined necessary for evaluation on a timely basis.

18 (c) Mandatory enrollment of Medicaid beneficiaries living in
19 counties defined as rural by the federal government, which is any
20 nonurban standard metropolitan statistical area, is allowed if
21 there is only 1 HMO serving the Medicaid population, as long as
22 each Medicaid beneficiary is assured of having a choice of at least
23 2 physicians by the HMO.

24 (d) Enrollment of recipients of children's special health care
25 services in HMOs shall continue to be voluntary for those enrolled
26 in the children's special health care services program before
27 October 1, 2009. Children's special health care services recipients

1 shall be informed of the opportunity to enroll in HMOs.

2 (e) The department shall develop a case adjustment to its rate
3 methodology that considers the costs of persons with HIV/AIDS, end
4 stage renal disease, organ transplants, and other high-cost
5 diseases or conditions and shall implement the case adjustment when
6 it is proven to be actuarially and fiscally sound. Implementation
7 of the case adjustment must be budget neutral.

8 (f) Prior to contracting with an HMO for managed care services
9 that did not have a contract with the department before October 1,
10 2002, the department shall receive assurances from the office of
11 financial and insurance regulation that the HMO meets the net worth
12 and financial solvency requirements contained in chapter 35 of the
13 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

14 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
15 HMO covered services delivered other than through the HMO's
16 providers if medically necessary and approved by the HMO,
17 immediately required, and that could not be reasonably obtained
18 through the HMO's providers on a timely basis. Such services shall
19 be considered approved if the HMO does not respond to a request for
20 authorization within 24 hours of the request. Reimbursement shall
21 not exceed the Medicaid fee-for-service payment for those services.

22 Sec. 1655. (1) The department may require a 12-month lock-in
23 to the HMO selected by the recipient during the initial and
24 subsequent open enrollment periods, but allow for good cause
25 exceptions during the lock-in period.

26 (2) Medicaid recipients shall be allowed to change HMOs for
27 any reason within the initial 90 days of enrollment.

1 Sec. 1656. (1) The department shall provide an expedited
2 complaint review procedure for Medicaid eligible persons enrolled
3 in HMOs for situations in which failure to receive any health care
4 service would result in significant harm to the enrollee.

5 (2) The department shall provide for a toll-free telephone
6 number for Medicaid recipients enrolled in managed care to assist
7 with resolving problems and complaints. If warranted, the
8 department shall immediately disenroll persons from managed care
9 and approve fee-for-service coverage.

10 Sec. 1657. (1) Reimbursement for medical services to screen
11 and stabilize a Medicaid recipient, including stabilization of a
12 psychiatric crisis, in a hospital emergency room shall not be made
13 contingent on obtaining prior authorization from the recipient's
14 HMO. If the recipient is discharged from the emergency room, the
15 hospital shall notify the recipient's HMO within 24 hours of the
16 diagnosis and treatment received.

17 (2) If the treating hospital determines that the recipient
18 will require further medical service or hospitalization beyond the
19 point of stabilization, that hospital must receive authorization
20 from the recipient's HMO prior to admitting the recipient.

21 (3) Subsections (1) and (2) shall not be construed as a
22 requirement to alter an existing agreement between an HMO and their
23 contracting hospitals nor as a requirement that an HMO must
24 reimburse for services that are not considered to be medically
25 necessary.

26 Sec. 1658. (1) HMOs shall have contracts with hospitals within
27 a reasonable distance from their enrollees. If a hospital does not

1 contract with the HMO in its service area, that hospital shall
2 enter into a hospital access agreement as specified in the Medical
3 Services Administration Bulletin Hospital 01-19.

4 (2) A hospital access agreement specified in subsection (1)
5 shall be considered an affiliated provider contract pursuant to the
6 requirements contained in chapter 35 of the insurance code of 1956,
7 1956 PA 218, MCL 500.3501 to 500.3580.

8 Sec. 1659. The following sections of this act are the only
9 ones that shall apply to the following Medicaid managed care
10 programs, including the comprehensive plan, MIChoice long-term care
11 plan, and the mental health, substance abuse, and developmentally
12 disabled services program: 271, 288, 401, 402, 404, 411, 414, 418,
13 424, 428, 456, 462, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656,
14 1657, 1658, 1660, 1661, 1662, 1699, 1711, 1752, 1783, 1787, 1791,
15 1815, 1820, 1821, and 1828.

16 Sec. 1660. (1) The department shall assure that all Medicaid
17 children have timely access to EPSDT services as required by
18 federal law. Medicaid HMOs shall provide EPSDT services to their
19 child members in accordance with Medicaid EPSDT policy.

20 (2) The primary responsibility of assuring a child's hearing
21 and vision screening is with the child's primary care provider. The
22 primary care provider shall provide age-appropriate screening or
23 arrange for these tests through referrals to local health
24 departments. Local health departments shall provide preschool
25 hearing and vision screening services and accept referrals for
26 these tests from physicians or from Head Start programs in order to
27 assure all preschool children have appropriate access to hearing

1 and vision screening. Local health departments shall be reimbursed
2 for the cost of providing these tests for Medicaid eligible
3 children by the Medicaid program.

4 (3) The department shall prohibit HMOs from requiring prior
5 authorization of their contracted providers for any EPSDT screening
6 and diagnosis services.

7 (4) The department shall require HMOs to be responsible for
8 well child visits as described in Medicaid policy. These
9 responsibilities shall be specified in the information distributed
10 by the HMOs to their members.

11 (5) The department shall provide, on an annual basis, budget-
12 neutral incentives to Medicaid HMOs and local health departments to
13 improve performance on measures related to the care of children.

14 Sec. 1661. (1) The department shall assure that all Medicaid
15 eligible children and pregnant women have timely access to MIHP
16 services. Medicaid HMOs shall assure that MIHP screening is
17 available to their pregnant members and that those women found to
18 meet the MIHP high-risk criteria are offered maternal support
19 services. Local health departments shall assure that MIHP screening
20 is available for Medicaid pregnant women and that those women found
21 to meet the MIHP high-risk criteria are offered MIHP services or
22 are referred to a certified MIHP provider.

23 (2) The department shall require HMOs to be responsible for
24 the coordination of MIHP services as described in Medicaid policy.
25 These responsibilities shall be specified in the information
26 distributed by the HMOs to their members.

27 (3) The department shall assure the coordination of MIHP

1 services with the WIC program, state-supported substance abuse,
2 smoking prevention, and violence prevention programs, the
3 department of human services, and any other state or local program
4 with a focus on preventing adverse birth outcomes and child abuse
5 and neglect.

6 (4) The department shall provide, on an annual basis, budget-
7 neutral incentives to Medicaid HMOs and local health departments to
8 improve performance on measures related to the care of pregnant
9 women.

10 Sec. 1662. (1) The department shall assure that an external
11 quality review of each contracting HMO is performed that results in
12 an analysis and evaluation of aggregated information on quality,
13 timeliness, and access to health care services that the HMO or its
14 contractors furnish to Medicaid beneficiaries.

15 (2) The department shall require Medicaid HMOs to provide
16 EPSDT utilization data through the encounter data system, and
17 health employer data and information set well child health measures
18 in accordance with the National Committee on Quality Assurance
19 prescribed methodology.

20 (3) The department shall provide a copy of the analysis of the
21 Medicaid HMO annual audited health employer data and information
22 set reports and the annual external quality review report to the
23 senate and house of representatives appropriations subcommittees on
24 community health, the senate and house fiscal agencies, and the
25 state budget director, within 30 days of the department's receipt
26 of the final reports from the contractors.

27 (4) The department shall work with the Michigan association of

1 health plans and the Michigan association for local public health
2 to improve service delivery and coordination in the MIHP and EPSDT
3 programs.

4 (5) The department shall assure that training and technical
5 assistance are available for EPSDT and MIHP for Medicaid health
6 plans, local health departments, and MIHP contractors.

7 Sec. 1670. (1) The appropriation in part 1 for the MICHild
8 program is to be used to provide comprehensive health care to all
9 children under age 19 who reside in families with income at or
10 below 200% of the federal poverty level, who are uninsured and have
11 not had coverage by other comprehensive health insurance within 6
12 months of making application for MICHild benefits, and who are
13 residents of this state. The department shall develop detailed
14 eligibility criteria through the medical services administration
15 public concurrence process, consistent with the provisions of this
16 act. Health coverage for children in families between 150% and 200%
17 of the federal poverty level shall be provided through a state-
18 based private health care program.

19 (2) The department may provide up to 1 year of continuous
20 eligibility to children eligible for the MICHild program unless the
21 family fails to pay the monthly premium, a child reaches age 19, or
22 the status of the children's family changes and its members no
23 longer meet the eligibility criteria as specified in the federally
24 approved MICHild state plan.

25 (3) Children whose category of eligibility changes between the
26 Medicaid and MICHild programs shall be assured of keeping their
27 current health care providers through the current prescribed course

1 of treatment for up to 1 year, subject to periodic reviews by the
2 department if the beneficiary has a serious medical condition and
3 is undergoing active treatment for that condition.

4 (4) To be eligible for the MICHild program, a child must be
5 residing in a family with an adjusted gross income of less than or
6 equal to 200% of the federal poverty level. The department's
7 verification policy shall be used to determine eligibility.

8 (5) The department shall enter into a contract to obtain
9 MICHild services from any HMO, dental care corporation, or any
10 other entity that offers to provide the managed health care
11 benefits for MICHild services at the MICHild capitated rate. As
12 used in this subsection:

13 (a) "Dental care corporation", "health care corporation",
14 "insurer", and "prudent purchaser agreement" mean those terms as
15 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
16 550.52.

17 (b) "Entity" means a health care corporation or insurer
18 operating in accordance with a prudent purchaser agreement.

19 (6) The department may enter into contracts to obtain certain
20 MICHild services from community mental health service programs.

21 (7) The department may make payments on behalf of children
22 enrolled in the MICHild program from the line-item appropriation
23 associated with the program as described in the MICHild state plan
24 approved by the United States department of health and human
25 services, or from other medical services.

26 (8) The department shall assure that an external quality
27 review of each MICHild contractor, as described in subsection (5),

1 is performed, which analyzes and evaluates the aggregated
2 information on quality, timeliness, and access to health care
3 services that the contractor furnished to MICHild beneficiaries.

4 (9) The department shall develop an automatic enrollment
5 algorithm that is based on quality and performance factors.

6 Sec. 1671. From the funds appropriated in part 1, the
7 department shall continue a comprehensive approach to the marketing
8 and outreach of the MICHild program. The marketing and outreach
9 required under this section shall be coordinated with current
10 outreach, information dissemination, and marketing efforts and
11 activities conducted by the department.

12 Sec. 1673. The department may establish premiums for MICHild
13 eligible persons in families with income above 150% of the federal
14 poverty level. The monthly premiums shall not be less than \$10.00
15 or exceed \$15.00 for a family.

16 Sec. 1677. The MICHild program shall provide all benefits
17 available under the state employee insurance plan that are
18 delivered through contracted providers and consistent with federal
19 law, including, but not limited to, the following medically
20 necessary services:

21 (a) Inpatient mental health services, other than substance
22 abuse treatment services, including services furnished in a state-
23 operated mental hospital and residential or other 24-hour
24 therapeutically planned structured services.

25 (b) Outpatient mental health services, other than substance
26 abuse services, including services furnished in a state-operated
27 mental hospital and community-based services.

1 (c) Durable medical equipment and prosthetic and orthotic
2 devices.

3 (d) Dental services as outlined in the approved MICHild state
4 plan.

5 (e) Substance abuse treatment services that may include
6 inpatient, outpatient, and residential substance abuse treatment
7 services.

8 (f) Care management services for mental health diagnoses.

9 (g) Physical therapy, occupational therapy, and services for
10 individuals with speech, hearing, and language disorders.

11 (h) Emergency ambulance services.

12 Sec. 1680. Payment increases for enhanced wages and new or
13 enhanced employee benefits provided in previous years through the
14 Medicaid nursing home wage pass-through program shall be continued.

15 Sec. 1681. From the funds appropriated in part 1 for home- and
16 community-based services, the department and local waiver agents
17 shall encourage the use of family members, friends, and neighbors
18 of home- and community-based services participants, where
19 appropriate, to provide homemaker services, meal preparation,
20 transportation, chore services, and other nonmedical covered
21 services to participants in the Medicaid home- and community-based
22 services program. This section shall not be construed as allowing
23 for the payment of family members, friends, or neighbors for these
24 services unless explicitly provided for in federal or state law.

25 Sec. 1682. (1) The department shall implement enforcement
26 actions as specified in the nursing facility enforcement provisions
27 of section 1919 of title XIX, 42 USC 1396r.

1 (2) In addition to the appropriations in part 1, the
2 department is authorized to receive and spend penalty money
3 received as the result of noncompliance with medical services
4 certification regulations. Penalty money, characterized as private
5 funds, received by the department shall increase authorizations and
6 allotments in the long-term care accounts.

7 (3) The department is authorized to provide civil monetary
8 penalty funds to the disability network of Michigan to be
9 distributed to the 15 centers for independent living for the
10 purpose of assisting individuals with disabilities who reside in
11 nursing homes to return to their own homes.

12 (4) The department is authorized to use civil monetary penalty
13 funds to conduct a survey evaluating consumer satisfaction and the
14 quality of care at nursing homes. Factors can include, but are not
15 limited to, the level of satisfaction of nursing home residents,
16 their families, and employees. The department may use an
17 independent contractor to conduct the survey.

18 (5) Any unexpended penalty money, at the end of the year,
19 shall carry forward to the following year.

20 Sec. 1683. The department shall promote activities that
21 preserve the dignity and rights of terminally ill and chronically
22 ill individuals. Priority shall be given to programs, such as
23 hospice, that focus on individual dignity and quality of care
24 provided persons with terminal illness and programs serving persons
25 with chronic illnesses that reduce the rate of suicide through the
26 advancement of the knowledge and use of improved, appropriate pain
27 management for these persons; and initiatives that train health

1 care practitioners and faculty in managing pain, providing
2 palliative care, and suicide prevention.

3 Sec. 1684. The department shall submit a report by September
4 30, 2010 to the house and senate appropriations subcommittees on
5 community health, the house and senate fiscal agencies, and the
6 state budget director that will identify by waiver agent, Medicaid
7 home- and community-based services waiver costs by administration,
8 case management, and direct services.

9 Sec. 1685. All nursing home rates, class I and class III, must
10 have their respective fiscal year rate set 30 days prior to the
11 beginning of their rate year. Rates may take into account the most
12 recent cost report prepared and certified by the preparer, provider
13 corporate owner or representative as being true and accurate, and
14 filed timely, within 5 months of the fiscal year end in accordance
15 with Medicaid policy. If the audited version of the last report is
16 available, it shall be used. Any rate factors based on the filed
17 cost report may be retroactively adjusted upon completion of the
18 audit of that cost report.

19 Sec. 1687. The department shall study the feasibility, impact,
20 and cost of supporting a Medicaid rate enhancement to be used
21 exclusively to fund affordable, accessible, and adequate health
22 insurance for direct care workers in nursing homes, adult foster
23 care homes, homes for the aged, and home- and community-based
24 services programs. The department shall report its findings and
25 recommendations to the senate and house appropriations
26 subcommittees on community health and the senate and house fiscal
27 agencies by April 1, 2010.

1 Sec. 1688. The department shall not impose a limit on per unit
2 reimbursements to service providers that provide personal care or
3 other services under the Medicaid home- and community-based
4 services waiver program for the elderly and disabled. The
5 department's per day per client reimbursement cap calculated in the
6 aggregate for all services provided under the Medicaid home- and
7 community-based services waiver is not a violation of this section.

8 Sec. 1689. (1) Priority in enrolling additional persons in the
9 Medicaid home- and community-based services waiver program shall be
10 given to those who are currently residing in nursing homes or who
11 are eligible to be admitted to a nursing home if they are not
12 provided home- and community-based services. The department shall
13 use screening and assessment procedures to assure that no
14 additional Medicaid eligible persons are admitted to nursing homes
15 who would be more appropriately served by the Medicaid home- and
16 community-based services waiver program.

17 (2) Within 60 days of the end of each fiscal quarter, the
18 department shall provide a report to the senate and house
19 appropriations subcommittees on community health and the senate and
20 house fiscal agencies that details existing and future allocations
21 for the home- and community-based services waiver program by
22 regions as well as the associated expenditures. The report shall
23 include information regarding the net cost savings from moving
24 individuals from a nursing home to the home- and community-based
25 services waiver program, the number of individuals transitioned
26 from nursing homes to the home- and community-based services waiver
27 program, the number of individuals on waiting lists by region for

1 the program, and the amount of funds transferred during the fiscal
2 quarter. The report shall also include the number of Medicaid
3 individuals served and the number of days of care for the home- and
4 community-based services waiver program and in nursing homes.

5 (3) The department shall develop a system to collect and
6 analyze information regarding individuals on the home- and
7 community-based services waiver program waiting list to identify
8 the community supports they receive, including, but not limited to,
9 adult home help, food assistance, and housing assistance services
10 and to determine the extent to which these community supports help
11 individuals remain in their home and avoid entry into a nursing
12 home. The department shall provide a progress report on
13 implementation to the senate and house appropriations subcommittees
14 on community health and the senate and house fiscal agencies by
15 June 1 of the current fiscal year.

16 (4) It is the intent of the legislature that the department
17 shall revise any policies, guidelines, procedures, standards, and
18 regulations in order to limit the self-determination option with
19 respect to the home- and community-based services waiver program to
20 those services furnished by approved home-based service providers
21 meeting provider qualifications established in the waiver and
22 approved by the centers for Medicare and Medicaid services.

23 Sec. 1690. (1) The department shall submit a report to the
24 house and senate appropriations subcommittees on community health,
25 the house and senate fiscal agencies, and the state budget director
26 by April 1 of the current fiscal year, to include all data
27 collected on the quality assurance indicators in the preceding

1 fiscal year for the home- and community-based services waiver
2 program, as well as quality improvement plans and data collected on
3 critical incidents in the waiver program and their resolutions.

4 (2) The department shall submit a report to the house and
5 senate appropriations subcommittees on community health, the house
6 and senate fiscal agencies, and the state budget director by April
7 1 of the current fiscal year, to include all data collected on the
8 quality assurance indicators in the preceding fiscal year for the
9 adult home help program, as well as quality improvement plans and
10 data collected on critical incidents in the adult home help program
11 and their resolutions.

12 Sec. 1691. (1) Payment increases provided in previous years to
13 adult home help workers shall be continued. From the funds
14 appropriated in part 1 for adult home help services, \$16,584,000.00
15 is appropriated to increase the wages of adult home help workers by
16 50 cents per hour in all counties effective October 1, 2009.

17 (2) The department, in conjunction with the department of
18 human services, shall revise any policies, rules, procedures, or
19 regulations that may be an administrative barrier to the
20 implementation of the wage adjustments described in this section.

21 Sec. 1692. (1) The department is authorized to pursue
22 reimbursement for eligible services provided in Michigan schools
23 from the federal Medicaid program. The department and the state
24 budget director are authorized to negotiate and enter into
25 agreements, together with the department of education, with local
26 and intermediate school districts regarding the sharing of federal
27 Medicaid services funds received for these services. The department

1 is authorized to receive and disburse funds to participating school
2 districts pursuant to such agreements and state and federal law.

3 (2) From the funds appropriated in part 1 for medical services
4 school-based services payments, the department is authorized to do
5 all of the following:

6 (a) Finance activities within the medical services
7 administration related to this project.

8 (b) Reimburse participating school districts pursuant to the
9 fund-sharing ratios negotiated in the state-local agreements
10 authorized in subsection (1).

11 (c) Offset general fund costs associated with the medical
12 services program.

13 Sec. 1693. The special Medicaid reimbursement appropriation in
14 part 1 may be increased if the department submits a medical
15 services state plan amendment pertaining to this line item at a
16 level higher than the appropriation. The department is authorized
17 to appropriately adjust financing sources in accordance with the
18 increased appropriation.

19 Sec. 1694. The department shall distribute \$1,122,300.00 to an
20 academic health care system that includes a children's hospital
21 that has a high indigent care volume.

22 Sec. 1695. (1) The department shall evaluate the impact of
23 implementing a case mix reimbursement system for nursing
24 facilities. The department shall consult with representatives from
25 the department, the health care association of Michigan, the
26 Michigan county medical care facilities council, and the Michigan
27 association of homes and services for the aging.

1 (2) The department shall provide a progress report to the
2 senate and house appropriations subcommittees on community health
3 and to the senate and house fiscal agencies by August 1 of the
4 current fiscal year.

5 Sec. 1697. (1) As may be allowed by federal law or regulation,
6 the department may use funds provided by a local or intermediate
7 school district, which have been obtained from a qualifying health
8 system, as the state match required for receiving federal Medicaid
9 or children health insurance program funds. Any such funds received
10 shall be used only to support new school-based or school-linked
11 health services.

12 (2) A qualifying health system is defined as any health care
13 entity licensed to provide health care services in the state of
14 Michigan, that has entered into a contractual relationship with a
15 local or intermediate school district to provide or manage school-
16 based or school-linked health services.

17 Sec. 1699. The department may make separate payments directly
18 to qualifying hospitals serving a disproportionate share of
19 indigent patients in the amount of \$51,000,000.00, and to hospitals
20 providing graduate medical education training programs. If direct
21 payment for GME and DSH is made to qualifying hospitals for
22 services to Medicaid clients, hospitals will not include GME costs
23 or DSH payments in their contracts with HMOs.

24 Sec. 1711. (1) The department shall maintain the 2-tier
25 reimbursement methodology for Medicaid emergency physicians
26 professional services that was in effect on September 30, 2002,
27 subject to the following conditions:

1 (a) Payments by case and in the aggregate shall not exceed 70%
2 of Medicare payment rates.

3 (b) Total expenditures for these services shall not exceed the
4 level of total payments made during fiscal year 2001-2002, after
5 adjusting for Medicare copayments and deductibles and for changes
6 in utilization.

7 (2) To ensure that total expenditures stay within the spending
8 constraints of subsection (1)(b), the department shall develop a
9 utilization adjustor for the basic 2-tier payment methodology. The
10 adjustor shall be based on a good faith estimate by the department
11 as to what the expected utilization of emergency room services will
12 be during the current fiscal year given changes in the number and
13 category of Medicaid recipients. If expenditure and utilization
14 data indicate that the amount and/or type of emergency physician
15 professional services are exceeding the department's estimate, the
16 utilization adjustor shall be applied to the 2-tier reimbursement
17 methodology in such a manner as to reduce aggregate expenditures to
18 the fiscal year 2001-2002 adjusted expenditure target.

19 Sec. 1712. (1) Subject to the availability of funds, the
20 department shall implement a rural health initiative. Available
21 funds shall first be allocated as an outpatient adjustor payment to
22 be paid directly to hospitals in rural counties in proportion to
23 each hospital's Medicaid and indigent patient population.
24 Additional funds, if available, shall be allocated for
25 defibrillator grants, EMT training and support, or other similar
26 programs.

27 (2) Except as otherwise specified in this section, "rural"

1 means a county, city, village, or township with a population of not
2 more than 30,000, including those entities if located within a
3 metropolitan statistical area.

4 Sec. 1716. The department shall seek to maintain a constant
5 enrollment level within the Medicaid adult benefits waiver program
6 throughout fiscal year 2009-2010.

7 Sec. 1717. (1) The department shall create 2 pools for
8 distribution of disproportionate share hospital funding. The first
9 pool, totaling \$45,000,000.00, shall be distributed using the
10 distribution methodology used in fiscal year 2003-2004. The second
11 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
12 hospitals and hospital systems that received less than \$900,000.00
13 in disproportionate share hospital payments in fiscal year 2007-
14 2008 based on a formula that is weighted proportional to the
15 product of each eligible system's Medicaid revenue and each
16 eligible system's Medicaid utilization, except that no payment of
17 less than \$1,000.00 shall be made.

18 (2) By September 30 of the current fiscal year, the department
19 shall report to the senate and house appropriations subcommittees
20 on community health and the senate and house fiscal agencies on the
21 new distribution of funding to each eligible hospital from the 2
22 pools.

23 Sec. 1718. The department shall provide each Medicaid adult
24 home help beneficiary or applicant with the right to a fair hearing
25 when the department or its agent reduces, suspends, terminates, or
26 denies adult home help services. If the department takes action to
27 reduce, suspend, terminate, or deny adult home help services, it

1 shall provide the beneficiary or applicant with a written notice
2 that states what action the department proposes to take, the
3 reasons for the intended action, the specific regulations that
4 support the action, and an explanation of the beneficiary's or
5 applicant's right to an evidentiary hearing and the circumstances
6 under which those services will be continued if a hearing is
7 requested.

8 Sec. 1721. The department shall conduct a review of Medicaid
9 eligibility pertaining to funds prepaid to a nursing home or other
10 health care facility that are subsequently returned to an
11 individual who becomes Medicaid eligible and shall report its
12 findings to the members of the house and senate appropriations
13 subcommittees on community health and the house and senate fiscal
14 agencies not later than May 15 of the current fiscal year. Included
15 in its report shall be recommendations for policy and procedure
16 changes regarding whether any funds prepaid to a nursing home or
17 other health care facility that are subsequently returned to an
18 individual, after the date of Medicaid eligibility and patient pay
19 amount determination, shall be considered as a countable asset and
20 recommendations for a mechanism for departmental monitoring of
21 those funds.

22 Sec. 1724. The department shall allow licensed pharmacies to
23 purchase injectable drugs for the treatment of respiratory
24 syncytial virus for shipment to physicians' offices to be
25 administered to specific patients. If the affected patients are
26 Medicaid eligible, the department shall reimburse pharmacies for
27 the dispensing of the injectable drugs and reimburse physicians for

1 the administration of the injectable drugs.

2 Sec. 1725. The department shall continue to work with the
3 department of human services to reduce Medicaid eligibility errors
4 related to basic eligibility requirements, residency issues, and
5 income requirements.

6 Sec. 1728. The department shall make available to qualifying
7 Medicaid recipients, not based on Medicare guidelines, freestanding
8 electrical lifting and transferring devices.

9 Sec. 1731. The department shall continue an asset test to
10 determine Medicaid eligibility for individuals who are parents,
11 caretaker relatives, or individuals between the ages of 18 and 21
12 and who are not required to be covered under federal Medicaid
13 requirements.

14 Sec. 1732. The department shall assure that, if proposed
15 modifications to the quality assurance assessment program for
16 nursing homes are not implemented, the projected general
17 fund/general purpose savings shall not be achieved through
18 reductions in nursing home reimbursement rates.

19 Sec. 1733. (1) The department shall seek additional federal
20 funds to permit the state to provide financial support for
21 electronic prescribing and other health information technology
22 initiatives.

23 (2) The department shall develop a 3-year strategic plan for
24 the implementation of electronic prescribing for the Medicaid
25 program.

26 Sec. 1734. The department shall seek federal money for
27 demonstration programs that will permit this state to provide

1 financial incentives for positive health behavior practiced by
2 Medicaid recipients, including, but not limited to, consumer-driven
3 strategies that enable Medicaid recipients to choose coverage that
4 meets their individual needs and that authorize monetary or other
5 rewards for demonstrating positive health behavior changes.

6 Sec. 1739. The department shall continue the contractor
7 performance bonus program for Medicaid health plans. The contractor
8 performance bonus program may include indicators based on the
9 prevalent and chronic conditions affecting the Medicaid population
10 and indicators of preventive health status for adults and children.

11 Sec. 1740. From the funds appropriated in part 1 for health
12 plan services, the department shall assure that all GME funds
13 continue to be promptly distributed to qualifying hospitals using
14 the methodology developed in consultation with the graduate medical
15 education advisory group during fiscal year 2006-2007.

16 Sec. 1741. The department shall continue to provide nursing
17 homes the opportunity to receive interim payments upon their
18 request. The department shall make efforts to ensure that the
19 interim payments are as similar to expected cost-settled payments
20 as possible.

21 Sec. 1742. The department shall allow the retention of up to
22 \$100.00 in special Medicaid reimbursement funding by any public
23 hospital that meets each of the following criteria:

24 (a) The hospital participates in the intergovernmental
25 transfers.

26 (b) The hospital is not affiliated with a university.

27 (c) The hospital provides surgical services.

1 (d) The hospital has at least 10,000 Medicaid bed days.

2 Sec. 1752. The department shall provide a Medicaid health plan
3 with any information that may assist the Medicaid health plan in
4 determining whether another party may be responsible, in whole or
5 in part, for the payment of health benefits.

6 Sec. 1756. The department shall establish and implement a
7 specialized case and care management program to serve the most
8 costly Medicaid beneficiaries who are noncompliant with medical
9 management, including persons with chronic diseases and mental
10 health diagnoses, high prescription drug utilizers, members
11 demonstrating noncompliance with previous medical management, and
12 neonates. The case and care management program shall, at a minimum,
13 provide a performance payment incentive for physicians who manage
14 the recipient's care and health costs in the most effective way.
15 The department may also develop additional contractual arrangements
16 with 1 or more Medicaid HMOs for the provision of specialized case
17 management services. Contracts with Medicaid HMOs may include
18 provisions requiring collection of data related to Medicaid
19 recipient compliance. Measures of patient compliance may include
20 the proportion of clients who fill their prescriptions, the rate of
21 clients who do not show for scheduled medical appointments, and the
22 proportion of clients who use their medication.

23 Sec. 1757. (1) The department shall direct the department of
24 human services to obtain proof from all Medicaid recipients that
25 they are legal United States citizens or otherwise legally residing
26 in this country and that they are residents of this state before
27 approving Medicaid eligibility.

1 (2) It is the intent of the legislature that the department
2 seek clarification from the federal government on whether states
3 can deny Medicaid eligibility to fugitive felons through a state
4 plan amendment of waiver.

5 Sec. 1759. The department shall implement the following policy
6 changes included in the federal deficit reduction act of 2005,
7 Public Law 109-171:

8 (a) Lengthening the look-back policy for asset transfers from
9 3 to 5 years.

10 (b) Changing the penalty period to begin the day an individual
11 applies for Medicaid.

12 (c) Individuals with more than \$500,000.00 in home equity do
13 not qualify for Medicaid.

14 (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL
15 400.601 to 400.613, to collect an enhanced state share of damages
16 collected from entities that have been successfully prosecuted for
17 filing a fraudulent Medicaid claim.

18 Sec. 1764. The department shall annually certify rates paid to
19 Medicaid health plans as being actuarially sound in accordance with
20 federal requirements and shall provide a copy of the rate
21 certification and approval immediately to the house and senate
22 appropriations subcommittees on community health and the house and
23 senate fiscal agencies.

24 Sec. 1767. The department shall study and evaluate the impact
25 of the change in the way in which the Medicaid program pays
26 pharmacists for prescriptions from average wholesale price to
27 average manufacturer price as required by the federal deficit

1 reduction act of 2005, Public Law 109-171. Upon release of the data
2 by the centers for Medicare and Medicaid services, the department
3 shall submit a report of its study to the senate and house
4 appropriations subcommittees on community health and the senate and
5 house fiscal agencies. If the department finds that there is a
6 negative impact on the pharmacists, the department shall reexamine
7 the current pharmaceutical dispensing fee structure established
8 under section 1620 and include in the report recommendations and
9 proposals to counter the negative impact of that federal
10 legislation.

11 Sec. 1770. In conjunction with the consultation requirements
12 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and
13 except as otherwise provided in this section, the department shall
14 attempt to make the effective date for a proposed Medicaid policy
15 bulletin or adjustment to the Medicaid provider manual on October
16 1, January 1, April 1, or July 1 after the end of the consultation
17 period. The department may provide an effective date for a proposed
18 Medicaid policy bulletin or adjustment to the Medicaid provider
19 manual other than provided for in this section if necessary to be
20 in compliance with federal or state law, regulations, or rules or
21 with an executive order of the governor.

22 Sec. 1772. From the funds appropriated in part 1, the
23 department shall continue a program, the primary goal of which is
24 to enroll all children in foster care in Michigan in a Medicaid
25 health maintenance organization.

26 Sec. 1773. (1) The department shall establish and implement a
27 bid process to identify a single private contractor to provide

1 Medicaid covered nonemergency transportation services in each
2 county with a population over 750,000 individuals.

3 (2) The department shall reimburse mileage for nonemergency
4 transportation that encourages contractors to participate.

5 Sec. 1775. The department shall provide a progress report on
6 ongoing efforts to implement long-term managed care pilot programs
7 to the senate and house appropriations subcommittees on community
8 health and the senate and house fiscal agencies by June 1 of the
9 current fiscal year.

10 Sec. 1777. From the funds appropriated in part 1 for long-term
11 care services, the department shall permit, in accordance with
12 applicable federal and state law, nursing homes to use dining
13 assistants to feed eligible residents if legislation to permit the
14 use of dining assistants is enacted into law. The department shall
15 not be responsible for costs associated with training dining
16 assistants.

17 Sec. 1783. (1) The department shall develop rates by April 1,
18 2010 for the enrollment of individuals dually eligible for Medicare
19 and Medicaid into Medicaid health plans if those health plans also
20 maintain a Medicare advantage special needs plan certified by the
21 centers for Medicare and Medicaid services.

22 (2) The department shall report quarterly to the house and
23 senate appropriations subcommittees on community health and to the
24 house and senate fiscal agencies the status of the rate development
25 described in subsection (1) and the number of dual eligibles
26 enrolled by month in Medicaid health plans with Medicare advantage
27 special needs plan certification for fiscal year 2009-2010.

1 Sec. 1786. (1) For services where the actual length of stay is
2 less than the published low-day threshold, reimbursement for
3 inpatient admissions shall be the actual charge multiplied by the
4 individual hospital's cost-to-charge ratio net of indirect medical
5 education, not to exceed the full diagnosis related group payment
6 rate.

7 (2) The reimbursement changes specified in subsection (1)
8 shall not be implemented unless the changes are budget-neutral.

9 (3) The department shall define a low-day threshold of 1 as an
10 inpatient stay of less than 24 hours.

11 (4) Any adjustment of low-day outliers implemented by the
12 department shall also include an appropriate adjustment to
13 diagnosis-related group weights and prices.

14 (5) The department shall identify any cost savings associated
15 with the implementation of low-day outliers for 1-day admissions to
16 hospitals that are less than 24 hours and diagnosis related group
17 weights and recalculations excluding the payments made outside of
18 rates. This information shall be submitted by March 1, 2010 to the
19 legislature and the fiscal agencies as part of an effort to
20 identify additional cost savings in the Medicaid program.

21 Sec. 1787. The department shall work with the department of
22 human services to obtain the telephone number of Medicaid
23 beneficiaries and shall provide each Medicaid health plan with the
24 telephone number of that health plan's enrollees on a monthly
25 basis.

26 Sec. 1789. The department shall study whether the current
27 nursing home occupancy ceiling is adequate and shall recommend

1 whether to retain the ceiling at 85% or to lower it. The department
2 shall report its findings and recommendations to the state budget
3 director, senate and house appropriations subcommittees on
4 community health, and senate and house fiscal agencies by April 1
5 of the current fiscal year.

6 Sec. 1791. (1) From the money appropriated in part 1 for
7 physician services and health plan services, \$5,285,700.00, of
8 which \$2,100,000.00 is general fund/general purpose money, shall be
9 allocated to increase Medicaid reimbursement rates for primary care
10 and well child visit procedure codes. The increased reimbursement
11 rates in this section shall be implemented October 1, 2008 and
12 shall not exceed the comparable Medicare payment rate for the same
13 services.

14 (2) The money allocated under subsection (1) shall be
15 distributed as a fee-for-service rate increase for primary care
16 procedure codes and as an adjustment paid exclusively to Medicaid
17 managed care organizations for well child visit procedure codes.

18 (3) By October 1, 2008, the department shall provide a report
19 to the house and senate appropriations subcommittees on community
20 health and the house and senate fiscal agencies that identifies the
21 specific procedure codes affected by this section and the amount
22 and percentage increase provided for each procedure code.

23 Sec. 1794. From the funds appropriated in part 1 for hospital
24 services and therapy, up to \$100.00 may be allocated for a program
25 to provide a per-person per-day reimbursement for a hospital
26 located in a city with a population over 500,000.

27 Sec. 1796. The department shall direct the health information

1 technology commission to examine strategies that promote the
2 ability to share medical records. The department shall report the
3 commission's findings by July 1, 2010.

4 Sec. 1802. The department may spend up to \$100,000.00 on a
5 pilot program targeting Medicaid recipients with certain high-cost
6 or complex health conditions. This pilot shall provide financial
7 incentives to primary care physicians to handle disease management
8 responsibilities for these Medicaid recipients.

9 Sec. 1804. The department, in cooperation with the department
10 of human services, shall work with the federal government's public
11 assistance reporting information system to identify Medicaid
12 recipients who are veterans who may be eligible for federal
13 veterans health care benefits or other benefits.

14 Sec. 1812. From the funds appropriated in part 1 for medical
15 services administration, up to \$100.00 may be allocated to support
16 a pilot project to develop a regional health care resource sharing
17 network. By encouraging collaboration and partnerships between
18 local hospitals, this network is expected to enable each hospital
19 to maintain independence and community control while sharing best
20 practices and resources. The pilot shall be designed to improve
21 access, improve patient outcomes, and lower costs in a medical home
22 model. The region for the pilot shall encompass 22 counties and
23 have 10 hospitals.

24 Sec. 1813. The department shall inform county boards of
25 commissioners in counties not presently covered by the program of
26 all-inclusive care for the elderly of the possibility of expansion
27 of the program to their county.

1 Sec. 1815. From the funds appropriated in part 1 for health
2 plan services, the department may not implement a capitation
3 withhold as part of the overall capitation rate schedule that
4 exceeds the 0.19% withhold administered during fiscal year 2008-
5 2009.

6 Sec. 1816. The department shall work with the Michigan
7 association of health plans to develop and implement strategies for
8 the use of information technology services for claims payment,
9 claims status, and related functions.

10 Sec. 1817. The department shall convene a workgroup including
11 members of the Michigan association of health plans and the
12 Michigan health and hospital association to discuss implementation
13 of a policy that will prohibit billing for care made necessary by
14 preventable medical errors or adverse health events. The workgroup
15 shall take into account similar policies implemented by the
16 Medicare program and by Medicaid programs in other states. The
17 workgroup shall report its findings and recommendations to the
18 legislature no later than April 1, 2010.

19 Sec. 1819. It is the intent of the legislature that, beginning
20 in fiscal year 2010-2011, the department shall use Medicaid health
21 plan encounter data in the development and revision of hospital
22 diagnosis-related group pricing policy.

23 Sec. 1820. The department shall recognize accrediting
24 organizations for Medicaid health plans and shall consider
25 accreditation results when reviewing the performance of Medicaid
26 health plans.

27 Sec. 1821. The department shall establish appropriate

1 performance standards for Medicaid health plans a year in advance
2 of the application of those standards. The determination of
3 performance shall be based on and include such recognized concepts
4 as 1-year continuous enrollment and HEDIS audited data.

5 Sec. 1822. The department, the department's contracted
6 Medicaid pharmacy benefit manager, and all Medicaid health plans
7 shall implement coverage for a mental health prescription drug
8 within 30 days of that drug's approval by the department's pharmacy
9 and therapeutics committee.

10 Sec. 1824. Individuals who live in homes for the aged or adult
11 foster care facilities shall be eligible to apply for enrollment
12 for services from the home- and community-based waiver program.

13 Sec. 1825. The department may work in conjunction with
14 relevant stakeholders to determine the feasibility of implementing
15 quality assurance assessment programs targeted to certain providers
16 of medical services, as permitted by federal law.

17 Sec. 1826. The department shall develop a plan to expand and
18 improve the beneficiary monitoring program. This plan shall include
19 cost-effective methods to monitor and reduce unnecessary health
20 care services, including prescription drugs, improve coordination
21 of services between the primary care physician and mental
22 health/substance abuse service providers, and improve compliance
23 with prescribed medical management to reduce more costly use of
24 emergency services. The department shall submit this plan to the
25 house and senate appropriations subcommittees on community health,
26 the house and senate fiscal agencies, and the state budget director
27 by April 1 of the current fiscal year.

1 Sec. 1828. (1) Effective October 1, 2009, Medicaid payment
2 rates for providers described in subsection (2) shall be reduced to
3 8% less than the rates in effect on May 1, 2009.

4 (2) Providers subject to the payment rate reduction shall be
5 limited to those providers subject to percentage rate reductions in
6 Executive Order No. 2009-22.

7 (3) The department shall reduce rates paid to Medicaid health
8 plans to correspond to the savings realized by the health plans
9 from the reduction in other Medicaid provider rates.

10 (4) If new revenue is generated to match federal Medicaid
11 funds, the revenue shall be used to reduce or eliminate the rate
12 reductions described in subsections (1), (2), and (3) and to
13 restore other reductions made to the fiscal year 2009-2010
14 department budget.

15 Sec. 1829. Notwithstanding the removal of coverage for certain
16 optional Medicaid services, the department shall continue its
17 policy of providing coverage for emergency services. For this
18 purpose, the department shall continue to adhere to the guidelines
19 outlined in MSA policy bulletin MSA 09-28.