

**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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

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

4

amounts listed in this part are appropriated for the department of

House Bill No. 4436 (H-5) as amended April 22, 2009

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..... 4,378.6

Average population 893.0

GROSS APPROPRIATION..... \$ [13,481,158,500]

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 47,177,000

ADJUSTED GROSS APPROPRIATION..... \$ [13,433,981,500]

Federal revenues:

Total other federal revenues 8,024,518,800

Federal - FMAP stimulus 936,735,900

Special revenue funds:

Total local revenues 217,839,500

Total private revenues 72,608,500

Merit award trust fund 22,899,900

Total other state restricted revenues 1,489,537,700

State general fund/general purpose \$ [2,669,841,200]

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

Departmental administration and management--172.2 FTE

1	positions	22,470,400
2	Worker's compensation program.....	9,147,100
3	Rent and building occupancy.....	10,778,100
4	Developmental disabilities council and projects--10.0	
5	FTE positions	<u>2,793,500</u>
6	GROSS APPROPRIATION.....	\$ 45,787,700
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	13,605,300
10	Special revenue funds:	
11	Total private revenues.....	35,200
12	Total other state restricted revenues.....	2,366,100
13	State general fund/general purpose.....	\$ 29,781,100
14	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
15	ADMINISTRATION AND SPECIAL PROJECTS	
16	Full-time equated classified positions..... 126.5	
17	Mental health/substance abuse program administration--	
18	125.5 FTE positions	\$ 16,206,700
19	Consumer involvement program.....	189,100
20	Gambling addiction--1.0 FTE position.....	3,000,000
21	Protection and advocacy services support.....	777,400
22	Mental health initiatives for older persons.....	1,049,200
23	Community residential and support services.....	2,136,000
24	Highway safety projects.....	400,000
25	Federal and other special projects.....	4,247,700
26	Family support subsidy.....	18,599,200
27	Housing and support services.....	9,306,800

1	Anti-drug abuse grants.....	8,575,000
2	Interdepartmental grant to judiciary for drug	
3	treatment courts	<u>1,800,000</u>
4	GROSS APPROPRIATION.....	\$ 66,287,100
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	49,124,300
8	Special revenue funds:	
9	Total private revenues.....	190,000
10	Total other state restricted revenues.....	3,000,000
11	State general fund/general purpose.....	\$ 13,972,800
12	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
13	SERVICES PROGRAMS	
14	Full-time equated classified positions..... 9.5	
15	Medicaid mental health services.....	\$ 1,968,455,100
16	Community mental health non-Medicaid services.....	337,111,700
17	Medicaid adult benefits waiver.....	40,000,000
18	Multicultural services.....	6,823,800
19	Medicaid substance abuse services.....	41,297,500
20	Respite services.....	1,000,000
21	CMHSP, purchase of state services contracts.....	120,833,400
22	Civil service charges.....	1,499,300
23	Federal mental health block grant--2.5 FTE positions .	15,374,900
24	State disability assistance program substance abuse	
25	services	6,509,800
26	Community substance abuse prevention, education, and	
27	treatment programs	108,768,100

1	Children's waiver home care program.....	19,549,800
2	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,166,000
3	Children with serious emotional disturbance waiver...	570,000
4	Mental health court pilot programs.....	<u>100</u>
5	GROSS APPROPRIATION.....	\$ 2,679,959,500
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues.....	1,404,613,100
9	Federal - FMAP stimulus.....	203,098,700
10	Special revenue funds:	
11	Total local revenues.....	15,081,700
12	Total other state restricted revenues.....	9,803,200
13	State general fund/general purpose.....	\$ 1,047,362,800
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...	2,465,100
5	Center for forensic psychiatry--578.6 FTE positions..	61,686,800
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.....	335,300
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	Severance pay.....	105,700
16	Gifts and bequests for patient living and treatment	
17	environment	<u>1,000,000</u>
18	GROSS APPROPRIATION.....	\$ 289,816,300
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of	
22	corrections	45,489,700
23	Federal revenues:	
24	Total other federal revenues.....	30,633,400
25	Federal - FMAP stimulus.....	3,382,200
26	Special revenue funds:	
27	CMHSP, purchase of state services contracts	120,833,400

1	Other local revenues.....	16,928,200
2	Total private revenues.....	1,000,000
3	Total other state restricted revenues.....	12,331,800
4	State general fund/general purpose.....	\$ 59,217,600
5	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
6	Full-time equated classified positions.....	92.7
7	Public health administration--8.3 FTE positions.....	\$ 2,247,300
8	Minority health grants and contracts--3.0 FTE	
9	positions	1,500,400
10	Promotion of healthy behaviors.....	2,375,900
11	Vital records and health statistics--81.4 FTE	
12	positions	<u>10,392,000</u>
13	GROSS APPROPRIATION.....	\$ 16,515,600
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	Interdepartmental grant from the department of human	
17	services	1,123,900
18	Federal revenues:	
19	Total federal revenues.....	5,236,900
20	Special revenue funds:	
21	Total private revenues.....	2,000,000
22	Total other state restricted revenues.....	6,516,000
23	State general fund/general purpose.....	\$ 1,638,800
24	Sec. 107. HEALTH POLICY, REGULATION, AND	
25	PROFESSIONS	
26	Full-time equated classified positions.....	420.6
27	Health systems administration--193.6 FTE positions ...	\$ 20,686,300

1	Emergency medical services program state staff--8.5	
2	FTE positions	1,498,400
3	Radiological health administration--21.4 FTE positions	2,947,400
4	Emergency medical services grants and services	660,000
5	Health professions--147.0 FTE positions	24,598,200
6	Background check program--5.5 FTE positions	2,681,000
7	Health policy, regulation, and professions	
8	administration--25.2 FTE positions.....	3,001,300
9	Nurse scholarship, education, and research program--	
10	3.0 FTE positions	1,718,300
11	Certificate of need program administration--14.0 FTE	
12	positions	1,955,700
13	Rural health services--1.0 FTE position.....	1,405,700
14	Michigan essential health provider.....	1,952,100
15	Primary care services--1.4 FTE positions	<u>4,518,800</u>
16	GROSS APPROPRIATION.....	\$ 67,623,200
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 federal revenues.....	24,716,100
23	Special revenue funds:	
24	Total local revenues.....	227,700
25	Total private revenues.....	455,000
26	Total other state restricted revenues.....	31,606,600
27	State general fund/general purpose.....	\$ 10,501,500

1	Sec. 108. INFECTIOUS DISEASE CONTROL	
2	Full-time equated classified positions.....	51.7
3	AIDS prevention, testing, and care programs--	12.7 FTE
4	positions	\$ 41,367,600
5	Immunization local agreements.....	13,990,300
6	Immunization program management and field support--	
7	15.0 FTE positions	2,038,800
8	Pediatric AIDS prevention and control--	1.0 FTE
9	position	1,226,400
10	Sexually transmitted disease control local agreements	3,910,700
11	Sexually transmitted disease control management and	
12	field support--23.0 FTE positions.....	<u>3,938,000</u>
13	GROSS APPROPRIATION.....	\$ 66,471,800
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	42,128,500
17	Special revenue funds:	
18	Total private revenues.....	10,873,600
19	Total other state restricted revenues.....	7,834,200
20	State general fund/general purpose.....	\$ 5,635,500
21	Sec. 109. LABORATORY SERVICES	
22	Full-time equated classified positions.....	123.0
23	Bovine tuberculosis--	1.0 FTE position..... \$ 200,400
24	Laboratory services--	122.0 FTE positions..... <u>18,819,800</u>
25	GROSS APPROPRIATION.....	\$ 19,020,200
26	Appropriated from:	
27	Interdepartmental grant revenues:	

1	Interdepartmental grant from the department of	
2	environmental quality	447,100
3	Federal revenues:	
4	Total federal revenues	1,683,600
5	Special revenue funds:	
6	Total other state restricted revenues	9,048,100
7	State general fund/general purpose	\$ 7,841,400
8	Sec. 110. EPIDEMIOLOGY	
9	Full-time equated classified positions.....	131.0
10	AIDS surveillance and prevention program	\$ 2,254,100
11	Asthma prevention and control--2.6 FTE positions	1,068,800
12	Bioterrorism preparedness--68.6 FTE positions	48,905,100
13	Epidemiology administration--42.3 FTE positions	8,133,800
14	Lead abatement program--7.0 FTE positions	2,191,300
15	Methamphetamine cleanup fund	100,000
16	Newborn screening follow-up and treatment services--	
17	10.5 FTE positions	4,692,100
18	Tuberculosis control and prevention	<u>867,000</u>
19	GROSS APPROPRIATION	\$ 68,212,200
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	60,390,800
23	Special revenue funds:	
24	Total private revenues	25,000
25	Total other state restricted revenues	5,295,200
26	State general fund/general purpose	\$ 2,501,200
27	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	

1	Implementation of 1993 PA 133, MCL 333.17015	\$	50,000
2	Local health services		220,000
3	Local public health operations		45,618,400
4	Medicaid outreach cost reimbursement to local health		
5	departments		<u>9,000,000</u>
6	GROSS APPROPRIATION	\$	54,888,400
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues		9,000,000
10	Special revenue funds:		
11	Total local revenues		5,150,000
12	Total other state restricted revenues		220,000
13	State general fund/general purpose	\$	40,518,400
14	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND		
15	HEALTH PROMOTION		
16	Full-time equated classified positions	75.3	
17	African-American male health initiative	\$	106,700
18	AIDS and risk reduction clearinghouse and media		
19	campaign		1,351,000
20	Alzheimer's information network		389,500
21	Cancer prevention and control program--12.0 FTE		
22	positions		15,219,900
23	Chronic disease prevention--27.7 FTE positions		6,490,700
24	Diabetes and kidney program--12.2 FTE positions		4,022,700
25	Health education, promotion, and research programs--		
26	6.5 FTE positions		829,600
27	Injury control intervention project		104,600

1	Michigan Parkinson's foundation.....	50,000
2	Morris Hood Wayne State University diabetes outreach .	400,000
3	Physical fitness, nutrition, and health.....	700,000
4	Public health traffic safety coordination--1.0 FTE	
5	position	445,100
6	Smoking prevention program--14.0 FTE positions	5,752,400
7	Tobacco tax collection and enforcement	610,000
8	Violence prevention--1.9 FTE positions	<u>1,892,900</u>
9	GROSS APPROPRIATION.....	\$ 38,365,100
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	22,288,600
13	Special revenue funds:	
14	Total private revenues.....	146,600
15	Total other state restricted revenues.....	13,900,500
16	State general fund/general purpose.....	\$ 2,029,400
17	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
18	SERVICES	
19	Full-time equated classified positions.....	56.3
20	Childhood lead program--6.0 FTE positions	\$ 2,766,600
21	Dental programs.....	1,119,400
22	Dental program for persons with developmental	
23	disabilities	151,000
24	Early childhood collaborative secondary prevention ...	524,000
25	Family, maternal, and children's health services	
26	administration--43.6 FTE positions.....	5,655,900
27	Family planning local agreements.....	9,793,800

House Bill No. 4436 (H-5) as amended April 22, 2009

1	Local MCH services.....	7,264,200
2	Migrant health care.....	272,200
3	Pregnancy prevention program.....	5,235,400
4	Prenatal care outreach and service delivery support ..	3,049,300
5	School health and education programs--1.0 FTE	
6	position	501,500
7	Special projects--2.7 FTE positions.....	[5,182,400]
8	Sudden infant death syndrome program.....	<u>321,300</u>
9	GROSS APPROPRIATION.....	\$ [41,837,000]
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	27,431,300
13	Special revenue funds:	
14	Total local revenues.....	75,000
15	Total other state restricted revenues.....	8,037,500
16	State general fund/general purpose.....	\$ [6,293,200]
17	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
18	NUTRITION PROGRAM	
19	Full-time equated classified positions.....	43.0
20	Women, infants, and children program administration	
21	and special projects--43.0 FTE positions.....	\$ 9,554,800
22	Women, infants, and children program local agreements	
23	and food costs	<u>236,506,700</u>
24	GROSS APPROPRIATION.....	\$ 246,061,500
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	192,815,400

1	Special revenue funds:	
2	Total private revenues.....	53,246,100
3	State general fund/general purpose.....	\$ 0
4	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
5	Full-time equated classified positions.....	47.8
6	Children's special health care services	
7	administration--45.0 FTE positions.....	\$ 4,927,000
8	Amputee program.....	184,600
9	Bequests for care and services--2.8 FTE positions....	1,514,600
10	Outreach and advocacy.....	3,773,500
11	Nonemergency medical transportation.....	2,711,200
12	Medical care and treatment.....	<u>203,782,100</u>
13	GROSS APPROPRIATION.....	\$ 216,893,000
14	Appropriated from:	
15	Federal revenues:	
16	Total other federal revenues.....	124,765,900
17	Federal - FMAP stimulus.....	16,174,800
18	Special revenue funds:	
19	Total private revenues.....	1,000,000
20	Total other state restricted revenues.....	3,396,900
21	State general fund/general purpose.....	\$ 71,555,400
22	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
23	Full-time equated classified positions.....	11.0
24	Grants administration services--11.0 FTE positions... \$	1,498,200
25	Justice assistance grants.....	13,000,000
26	Crime victim rights services grants.....	12,500,000
27	Crime victim's rights fund revenue to Michigan state	

1	police	1,053,300
2	Crime victim's rights fund revenue to department of	
3	human services	<u>1,300,000</u>
4	GROSS APPROPRIATION.....	\$ 29,351,500
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	15,055,300
8	Special revenue funds:	
9	Total other state restricted revenues.....	14,296,200
10	State general fund/general purpose.....	\$ 0
11	Sec. 117. OFFICE OF SERVICES TO THE AGING	
12	Full-time equated classified positions..... 37.5	
13	Commission (per diem \$50.00)	\$ 10,500
14	Office of services to aging administration--37.5 FTE	
15	positions	5,456,300
16	Community services.....	36,644,200
17	Nutrition services.....	37,947,500
18	Foster grandparent volunteer program.....	2,813,500
19	Retired and senior volunteer program.....	790,200
20	Senior companion volunteer program.....	2,021,200
21	Employment assistance.....	3,449,500
22	Respite care program.....	<u>6,800,000</u>
23	GROSS APPROPRIATION.....	\$ 95,932,900
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	53,879,600
27	Special revenue funds:	

1	Total private revenues.....	537,000
2	Merit award trust fund.....	5,000,000
3	Total other state restricted revenues.....	1,967,000
4	State general fund/general purpose.....	\$ 34,549,300
5	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
6	Full-time equated classified positions.....	380.0
7	Medical services administration--378.0 FTE positions .	\$ 61,707,600
8	Facility inspection contract.....	132,800
9	MICchild administration.....	4,327,800
10	Health information technology initiatives--2.0 FTE	
11	positions	<u>5,000,000</u>
12	GROSS APPROPRIATION.....	\$ 71,168,200
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	45,829,600
16	Special revenue funds:	
17	Total local revenues.....	5,000
18	Total other state restricted revenues.....	97,800
19	State general fund/general purpose.....	\$ 25,235,800
20	Sec. 119. MEDICAL SERVICES	
21	Hospital services and therapy.....	\$ 1,302,237,000
22	Hospital disproportionate share payments.....	51,000,000
23	Physician services.....	314,615,500
24	Medicare premium payments.....	357,350,800
25	Pharmaceutical services.....	259,651,500
26	Home health services.....	6,889,900
27	Hospice services.....	104,666,000

1	Transportation.....	22,947,500
2	Auxiliary medical services.....	12,161,700
3	Dental services.....	206,496,200
4	Ambulance services.....	24,941,700
5	Long-term care services.....	1,559,192,200
6	Medicaid home- and community-based services waiver...	176,426,800
7	Adult home help services.....	264,057,900
8	Personal care services.....	21,807,400
9	Program of all-inclusive care for the elderly.....	16,600,000
10	Single point of entry.....	12,724,200
11	Health plan services.....	3,654,609,600
12	MIChild program.....	41,378,000
13	Plan first family planning waiver.....	8,782,200
14	Medicaid adult benefits waiver.....	183,871,700
15	Special indigent care payments.....	191,683,900
16	Federal Medicare pharmaceutical program.....	183,611,800
17	Promotion of healthy behavior waiver.....	10,000,000
18	Maternal and child health.....	20,279,500
19	Social services to the physically disabled.....	1,344,900
20	Subtotal basic medical services program.....	9,009,327,900
21	School-based services.....	64,630,600
22	Special Medicaid reimbursement.....	240,074,200
23	Subtotal special medical services payments.....	<u>304,704,800</u>
24	GROSS APPROPRIATION.....	\$ 9,314,032,700
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues.....	5,864,095,300

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1	Federal - FMAP stimulus.....	714,080,200
2	Special revenue funds:	
3	Total local revenues.....	59,538,500
4	Total private revenues.....	3,100,000
5	Merit award trust fund.....	17,899,900
6	Total other state restricted revenues.....	1,356,246,700
7	State general fund/general purpose.....	\$ 1,299,072,100
8	Sec. 120. INFORMATION TECHNOLOGY	
9	Information technology services and projects.....	\$ 36,133,500
10	Michigan Medicaid information system.....	<u>16,801,100</u>
11	GROSS APPROPRIATION.....	\$ 52,934,600
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	37,225,800
15	Special revenue funds:	
16	Total other state restricted revenues.....	3,573,900
17	State general fund/general purpose.....	\$ 12,134,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

21 Sec. 201. Pursuant to section 30 of article IX of the state
 22 constitution of 1963, total state spending from state resources
 23 under part 1 for fiscal year 2009-2010 is [\$4,182,278,800.00] and
 24 state spending from state resources to be paid to local units of
 25 government for fiscal year 2009-2010 is \$1,322,526,800.00. 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
Housing and support services		599,800
Mental health initiatives for older persons		1,049,200

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

State disability assistance program substance

abuse services	\$	6,509,800
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Community substance abuse prevention, education, and

treatment programs		42,990,600
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Medicaid mental health services		511,186,400
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Community mental health non-Medicaid services		337,111,900
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Medicaid adult benefits waiver		10,308,000
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Multicultural services		6,823,800
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Medicaid substance abuse services		13,041,800
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Respite services		1,000,000
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Children's waiver home care program		5,225,700
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Nursing home PASARR		2,738,400
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STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH

DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON

MENTAL HEALTH SERVICES

Center for forensic psychiatry	\$	290,300
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PUBLIC HEALTH ADMINISTRATION

Minority health grants and contracts	\$	241,000
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1	Public health administration.....		61,500
2	HEALTH POLICY, REGULATION, AND PROFESSIONS		
3	Nurse scholarship, education, and research programs..	\$	72,600
4	Primary care services.....		115,600
5	INFECTIOUS DISEASE CONTROL		
6	AIDS prevention, testing, and care programs.....	\$	865,700
7	Immunization local agreements.....		2,158,100
8	Immunization program management and field support....		30,300
9	Sexually transmitted disease control local agreements		421,800
10	LABORATORY SERVICES		
11	Laboratory services.....	\$	3,300
12	EPIDEMIOLOGY		
13	Epidemiology administration.....	\$	125,000
14	Methamphetamine cleanup fund.....		100,000
15	LOCAL HEALTH ADMINISTRATION AND GRANTS		
16	Implementation of 1993 PA 133.....	\$	5,300
17	Local public health operations.....		40,468,400
18	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
19	Cancer prevention and control program.....	\$	397,300
20	Chronic disease prevention.....		261,600
21	Diabetes and kidney program.....		357,700
22	Smoking prevention program.....		959,900
23	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
24	Childhood lead program.....	\$	244,000
25	Family, maternal, and children's health administration		87,100
26	Family planning local agreements.....		111,300
27	Local MCH services.....		246,100

1	Pregnancy prevention program.....		1,558,800
2	Prenatal care outreach and service delivery support ..		697,800
3	School health and education programs.....		297,000
4	Special projects.....		819,800
5	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
6	Medical care and treatment.....	\$	451,100
7	Outreach and advocacy.....		3,077,500
8	MEDICAL SERVICES		
9	Dental services.....	\$	2,348,100
10	Long-term care services.....		262,002,000
11	Transportation.....		5,736,900
12	Medicaid adult benefits waiver.....		9,443,300
13	Hospital services and therapy.....		6,113,400
14	Physician services.....		3,717,400
15	OFFICE OF SERVICES TO THE AGING		
16	Community services.....	\$	14,554,300
17	Nutrition services.....		11,447,300
18	Foster grandparent volunteer program.....		738,900
19	Retired and senior volunteer program.....		203,600
20	Senior companion volunteer program.....		224,500
21	Respite care program.....		5,841,200
22	CRIME VICTIM SERVICES COMMISSION		
23	Crime victim rights services grants.....	\$	<u>6,800,000</u>
24	TOTAL OF PAYMENTS TO LOCAL UNITS		
25	OF GOVERNMENT.....	\$	1,322,526,800
26	Sec. 202. (1) The appropriations authorized under this act are		
27	subject to the management and budget act, 1984 PA 431, MCL 18.1101		

1 to 18.1594.

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

4 Sec. 203. As used in this act:

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

6 (b) "CMHSP" means a community mental health services program
7 as that term is defined in section 100a of the mental health code,
8 1974 PA 258, MCL 330.1100a.

9 (c) "Department" means the Michigan department of community
10 health.

11 (d) "Director" means the director of the department.

12 (e) "DSH" means disproportionate share hospital.

13 (f) "EPSDT" means early and periodic screening, diagnosis, and
14 treatment.

15 (g) "Federal poverty level" means the poverty guidelines
16 published annually in the federal register by the United States
17 department of health and human services under its authority to
18 revise the poverty line under 42 USC 9902.

19 (h) "FMAP" means federal medical assistance percentages.

20 (i) "FTE" means full-time equated.

21 (j) "GME" means graduate medical education.

22 (k) "Health plan" means, at a minimum, an organization that
23 meets the criteria for delivering the comprehensive package of
24 services under the department's comprehensive health plan.

25 (l) "HIV/AIDS" means human immunodeficiency virus/acquired
26 immune deficiency syndrome.

27 (m) "HMO" means health maintenance organization.

1 (n) "IDEA" means the individuals with disabilities education
2 act, 20 USC 1400 to 1482.

3 (o) "IDG" means interdepartmental grant.

4 (p) "MCH" means maternal and child health.

5 (q) "MIChild" means the program described in section 1670.

6 (r) "MIHP" means the maternal infant health program.

7 (s) "PASARR" means the preadmission screening and annual
8 resident review required under the omnibus budget reconciliation
9 act of 1987, section 1919(e)(7) of the social security act, 42 USC
10 1396r.

11 (t) "PIHP" means a specialty prepaid inpatient health plan for
12 Medicaid mental health services, services to persons with
13 developmental disabilities, and substance abuse services as
14 described in section 232b of the mental health code, 1974 PA 258,
15 MCL 330.1232b.

16 (u) "Title XVIII" means title XVIII of the social security
17 act, 42 USC 1395 to 1395iii.

18 (v) "Title XIX" means title XIX of the social security act, 42
19 USC 1396 to 1396w-1.

20 (w) "Title XX" means title XX of the social security act, 42
21 USC 1397 to 1397f.

22 (x) "WIC" means women, infants, and children supplemental
23 nutrition program.

24 Sec. 204. The civil service commission shall bill the
25 department at the end of the first fiscal quarter for the 1% charge
26 authorized by section 5 of article XI of the state constitution of
27 1963. The department shall pay the total amount of the billing by

1 the end of the second fiscal quarter.

2 Sec. 205. (1) A hiring freeze is imposed on the state
3 classified civil service. State departments and agencies are
4 prohibited from hiring any new full-time state classified civil
5 service employees and prohibited from filling any vacant state
6 classified civil service positions. This hiring freeze does not
7 apply to internal transfers of classified employees from 1 position
8 to another within a department.

9 (2) The state budget director may grant exceptions to this
10 hiring freeze when the state budget director believes that the
11 hiring freeze will render a state department or agency unable to
12 deliver basic services, will cause loss of revenue to the state,
13 will result in the inability of the state to receive federal funds,
14 or will necessitate additional expenditures that exceed any savings
15 from maintaining a vacancy. The state budget director shall report
16 annually to the chairpersons of the senate and house standing
17 committees on appropriations the number of exceptions to the hiring
18 freeze approved during the previous quarter and the reasons to
19 justify the exception.

20 Sec. 206. (1) In addition to the funds appropriated in part 1,
21 there is appropriated an amount not to exceed \$100,000,000.00 for
22 federal contingency funds. These funds are not available for
23 expenditure until they have been transferred to another line item
24 in this act under section 393(2) of the management and budget act,
25 1984 PA 431, MCL 18.1393.

26 (2) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$20,000,000.00 for state

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

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

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

17 Sec. 208. The department shall use the Internet to fulfill the
18 reporting requirements of this act. This requirement may include
19 transmission of reports via electronic mail to the recipients
20 identified for each reporting requirement, or it may include
21 placement of reports on the Internet or Intranet site.

22 Sec. 209. Funds appropriated in part 1 shall not be used for
23 the purchase of foreign goods or services, or both, if
24 competitively priced and of comparable quality American goods or
25 services, or both, are available. Preference shall be given to
26 goods or services, or both, manufactured or provided by Michigan
27 businesses if they are competitively priced and of comparable

1 quality. In addition, preference shall be given to goods or
 2 services, or both, that are manufactured or provided by Michigan
 3 businesses owned and operated by veterans if they are competitively
 4 priced and of comparable quality.

5 Sec. 210. The director shall take all reasonable steps to
 6 ensure businesses in deprived and depressed communities compete for
 7 and perform contracts to provide services or supplies, or both. The
 8 director shall strongly encourage firms with which the department
 9 contracts to subcontract with certified businesses in depressed and
 10 deprived communities for services, supplies, or both.

11 Sec. 211. (1) If the revenue collected by the department from
 12 fees and collections exceeds the amount appropriated in part 1, the
 13 revenue may be carried forward with the approval of the state
 14 budget director into the subsequent fiscal year. The revenue
 15 carried forward under this section shall be used as the first
 16 source of funds in the subsequent fiscal year.

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

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

27 (a) Maternal and child health block grant \$ 19,030,900

1	(b) Preventive health and health services	
2	block grant	3,589,800
3	(c) Substance abuse block grant	60,632,200
4	(d) Healthy Michigan fund	37,428,200
5	(e) Michigan health initiative	9,100,000

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

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

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

22 Sec. 213. The state departments, agencies, and commissions
23 receiving tobacco tax funds and healthy Michigan funds from part 1
24 shall report by April 1 of the current fiscal year to the senate
25 and house appropriations committees, the senate and house fiscal
26 agencies, and the state budget director on the following:

27 (a) Detailed spending plan by appropriation line item

1 including description of programs and a summary of organizations
2 receiving these funds.

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

5 (c) Eligibility criteria for program participation and maximum
6 benefit levels where applicable.

7 (d) Outcome measures used to evaluate programs, including
8 measures of the effectiveness of these programs in improving the
9 health of Michigan residents.

10 (e) Any other information considered necessary by the house of
11 representatives or senate appropriations committees or the state
12 budget director.

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

19 Sec. 216. (1) In addition to funds appropriated in part 1 for
20 all programs and services, there is appropriated for write-offs of
21 accounts receivable, deferrals, and for prior year obligations in
22 excess of applicable prior year appropriations, an amount equal to
23 total write-offs and prior year obligations, but not to exceed
24 amounts available in prior year revenues.

25 (2) The department's ability to satisfy appropriation
26 deductions in part 1 shall not be limited to collections and
27 accruals pertaining to services provided in the current fiscal

1 year, but shall also include reimbursements, refunds, adjustments,
2 and settlements from prior years.

3 Sec. 218. The department shall include the following in its
4 annual list of proposed basic health services as required in part
5 23 of the public health code, 1978 PA 368, MCL 333.2301 to
6 333.2321:

7 (a) Immunizations.

8 (b) Communicable disease control.

9 (c) Sexually transmitted disease control.

10 (d) Tuberculosis control.

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

12 (f) Screening newborns for the conditions listed in section
13 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
14 recommended by the newborn screening quality assurance advisory
15 committee created under section 5430 of the public health code,
16 1978 PA 368, MCL 333.5430.

17 (g) Community health annex of the Michigan emergency
18 management plan.

19 (h) Prenatal care.

20 Sec. 219. (1) The department may contract with the Michigan
21 public health institute for the design and implementation of
22 projects and for other public health-related activities prescribed
23 in section 2611 of the public health code, 1978 PA 368, MCL
24 333.2611. The department may develop a master agreement with the
25 institute to carry out these purposes for up to a 3-year period.
26 The department shall report to the house and senate appropriations
27 subcommittees on community health, the house and senate fiscal

1 agencies, and the state budget director on or before November 1 and
2 May 1 of the current fiscal year all of the following:

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

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

7 (c) The expected project duration.

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

11 (2) On or before September 30 of the current fiscal year, the
12 department shall provide to the same parties listed in subsection
13 (1) a copy of all reports, studies, and publications produced by
14 the Michigan public health institute, its subcontractors, or the
15 department with the funds appropriated in part 1 and allocated to
16 the Michigan public health institute.

17 Sec. 220. All contracts with the Michigan public health
18 institute funded with appropriations in part 1 shall include a
19 requirement that the Michigan public health institute submit to
20 financial and performance audits by the state auditor general of
21 projects funded with state appropriations.

22 Sec. 223. The department may establish and collect fees for
23 publications, videos and related materials, conferences, and
24 workshops. Collected fees shall be used to offset expenditures to
25 pay for printing and mailing costs of the publications, videos and
26 related materials, and costs of the workshops and conferences. The
27 department shall not collect fees under this section that exceed

1 the cost of the expenditures.

2 Sec. 259. From the funds appropriated in part 1 for
3 information technology, the department shall pay user fees to the
4 department of information technology for technology-related
5 services and projects. Such user fees shall be subject to
6 provisions of an interagency agreement between the department and
7 the department of information technology.

8 Sec. 260. Amounts appropriated in part 1 for information
9 technology may be designated as work projects and carried forward
10 to support technology projects under the direction of the
11 department of information technology. Funds designated in this
12 manner are not available for expenditure until approved as work
13 projects under section 451a of the management and budget act, 1984
14 PA 431, MCL 18.1451a.

15 Sec. 261. Funds appropriated in part 1 for the Medicaid
16 management information system upgrade are contingent upon approval
17 of an advanced planning document from the centers for Medicare and
18 Medicaid services. If the necessary matching funds are identified
19 and legislatively transferred to this line item, the corresponding
20 federal Medicaid revenue shall be appropriated at a 90/10
21 federal/state match rate. This appropriation may be designated as a
22 work project and carried forward to support completion of this
23 project.

24 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
25 state plan amendment, or a similar proposal to the centers for
26 Medicare and Medicaid services, the department shall notify the
27 house and senate appropriations subcommittees on community health

1 and the house and senate fiscal agencies of the submission.

2 (2) The department shall provide written or verbal quarterly
3 reports to the senate and house appropriations subcommittees on
4 community health and the senate and house fiscal agencies
5 summarizing the status of any new or ongoing discussions with the
6 centers for Medicare and Medicaid services or the federal
7 department of health and human services regarding potential or
8 future Medicaid waiver applications.

9 Sec. 265. The departments and agencies receiving
10 appropriations in part 1 shall receive and retain copies of all
11 reports funded from appropriations in part 1. Federal and state
12 guidelines for short-term and long-term retention of records shall
13 be followed.

14 Sec. 266. (1) Due to the current budgetary problems in this
15 state, out-of-state travel shall be limited to situations in which
16 1 or more of the following conditions apply:

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

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

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

25 (d) The travel is necessary to comply with federal
26 requirements.

27 (e) The travel is necessary to secure specialized training for

1 staff that is not available within this state.

2 (f) The travel is financed entirely by federal or nonstate
3 funds.

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

10 (3) Not later than January 1 of each year, each department
11 shall prepare a travel report listing all travel by classified and
12 unclassified employees outside this state in the immediately
13 preceding fiscal year that was funded in whole or in part with
14 funds appropriated in the department's budget. The report shall be
15 submitted to the senate and house standing committees on
16 appropriations, the senate and house fiscal agencies, and the state
17 budget director. The report shall include the following
18 information:

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

21 (b) The destination of each travel occurrence.

22 (c) The dates of each travel occurrence.

23 (d) A brief statement of the reason for each travel
24 occurrence.

25 (e) The transportation and related costs of each travel
26 occurrence, including the proportion funded with state general
27 fund/general purpose revenues, the proportion funded with state-

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

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

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

8 Sec. 269. The amount appropriated in part 1 for medical
9 services pharmaceutical services includes funds to cover
10 reimbursement of mental health medications under the Medicaid
11 program. Reimbursement procedures for mental health medications
12 shall be the same as those that were followed in fiscal year 2005-
13 2006, and utilization procedures for such medications shall adhere
14 to section 1625, the department's fiscal year 2006-2007 contract
15 with Medicaid health plans, and section 109h of the social welfare
16 act, 1939 PA 280, MCL 400.109h.

17 Sec. 270. Within 90 days after receipt of the notification
18 from the attorney general's office of a legal action in which
19 expenses had been recovered pursuant to section 106(4) of the
20 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
21 under which the department has the right to recover expenses, the
22 department shall submit a written report to the house and senate
23 appropriations subcommittees on community health, the house and
24 senate fiscal agencies, and the state budget office which includes,
25 at a minimum, all of the following:

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

27 (b) The program or service for which the money was originally

1 expended.

2 (c) Details on the disposition of the funds recovered such as
3 the appropriation or revenue account in which the money was
4 deposited.

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

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

12 Sec. 286. From the funds appropriated in part 1, the
13 department shall use an amount not to exceed \$10,000.00 to develop,
14 post, and maintain on a publicly accessible Internet site all
15 expenditures made by the agency within a fiscal year. The
16 department shall not be required to hire additional employees to
17 comply with this section.

18 **DEPARTMENTWIDE ADMINISTRATION**

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

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

1 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL
2 PROJECTS

3 Sec. 350. The department may enter into a contract with the
4 protection and advocacy agency, authorized under section 931 of the
5 mental health code, 1974 PA 258, MCL 330.1931, or a similar
6 organization to provide legal services for purposes of gaining and
7 maintaining occupancy in a community living arrangement that is
8 under lease or contract with the department or a community mental
9 health services program to provide services to persons with mental
10 illness or developmental disability.

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

14 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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

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

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

1 (c) The coordination of inpatient and outpatient hospital
2 services through agreements with state-operated psychiatric
3 hospitals, units, and centers in facilities owned or leased by the
4 state, and privately-owned hospitals, units, and centers licensed
5 by the state pursuant to sections 134 through 149b of the mental
6 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

7 (d) Individualized plans of service that are sufficient to
8 meet the needs of individuals, including those discharged from
9 psychiatric hospitals or centers, and that ensure the full range of
10 recipient needs is addressed through the CMHSP's or PIHP's program
11 or through assistance with locating and obtaining services to meet
12 these needs.

13 (e) A system of case management or care management to monitor
14 and ensure the provision of services consistent with the
15 individualized plan of services or supports.

16 (f) A system of continuous quality improvement.

17 (g) A system to monitor and evaluate the mental health
18 services provided.

19 (h) A system that serves at-risk and delinquent youth as
20 required under the provisions of the mental health code, 1974 PA
21 258, MCL 330.1001 to 330.2106.

22 Sec. 402. (1) From funds appropriated in part 1, final
23 authorizations to CMHSPs or PIHPs shall be made upon the execution
24 of contracts between the department and CMHSPs or PIHPs. The
25 contracts shall contain an approved plan and budget as well as
26 policies and procedures governing the obligations and
27 responsibilities of both parties to the contracts. Each contract

1 with a CMHSP or PIHP that the department is authorized to enter
2 into under this subsection shall include a provision that the
3 contract is not valid unless the total dollar obligation for all of
4 the contracts between the department and the CMHSPs or PIHPs
5 entered into under this subsection for fiscal year 2008-2009 does
6 not exceed the amount of money appropriated in part 1 for the
7 contracts authorized under this subsection.

8 (2) The department shall immediately report to the senate and
9 house appropriations subcommittees on community health, the senate
10 and house fiscal agencies, and the state budget director if either
11 of the following occurs:

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

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

16 (3) The report required by subsection (2) shall include
17 information about the changes and their effects on rates and
18 expenditures.

19 Sec. 403. (1) From the funds appropriated in part 1 for
20 multicultural services, the department shall ensure that CMHSPs or
21 PIHPs meet with multicultural service providers to develop a
22 workable framework for contracting, service delivery, and
23 reimbursement.

24 (2) Funds appropriated in part 1 for multicultural services
25 shall not be utilized for services provided to illegal immigrants
26 and people who are not residents of this state. The department
27 shall modify contracts with recipients of multicultural services

1 grants to mandate that grantees establish that recipients of
2 services are legally residing in the United States. An exception to
3 the contractual provision will be allowed to address persons
4 presenting with emergent mental health conditions.

5 (3) The department shall require an annual report from the
6 independent organizations that receive multicultural services
7 funding. The annual report shall include specific information on
8 services and programs provided, the client base to which the
9 services and programs were provided, and the expenditures for those
10 services. The department shall provide the annual reports to the
11 senate and house appropriations subcommittees on community health
12 and the senate and house fiscal agencies.

13 Sec. 404. (1) Not later than May 31 of the current fiscal
14 year, the department shall provide a report on the community mental
15 health services programs to the members of the house and senate
16 appropriations subcommittees on community health, the house and
17 senate fiscal agencies, and the state budget director that includes
18 the information required by this section.

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

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

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

26 (c) Financial information that, minimally, includes a
27 description of funding authorized; expenditures by client group and

1 fund source; and cost information by service category, including
2 administration. Service category includes all department-approved
3 services.

4 (d) Data describing service outcomes that includes, but is not
5 limited to, an evaluation of consumer satisfaction, consumer
6 choice, and quality of life concerns including, but not limited to,
7 housing and employment.

8 (e) Information about access to community mental health
9 services programs that includes, but is not limited to, the
10 following:

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

12 (ii) The number of people who requested services but did not
13 receive services.

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

16 (g) An analysis of information provided by CMHSPs in response
17 to the needs assessment requirements of the mental health code,
18 1974 PA 258, MCL 330.1001 to 330.2106, including information about
19 the number of persons in the service delivery system who have
20 requested and are clinically appropriate for different services.

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

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

26 (i) The amount of the contract, organized by type of service
27 provided.

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

2 (iii) Administrative costs for services provided to CMHSPs or
3 PIHPs.

4 (j) Information on the community mental health Medicaid
5 managed care program, including, but not limited to, both of the
6 following:

7 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
8 eligibility group, including per eligible individual expenditure
9 averages.

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

12 (k) An estimate of the number of direct care workers in local
13 residential settings and paraprofessional and other nonprofessional
14 direct care workers in settings where skill building, community
15 living supports and training, and personal care services are
16 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
17 year employed directly or through contracts with provider
18 organizations.

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

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

25 Sec. 405. (1) It is the intent of the legislature that the
26 employee wage pass-through funded in previous years to the
27 community mental health services programs for direct care workers

1 in local residential settings and for paraprofessional and other
2 nonprofessional direct care workers in settings where skill
3 building, community living supports and training, and personal care
4 services are provided shall continue to be paid to direct care
5 workers.

6 (2) It is the intent of the legislature that a 50-cent per
7 hour wage increase, effective October 1, 2009, be provided to
8 direct care workers in local residential settings and for
9 paraprofessional and other nonprofessional direct care workers in
10 settings where skill building, community living supports and
11 training, and personal care services are provided.

12 (3) Each CMHSP awarded wage pass-through money from the funds
13 established under subsections (1) and (2) shall report on the
14 actual expenditures of the money in the format determined by the
15 department.

16 Sec. 406. (1) The funds appropriated in part 1 for the state
17 disability assistance substance abuse services program shall be
18 used to support per diem room and board payments in substance abuse
19 residential facilities. Eligibility of clients for the state
20 disability assistance substance abuse services program shall
21 include needy persons 18 years of age or older, or emancipated
22 minors, who reside in a substance abuse treatment center.

23 (2) The department shall reimburse all licensed substance
24 abuse programs eligible to participate in the program at a rate
25 equivalent to that paid by the department of human services to
26 adult foster care providers. Programs accredited by department-
27 approved accrediting organizations shall be reimbursed at the

1 personal care rate, while all other eligible programs shall be
2 reimbursed at the domiciliary care rate.

3 (3) From the funds appropriated in part 1 for the state
4 disability assistance substance abuse services program,
5 \$4,000,000.00 shall be distributed based on local needs as
6 determined by the department, in consultation with coordinating
7 agencies.

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

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

17 (3) From the funds appropriated in part 1 for community
18 substance abuse prevention, education, and treatment programs,
19 \$100.00 shall be used to fund medically necessary medications
20 prescribed by a physician for the treatment of alcoholism and other
21 substance abuse disorders.

22 (4) From the funds appropriated in part 1 for community
23 substance abuse prevention, education, and treatment programs,
24 \$300,000.00 shall be used to establish a methadone/buprenorphine
25 clinic in a county with a population less than 35,000. The
26 department shall work with a local substance abuse coordinating
27 agency to develop the clinic. The coordinating agency shall serve

1 at least 25 counties.

2 Sec. 408. (1) By April 15 of the current fiscal year, the
3 department shall report the following data from the prior fiscal
4 year on substance abuse prevention, education, and treatment
5 programs to the senate and house appropriations subcommittees on
6 community health, the senate and house fiscal agencies, and the
7 state budget office:

8 (a) Expenditures stratified by coordinating agency, by central
9 diagnosis and referral agency, by fund source, by subcontractor, by
10 population served, and by service type. Additionally, data on
11 administrative expenditures by coordinating agency shall be
12 reported.

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

15 (c) Number of services provided by central diagnosis and
16 referral agency, by subcontractor, and by service type.
17 Additionally, data on length of stay, referral source, and
18 participation in other state programs.

19 (d) Collections from other first- or third-party payers,
20 private donations, or other state or local programs, by
21 coordinating agency, by subcontractor, by population served, and by
22 service type.

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

26 Sec. 409. The funding in part 1 for substance abuse services
27 shall be distributed in a manner that provides priority to service

1 providers that furnish child care services to clients with
2 children.

3 Sec. 410. The department shall assure that substance abuse
4 treatment is provided to applicants and recipients of public
5 assistance through the department of human services who are
6 required to obtain substance abuse treatment as a condition of
7 eligibility for public assistance.

8 Sec. 411. (1) The department shall ensure that each contract
9 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
10 programs to encourage diversion of persons with serious mental
11 illness, serious emotional disturbance, or developmental disability
12 from possible jail incarceration when appropriate.

13 (2) Each CMHSP or PIHP shall have jail diversion services and
14 shall work toward establishing working relationships with
15 representative staff of local law enforcement agencies, including
16 county prosecutors' offices, county sheriffs' offices, county
17 jails, municipal police agencies, municipal detention facilities,
18 and the courts. Written interagency agreements describing what
19 services each participating agency is prepared to commit to the
20 local jail diversion effort and the procedures to be used by local
21 law enforcement agencies to access mental health jail diversion
22 services are strongly encouraged.

23 Sec. 412. The department shall contract directly with the
24 Salvation Army harbor light program to provide non-Medicaid
25 substance abuse services at not less than the amount contracted for
26 in fiscal year 2007-2008.

27 Sec. 414. Medicaid substance abuse treatment services shall be

1 managed by selected PIHPs pursuant to the centers for Medicare and
2 Medicaid services' approval of Michigan's 1915(b) waiver request to
3 implement a managed care plan for specialized substance abuse
4 services. The selected PIHPs shall receive a capitated payment on a
5 per eligible per month basis to assure provision of medically
6 necessary substance abuse services to all beneficiaries who require
7 those services. The selected PIHPs shall be responsible for the
8 reimbursement of claims for specialized substance abuse services.
9 The PIHPs that are not coordinating agencies may continue to
10 contract with a coordinating agency. Any alternative arrangement
11 must be based on client service needs and have prior approval from
12 the department.

13 Sec. 418. On or before the tenth of each month, the department
14 shall report to the senate and house appropriations subcommittees
15 on community health, the senate and house fiscal agencies, and the
16 state budget director on the amount of funding paid to PIHPs to
17 support the Medicaid managed mental health care program in the
18 preceding month. The information shall include the total paid to
19 each PIHP, per capita rate paid for each eligibility group for each
20 PIHP, and number of cases in each eligibility group for each PIHP,
21 and year-to-date summary of eligibles and expenditures for the
22 Medicaid managed mental health care program.

23 Sec. 424. Each PIHP that contracts with the department to
24 provide services to the Medicaid population shall adhere to the
25 following timely claims processing and payment procedure for claims
26 submitted by health professionals and facilities:

27 (a) A "clean claim" as described in section 111i of the social

1 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
2 days after receipt of the claim by the PIHP. A claim that is
3 not paid within this time frame shall bear simple interest at a
4 rate of 12% per annum.

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

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

12 Sec. 428. Each PIHP that is a community mental health
13 authority as that term is defined in section 100a of the mental
14 health code, 1974 PA 258, MCL 330.1100a, and each community mental
15 health authority that is not a PIHP but which is affiliated under
16 an intergovernmental agreement with a PIHP, shall provide, from
17 internal resources, local funds to be used as a bona fide part of
18 the state match required under the Medicaid program in order to
19 increase capitation rates for PIHPs. These funds shall not include
20 either state funds received by a community mental health authority
21 for services provided to non-Medicaid recipients or the state
22 matching portion of the Medicaid capitation payments made to a
23 PIHP.

24 Sec. 435. A county required under the provisions of the mental
25 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
26 matching funds to a CMHSP for mental health services rendered to
27 residents in its jurisdiction shall pay the matching funds in equal

1 installments on not less than a quarterly basis throughout the
2 fiscal year, with the first payment being made by October 1 of the
3 current fiscal year.

4 Sec. 442. (1) It is the intent of the legislature that the
5 \$40,000,000.00 in funding transferred from the community mental
6 health non-Medicaid services line to support the Medicaid adult
7 benefits waiver program be used to provide state match for
8 increases in federal funding for primary care and specialty
9 services provided to Medicaid adult benefits waiver enrollees and
10 for economic increases for the Medicaid specialty services and
11 supports program.

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

15 (3) Capitation payments to CMHSPs for persons who become
16 enrolled in the Medicaid adult benefits waiver program shall be
17 made using the same rate methodology as payments for the current
18 Medicaid beneficiaries.

19 (4) If enrollment in the Medicaid adult benefits waiver
20 program does not achieve expectations and the funding appropriated
21 for the Medicaid adult benefits waiver program for specialty
22 services is not expended, the general fund balance shall be
23 transferred back to the community mental health non-Medicaid
24 services line. The department shall report quarterly to the senate
25 and house appropriations subcommittees on community health a
26 summary of eligible expenditures for the Medicaid adult benefits
27 waiver program by CMHSPs.

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

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

16 (2) CMHSPs and PIHPs shall take all necessary steps to ensure
17 that individuals with mental illness, developmental disabilities,
18 or substance abuse issues be placed in the least restrictive
19 setting in the quickest amount of time possible if it is the
20 individual's choice.

21 Sec. 458. By April 15 of the current fiscal year, the
22 department shall provide each of the following to the house and
23 senate appropriations subcommittees on community health, the house
24 and senate fiscal agencies, and the state budget director:

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

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

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

12 Sec. 460. (1) The uniform definitions, standards, and
13 instructions for the classification, allocation, assignment,
14 calculation, recording, and reporting of administrative costs by
15 PIHPs, CMHSPs, and contracted organized provider systems that
16 receive payment or reimbursement from funds appropriated under
17 section 104 that were implemented in fiscal year 2006-2007 by the
18 department shall also be implemented for their subcontractors in
19 fiscal year 2009-2010.

20 (2) The department shall provide the house and senate
21 appropriations subcommittees on community health, the house and
22 senate fiscal agencies, and the state budget director with a
23 progress report on the implementation required under subsection
24 (1). The progress report is due on July 1 of the current fiscal
25 year.

26 Sec. 462. The department shall develop a funding equity plan
27 for all CMHSPs that receive funds appropriated under the community

1 mental health non-Medicaid services line. The funding plan should
2 reflect a more equitable distribution methodology based on proxy
3 measures of need and the recognition of varying expenditure needs
4 of CMHSPs. The department shall submit the written equity funding
5 plan and a report regarding implementation feasibility of the
6 equity funding plan including an impact statement to the senate and
7 house appropriations subcommittees on community health, the senate
8 and house fiscal agencies, and the state budget director by March 1
9 of the current fiscal year.

10 Sec. 463. The department shall use standard program evaluation
11 measures to assess the overall effectiveness of programs provided
12 through coordinating agencies and service providers in reducing and
13 preventing the incidence of substance abuse. The measures
14 established by the department shall be modeled after the program
15 outcome measures and best practice guidelines for the treatment of
16 substance abuse as proposed by the federal substance abuse and
17 mental health services administration.

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

23 Sec. 468. To foster a more efficient administration of and to
24 integrate care in publicly funded mental health and substance abuse
25 services, the department shall maintain criteria for the
26 incorporation of a city, county, or regional substance abuse
27 coordinating agency into a local community mental health authority

1 that will encourage those city, county, or regional coordinating
2 agencies to incorporate as local community mental health
3 authorities. If necessary, the department may make accommodations
4 or adjustments in formula distribution to address administrative
5 costs related to the maintenance of the criteria under this section
6 and to the incorporation of the additional coordinating agencies
7 into local community mental health authorities provided that all of
8 the following are satisfied:

9 (a) The department provides funding for the administrative
10 costs incurred by coordinating agencies incorporating into
11 community mental health authorities. The department shall not
12 provide more than \$75,000.00 to any coordinating agency for
13 administrative costs.

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

17 (c) The accommodations or adjustments do not negatively affect
18 other coordinating agencies.

19 Sec. 470. (1) For those substance abuse coordinating agencies
20 that have voluntarily incorporated into community mental health
21 authorities and accepted funding from the department for
22 administrative costs incurred pursuant to section 468, the
23 department shall establish written expectations for those CMHSPs,
24 PIHPs, and substance abuse coordinating agencies and counties with
25 respect to the integration of mental health and substance abuse
26 services. At a minimum, the written expectations shall provide for
27 the integration of those services as follows:

1 (a) Coordination and consolidation of administrative functions
2 and redirection of efficiencies into service enhancements.

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

5 (c) Alignment of coordinating agencies and PIHPs boundaries to
6 maximize opportunities for collaboration and integration of
7 administrative functions and clinical activities.

8 (2) By May 1 of the current fiscal year, the department shall
9 report to the house and senate appropriations subcommittees on
10 community health, the house and senate fiscal agencies, and the
11 state budget office on the impact and effectiveness of this section
12 and the status of the integration of mental health and substance
13 abuse services.

14 Sec. 474. The department shall ensure that each contract with
15 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
16 recipient and his or her family with information regarding the
17 different types of guardianship and the alternatives to
18 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
19 reduce or restrict the ability of a recipient or his or her family
20 from seeking to obtain any form of legal guardianship without just
21 cause.

22 Sec. 480. The department shall provide to the senate and house
23 appropriations subcommittees on community health and the senate and
24 house fiscal agencies by March 30 of the current fiscal year a
25 report on the number and reimbursement cost of atypical
26 antipsychotic prescriptions by each PIHP for Medicaid
27 beneficiaries.

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

6 (2) A Medicaid recipient is considered incarcerated or
7 detained until released on bail, released as not guilty, released
8 on parole, released on probation, released on pardon, released upon
9 completing a sentence, or released under home detention or tether.

10 Sec. 487. From the funds appropriated in part 1 for community
11 substance abuse prevention, education, and treatment programs,
12 \$9,000,000.00 shall be allocated to coordinating agencies to
13 provide 90-day intensive substance abuse treatment services
14 including, but not limited to, residential services when
15 appropriate for certain offenders who are referred to treatment by
16 a drug treatment court, by order of another court, or as a
17 condition of probation or parole.

18 Sec. 488. It is the intent of the legislature that any funds
19 appropriated in part 1 to a community mental health services
20 program or a community mental health authority that are not
21 utilized by that CMHSP or authority for the program specified in
22 part 1 shall remain available to that CMHSP or authority and used
23 for another program of the CMHSP or authority.

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

26 Sec. 601. (1) In funding of staff in the financial support

1 division, reimbursement, and billing and collection sections,
2 priority shall be given to obtaining third-party payments for
3 services. Collection from individual recipients of services and
4 their families shall be handled in a sensitive and nonharassing
5 manner.

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

13 Sec. 602. Unexpended and unencumbered amounts and accompanying
14 expenditure authorizations up to \$1,000,000.00 remaining on
15 September 30 of the current fiscal year from the amounts
16 appropriated in part 1 for gifts and bequests for patient living
17 and treatment environments shall be carried forward for 1 fiscal
18 year. The purpose of gifts and bequests for patient living and
19 treatment environments is to use additional private funds to
20 provide specific enhancements for individuals residing at state-
21 operated facilities. Use of the gifts and bequests shall be
22 consistent with the stipulation of the donor. The expected
23 completion date for the use of gifts and bequests donations is
24 within 3 years unless otherwise stipulated by the donor.

25 Sec. 603. The funds appropriated in part 1 for forensic mental
26 health services provided to the department of corrections are in
27 accordance with the interdepartmental plan developed in cooperation

1 with the department of corrections. The department is authorized to
2 receive and expend funds from the department of corrections in
3 addition to the appropriations in part 1 to fulfill the obligations
4 outlined in the interdepartmental agreements.

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

7 (a) The number of days of care purchased from state hospitals
8 and centers.

9 (b) The number of days of care purchased from private
10 hospitals in lieu of purchasing days of care from state hospitals
11 and centers.

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

14 (d) Waiting lists for placements in state hospitals and
15 centers.

16 (2) The department shall annually report the information in
17 subsection (1) to the house and senate appropriations subcommittees
18 on community health, the house and senate fiscal agencies, and the
19 state budget director.

20 Sec. 605. (1) The department shall not implement any closures
21 or consolidations of state hospitals, centers, or agencies until
22 CMHSPs or PIHPs have programs and services in place for those
23 persons currently in those facilities and a plan for service
24 provision for those persons who would have been admitted to those
25 facilities.

26 (2) All closures or consolidations are dependent upon adequate
27 department-approved CMHSP and PIHP plans that include a discharge

1 and aftercare plan for each person currently in the facility. A
2 discharge and aftercare plan shall address the person's housing
3 needs. A homeless shelter or similar temporary shelter arrangements
4 are inadequate to meet the person's housing needs.

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

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

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

24 Sec. 609. The department shall continue to ban the use of all
25 tobacco products in and on the grounds of state psychiatric
26 facilities. As used in this section, "tobacco product" means a
27 product that contains tobacco and is intended for human

1 consumption, including, but not limited to, cigarettes,
2 noncigarette smoking tobacco, or smokeless tobacco, as those terms
3 are defined in section 2 of the tobacco products tax act, 1993 PA
4 327, MCL 205.422, and cigars.

5 Sec. 610. (1) The department shall make every effort to
6 minimize job losses due to any reductions in force or closing of
7 facilities by placing those employees displaced by the reduction or
8 closing within other positions within the department or, to the
9 extent applicable, within other positions in another state
10 department and by encouraging CMHSPs to hire those employees
11 displaced by the reduction or closing.

12 (2) It is the intent of the legislature that employees
13 displaced by any reductions in force or closing of facilities who
14 are not placed within other positions in the department or hired by
15 a CMHSP be given priority in state programs for job retraining or
16 education, such as the no worker left behind program.

17 PUBLIC HEALTH ADMINISTRATION

18 Sec. 650. The department shall communicate the annual public
19 health consumption advisory for sportfish. The department shall, at
20 a minimum, post the advisory on the Internet and make the
21 information in the advisory available to the clients of the women,
22 infants, and children special supplemental nutrition program.

23 Sec. 651. By April 30 of the current fiscal year, the
24 department shall submit a report to the house and senate fiscal
25 agencies and the state budget director on the activities and
26 efforts of the department to improve the health status of the

1 citizens of this state with regard to the goals and objectives
2 stated in the "Healthy Michigan 2010" report, and the measurable
3 progress made toward those goals and objectives.

4 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

5 Sec. 704. The department shall continue to contract with
6 grantees supported through the appropriation in part 1 for the
7 emergency medical services grants and contracts to ensure that a
8 sufficient number of qualified emergency medical services personnel
9 exist to serve rural areas of the state.

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

14 Sec. 707. The funds appropriated in part 1 for the nursing
15 scholarship program, established in section 16315 of the public
16 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
17 the number of nurses practicing in Michigan. The board of nursing
18 is encouraged to structure scholarships funded under this act in a
19 manner that rewards recipients who intend to practice nursing in
20 Michigan. In addition, the department and the board of nursing
21 shall work cooperatively with the Michigan higher education
22 assistance authority to coordinate scholarship assistance with
23 scholarships provided pursuant to the Michigan nursing scholarship
24 act, 2002 PA 591, MCL 390.1181 to 390.1189.

25 Sec. 708. Nursing facilities shall report in the quarterly
26 staff report to the department, the total patient care hours

1 provided each month, by state licensure and certification
2 classification, and the percentage of pool staff, by state
3 licensure and certification classification, used each month during
4 the preceding quarter. The department shall make available to the
5 public, the quarterly staff report compiled for all facilities
6 including the total patient care hours and the percentage of pool
7 staff used, by classification.

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

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

17 Sec. 711. The department may make available to interested
18 entities customized listings of nonconfidential information in its
19 possession, such as names and addresses of licensees. The
20 department may establish and collect a reasonable charge to provide
21 this service. The revenue received from this service shall be used
22 to offset expenses to provide the service. Any balance of this
23 revenue collected and unexpended at the end of the fiscal year
24 shall revert to the appropriate restricted fund.

25 Sec. 712. From the funds appropriated in part 1 for primary
26 care services, \$500,000.00 shall be allocated to free health
27 clinics operating in the state. The department shall distribute the

1 funds equally to each free health clinic. For the purpose of this
2 appropriation, free health clinics are nonprofit organizations that
3 use volunteer health professionals to provide care to uninsured
4 individuals.

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

8 Sec. 714. The department shall report to the legislature on
9 the timeliness of nursing facility complaint investigations and the
10 number of allegations that are substantiated on an annual basis.
11 The report shall consist of the number of allegations filed by
12 consumers and the number of facility-reported incidents. The
13 department shall make every effort to contact every complainant and
14 the subject of a complaint during an investigation.

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

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 INFECTIOUS DISEASE CONTROL

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

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

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

6 **EPIDEMIOLOGY**

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

16 Sec. 852. (1) From the funds appropriated in part 1 for the
17 methamphetamine cleanup fund, the department shall allow local
18 governments to apply for money to cover their administrative costs
19 associated with the methamphetamine cleanup efforts. The funds
20 allocated to local governments for the administrative costs
21 associated with methamphetamine cleanup efforts shall not exceed
22 \$800.00 per property.

23 (2) The department shall work with the Michigan association of
24 counties to ensure that counties are aware that the funds
25 appropriated in part 1 for methamphetamine cleanup activities are
26 available.

1 LOCAL HEALTH ADMINISTRATION AND GRANTS

2 Sec. 901. The amount appropriated in part 1 for implementation
3 of the 1993 additions of or amendments to sections 9161, 16221,
4 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
5 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
6 333.17515, shall reimburse local health departments for costs
7 incurred related to implementation of section 17015(18) of the
8 public health code, 1978 PA 368, MCL 333.17015.

9 Sec. 902. If a county that has participated in a district
10 health department or an associated arrangement with other local
11 health departments takes action to cease to participate in such an
12 arrangement after October 1 of the current fiscal year, the
13 department shall have the authority to assess a penalty from the
14 local health department's operational accounts in an amount equal
15 to no more than 6.25% of the local health department's local public
16 health operations funding. This penalty shall only be assessed to
17 the local county that requests the dissolution of the health
18 department.

19 Sec. 904. (1) Funds appropriated in part 1 for local public
20 health operations shall be prospectively allocated to local health
21 departments to support immunizations, infectious disease control,
22 sexually transmitted disease control and prevention, hearing
23 screening, vision services, food protection, public water supply,
24 private groundwater supply, and on-site sewage management. Food
25 protection shall be provided in consultation with the Michigan
26 department of agriculture. Public water supply, private groundwater

1 supply, and on-site sewage management shall be provided in
2 consultation with the Michigan department of environmental quality.

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

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

9 (4) By April 1 of the current fiscal year, the department
10 shall make available a report to the senate and house
11 appropriations subcommittees on community health, the senate and
12 house fiscal agencies, and the state budget director on the planned
13 allocation of the funds appropriated for local public health
14 operations.

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

16 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
17 information network shall be used to provide information and
18 referral services through regional networks for persons with
19 Alzheimer's disease or related disorders, their families, and
20 health care providers.

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

25 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
26 the funds appropriated in part 1 for the smoking prevention program

1 shall be used for the quit kit program that includes the nicotine
2 patch or nicotine gum.

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

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

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

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

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

14 Sec. 1008. From the funds appropriated in part 1 for the
15 diabetes and kidney program, the department may allocate up to
16 \$25,000.00 for a diabetes management pilot project in Muskegon
17 County.

18 Sec. 1009. From the funds appropriated in part 1 for the
19 diabetes and kidney program, a portion of the funds may be
20 allocated to the National Kidney Foundation of Michigan for kidney
21 disease prevention programming including early identification and
22 education programs and kidney disease prevention demonstration
23 projects.

24 Sec. 1010. From the funds appropriated in part 1 for chronic
25 disease prevention, \$200,000.00 shall be allocated for osteoporosis
26 prevention and treatment education.

27 Sec. 1019. From the funds appropriated in part 1 for chronic

1 disease prevention, \$50,000.00 may be allocated for stroke
2 prevention, education, and outreach. The objectives of the program
3 shall include education to assist persons in identifying risk
4 factors, and education to assist persons in the early
5 identification of the occurrence of a stroke in order to minimize
6 stroke damage.

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

11 Sec. 1031. (1) From the funds appropriated in part 1 for the
12 injury control intervention project, \$100.00 shall be used to
13 continue 2 incentive-based pilot programs for level I and level II
14 trauma hospitals to ensure greater state utilization of an
15 interactive, evidence-based treatment guideline model for traumatic
16 brain injury.

17 (2) One pilot program shall be placed in a county of less than
18 225,000. The other pilot program shall be placed in a county with a
19 population over 1,000,000.

20 Sec. 1034. From the funds appropriated in part 1 for physical
21 fitness, nutrition, and health, up to \$100.00 may be allocated to
22 the Michigan snowsports industries association for the cold is cool
23 program to expose Michigan schoolchildren to outdoor winter
24 activities and downhill skiing.

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

26 Sec. 1101. The department shall review the basis for the

1 distribution of funds to local health departments and other public
2 and private agencies for the women, infants, and children food
3 supplement program; family planning; and prenatal care outreach and
4 service delivery support program and indicate the basis upon which
5 any projected underexpenditures by local public and private
6 agencies shall be reallocated to other local agencies that
7 demonstrate need.

8 Sec. 1104. (1) Before April 1 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 planned allocations from
11 the amounts appropriated in part 1 for local MCH services, prenatal
12 care outreach and service delivery support, family planning local
13 agreements, and pregnancy prevention programs. Using applicable
14 federal definitions, the report shall include information on all of
15 the following:

16 (a) Funding allocations.

17 (b) Actual number of women, children, and/or adolescents
18 served and amounts expended for each group for the immediately
19 preceding fiscal year.

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

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

25 (3) For the purposes of this section, "rural" means a county,
26 city, village, or township with a population of 30,000 or less,
27 including those entities if located within a metropolitan

1 statistical area.

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

12 Sec. 1106. Each family planning program receiving federal
13 title X family planning funds under 42 USC 300 to 300a-8 shall be
14 in compliance with all performance and quality assurance indicators
15 that the office of family planning within the United States
16 department of health and human services specifies in the family
17 planning annual report. An agency not in compliance with the
18 indicators shall not receive supplemental or reallocated funds.

19 Sec. 1107. Of the amount appropriated in part 1 for prenatal
20 care outreach and service delivery support, not more than 9% shall
21 be expended for local administration, data processing, and
22 evaluation.

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

26 Sec. 1109. (1) From the amounts appropriated in part 1 for
27 dental programs, funds shall be allocated to the Michigan dental

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1 association for the administration of a volunteer dental program
2 that provides dental services to the uninsured in an amount that is
3 no less than the amount allocated to that program in fiscal year
4 1996-1997.

5 (2) Not later than December 1 of the current fiscal year, the
6 department shall report to the senate and house appropriations
7 subcommittees on community health and the senate and house standing
8 committees on health policy the number of individual patients
9 treated, number of procedures performed, and approximate total
10 market value of those procedures from the immediately preceding
11 fiscal year.

12 Sec. 1110. Agencies that currently receive pregnancy
13 prevention funds and either receive or are eligible for other
14 family planning funds shall have the option of receiving all of
15 their family planning funds directly from the department and be
16 designated as delegate agencies.

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

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

25 Sec. 1113. From the funds appropriated in part 1 for special
26 projects, the department shall allocate \$1,000,000.00 to the
[autism center of Michigan] . To be eligible for the

House Bill No. 4436 (H-5) as amended April 22, 2009 (1 of 2)
1 funding, the [autism center of Michigan] shall provide matching

2 funding [] of at least \$1,000,000.00.

[Sec. 1115. (1) The department shall collaborate with the department of education and the department of human services on the statewide before- or after-school program for elementary school-aged children established under section 32n of the state school aid act of 1979, 1979 PA 94, MCL 388.1632n.

(2) The department shall collaborate with the department of education, the department of human services, the department of energy, labor and economic growth, and the department of history, arts and libraries to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(3) From the funds appropriated in part 1 for special projects, \$25,000.00 shall be allocated for the programs described in subsections (1) and (2).]

3 Sec. 1129. The department shall provide a report annually to
4 the house and senate appropriations subcommittees on community
5 health, the house and senate fiscal agencies, and the state budget
6 director on the number of children with elevated blood lead levels
7 from information available to the department. The report shall
8 provide the information by county, shall include the level of blood
9 lead reported, and shall indicate the sources of the information.

10 Sec. 1132. From the funds appropriated in part 1 for special
11 projects, \$400,000.00 shall be allocated to the nurse family
12 partnership program.

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

16 Sec. 1135. (1) Provision of the school health education
17 curriculum, such as the Michigan model or another comprehensive
18 school health education curriculum, shall be in accordance with the
19 health education goals established by the Michigan model for
20 comprehensive school health education state steering committee. The
21 state steering committee shall be comprised of a representative
22 from each of the following offices and departments:

23 (a) The department of education.

24 (b) The department of community health.

25 (c) The health administration in the department of community
26 health.

27 (d) The bureau of mental health and substance abuse services

1 in the department of community health.

2 (e) The department of human services.

3 (f) The department of state police.

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

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

15 Sec. 1151. The department may work with local participating
16 agencies to define local annual contributions for the farmer's
17 market nutrition program, project FRESH, to enable the department
18 to request federal matching funds based on local commitment of
19 funds.

20 Sec. 1153. The department shall ensure that individuals
21 residing in rural communities have sufficient access to the
22 services offered through the WIC program.

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

24 Sec. 1201. Funds appropriated in part 1 for medical care and
25 treatment of children with special health care needs shall be paid

1 according to reimbursement policies determined and published by the
2 Michigan medical services program.

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

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

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

8 (c) Provide genetic diagnostic and counseling services for
9 eligible families.

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

13 Sec. 1203. All children who are determined medically eligible
14 for the children's special health care services program shall be
15 referred to the appropriate locally based services program in their
16 community.

17 CRIME VICTIM SERVICES COMMISSION

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

24 Sec. 1304. The department shall work with the department of
25 state police, the Michigan health and hospital association, the
26 Michigan state medical society, and the Michigan nurses association

1 to ensure that the recommendations included in the "Standard
2 Recommended Procedures for the Emergency Treatment of Sexual
3 Assault Victims" are followed in the collection of evidence.

4 **OFFICE OF SERVICES TO THE AGING**

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

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

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

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

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

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

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

24 Sec. 1404. The area agencies and local providers may receive
25 and expend fees for the provision of day care, care management,
26 respite care, and certain eligible home- and community-based

1 services. The fees shall be based on a sliding scale, taking client
2 income into consideration. The fees shall be used to expand
3 services.

4 Sec. 1406. The appropriation of \$5,000,000.00 of merit award
5 trust funds to the office of services to the aging for the respite
6 care program shall be allocated in accordance with a long-term care
7 plan developed by the long-term care working group established in
8 section 1657 of 1998 PA 336 upon implementation of the plan. The
9 use of the funds shall be for direct respite care or adult respite
10 care center services. Not more than 9% of the amount allocated
11 under this section shall be expended for administration and
12 administrative purposes.

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

24 Sec. 1417. The department shall provide to the senate and
25 house appropriations subcommittees on community health, senate and
26 house fiscal agencies, and state budget director a report by March
27 30 of the current fiscal year that contains all of the following:

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

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

6 MEDICAL SERVICES

7 Sec. 1601. The cost of remedial services incurred by residents
8 of licensed adult foster care homes and licensed homes for the aged
9 shall be used in determining financial eligibility for the
10 medically needy. Remedial services include basic self-care and
11 rehabilitation training for a resident.

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

17 Sec. 1603. (1) The department may establish a program for
18 persons to purchase medical coverage at a rate determined by the
19 department.

20 (2) The department may receive and expend premiums for the
21 buy-in of medical coverage in addition to the amounts appropriated
22 in part 1.

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

25 Sec. 1605. (1) The protected income level for Medicaid
26 coverage determined pursuant to section 106(1)(b)(iii) of the social

1 welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related
2 public assistance standard.

3 (2) The department shall notify the senate and house
4 appropriations subcommittees on community health and the state
5 budget director of any proposed revisions to the protected income
6 level for Medicaid coverage related to the public assistance
7 standard 90 days prior to implementation.

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

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

19 (2) An applicant qualified as described in subsection (1)
20 shall be given a letter of authorization to receive Medicaid
21 covered services related to her pregnancy. All qualifying
22 applicants shall be entitled to receive all medically necessary
23 obstetrical and prenatal care without preauthorization from a
24 health plan. All claims submitted for payment for obstetrical and
25 prenatal care shall be paid at the Medicaid fee-for-service rate in
26 the event a contract does not exist between the Medicaid
27 participating obstetrical or prenatal care provider and the managed

1 care plan. The applicant shall receive a listing of Medicaid
2 physicians and managed care plans in the immediate vicinity of the
3 applicant's residence.

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

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

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

19 (6) The department shall mandate enrollment of women, whose
20 qualifying condition is pregnancy, into Medicaid managed care
21 plans.

22 (7) The department shall encourage physicians to provide
23 women, whose qualifying condition for Medicaid is pregnancy, with a
24 referral to a Medicaid participating dentist at the first
25 pregnancy-related appointment.

26 Sec. 1610. The department shall provide an administrative
27 procedure for the review of cost report grievances by medical

1 services providers with regard to reimbursement under the medical
2 services program. Settlements of properly submitted cost reports
3 shall be paid not later than 9 months from receipt of the final
4 report.

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

18 (2) Notwithstanding subsection (1), medical services
19 reimbursement for hospital services provided to dual
20 Medicare/medical services recipients with Medicare part B coverage
21 only shall equal, when combined with payments for Medicare and
22 other third-party resources, if any, those amounts established for
23 medical services-only patients, including capital payments.

24 Sec. 1620. (1) For fee-for-service recipients who do not
25 reside in nursing homes, the pharmaceutical dispensing fee shall be
26 \$2.75 or the pharmacy's usual or customary cash charge, whichever
27 is less. For nursing home residents, the pharmaceutical dispensing

1 fee shall be \$3.00 or the pharmacy's usual or customary cash
2 charge, whichever is less.

3 (2) In addition to the dispensing fee charged pursuant to
4 subsection (1), an additional fee of 30 cents shall be imposed for
5 each prescription that is transmitted via e-prescribing.

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

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

21 Sec. 1621. The department may implement prospective drug
22 utilization review and disease management systems. The prospective
23 drug utilization review, a pharmacist-approved medication therapy
24 program, and disease management systems authorized by this section
25 shall have physician oversight, shall focus on patient, physician,
26 and pharmacist education, and shall be developed in consultation
27 with the national pharmaceutical council, Michigan state medical

1 society, Michigan osteopathic association, Michigan pharmacists
2 association, Michigan health and hospital association, and Michigan
3 nurses association.

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

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

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

16 Sec. 1625. The department shall continue its practice of
17 placing all atypical antipsychotic medications on the Medicaid
18 preferred drug list.

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

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

1 Sec. 1629. The department shall utilize maximum allowable cost
2 pricing for generic drugs that is based on wholesaler pricing to
3 providers that is available from at least 2 wholesalers who deliver
4 in the state of Michigan.

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

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

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

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

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

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

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

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

27 Sec. 1634. From the funds appropriated in part 1 for ambulance

1 services, the department shall continue the 5% increase in payment
2 rates for ambulance services implemented in fiscal year 2000-2001
3 and continue the ground mileage reimbursement rate per statute mile
4 at \$4.25.

5 Sec. 1635. From the funds appropriated in part 1 for physician
6 services and health plan services, the department shall continue
7 the increase in Medicaid reimbursement rates for obstetrical
8 services implemented in fiscal year 2005-2006.

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

16 Sec. 1637. (1) All adult Medicaid recipients shall be offered
17 the opportunity to sign a Medicaid personal responsibility
18 agreement.

19 (2) The personal responsibility agreement shall include at
20 minimum the following provisions:

21 (a) That the recipient shall not smoke.

22 (b) That the recipient shall attend all scheduled medical
23 appointments.

24 (c) That the recipient shall exercise regularly.

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

27 (e) That the recipient shall abstain from abusing controlled

1 substances and narcotics.

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

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

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

23 Sec. 1647. From the funds appropriated in part 1 for medical
24 services, the department shall allocate for graduate medical
25 education not less than the level of rates and payments in effect
26 on April 1, 2005. The general fund/general purpose support for
27 graduate medical education shall not be reduced from the fiscal

1 year 2008-2009 level.

2 Sec. 1648. The department shall maintain and make available an
3 online resource to enable medical providers to obtain enrollment
4 and benefit information of Medicaid recipients. There shall be no
5 charge to providers for the use of the online resource.

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

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

20 (2) Persons to be assigned a managed care provider shall be
21 informed in writing of the criteria for exceptions to capitated
22 managed care enrollment, their right to change HMOs for any reason
23 within the initial 90 days of enrollment, the toll-free telephone
24 number for problems and complaints, and information regarding
25 grievance and appeals rights.

26 (3) The criteria for medical exceptions to HMO enrollment
27 shall be based on submitted documentation that indicates a

1 recipient has a serious medical condition, and is undergoing active
2 treatment for that condition with a physician who does not
3 participate in 1 of the HMOs. If the person meets the criteria
4 established by this subsection, the department shall grant an
5 exception to mandatory enrollment at least through the current
6 prescribed course of treatment, subject to periodic review of
7 continued eligibility.

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

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

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

23 (a) The Medicaid HMO shall not sell, transfer, or otherwise
24 convey to any person all or any portion of the HMO's assets or
25 business, whether in the form of equity, debt or otherwise, for a
26 period of 3 years from the date the Medicaid HMO commences
27 operations in a new service area.

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

5 Sec. 1653. Implementation and contracting for managed care by
6 the department through HMOs shall be subject to the following
7 conditions:

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

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

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

20 (d) Enrollment of recipients of children's special health care
21 services in HMOs shall be voluntary during the fiscal year.
22 Children's special health care services recipients shall be
23 informed of the opportunity to enroll in HMOs.

24 (e) The department shall develop a case adjustment to its rate
25 methodology that considers the costs of persons with HIV/AIDS, end
26 stage renal disease, organ transplants, and other high-cost
27 diseases or conditions and shall implement the case adjustment when

1 it is proven to be actuarially and fiscally sound. Implementation
2 of the case adjustment must be budget neutral.

3 (f) Prior to contracting with an HMO for managed care services
4 that did not have a contract with the department before October 1,
5 2002, the department shall receive assurances from the office of
6 financial and insurance regulation that the HMO meets the net worth
7 and financial solvency requirements contained in chapter 35 of the
8 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

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

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

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

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

27 (2) The department shall provide for a toll-free telephone

1 number for Medicaid recipients enrolled in managed care to assist
2 with resolving problems and complaints. If warranted, the
3 department shall immediately disenroll persons from managed care
4 and approve fee-for-service coverage.

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

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

16 (3) Subsections (1) and (2) shall not be construed as a
17 requirement to alter an existing agreement between an HMO and their
18 contracting hospitals nor as a requirement that an HMO must
19 reimburse for services that are not considered to be medically
20 necessary.

21 Sec. 1658. (1) HMOs shall have contracts with hospitals within
22 a reasonable distance from their enrollees. If a hospital does not
23 contract with the HMO in its service area, that hospital shall
24 enter into a hospital access agreement as specified in the Medical
25 Services Administration Bulletin Hospital 01-19.

26 (2) A hospital access agreement specified in subsection (1)
27 shall be considered an affiliated provider contract pursuant to the

1 requirements contained in chapter 35 of the insurance code of 1956,
2 1956 PA 218, MCL 500.3501 to 500.3580.

3 Sec. 1659. The following sections of this act are the only
4 ones that shall apply to the following Medicaid managed care
5 programs, including the comprehensive plan, MIChoice long-term care
6 plan, and the mental health, substance abuse, and developmentally
7 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,
8 456, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658,
9 1660, 1661, 1662, 1699, 1711, 1752, 1783, 1787, and 1791.

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

14 (2) The primary responsibility of assuring a child's hearing
15 and vision screening is with the child's primary care provider. The
16 primary care provider shall provide age-appropriate screening or
17 arrange for these tests through referrals to local health
18 departments. Local health departments shall provide preschool
19 hearing and vision screening services and accept referrals for
20 these tests from physicians or from Head Start programs in order to
21 assure all preschool children have appropriate access to hearing
22 and vision screening. Local health departments shall be reimbursed
23 for the cost of providing these tests for Medicaid eligible
24 children by the Medicaid program.

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

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

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

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

17 (2) The department shall require HMOs to be responsible for
18 the coordination of MIHP services as described in Medicaid policy.
19 These responsibilities shall be specified in the information
20 distributed by the HMOs to their members.

21 (3) The department shall assure the coordination of MIHP
22 services with the WIC program, state-supported substance abuse,
23 smoking prevention, and violence prevention programs, the
24 department of human services, and any other state or local program
25 with a focus on preventing adverse birth outcomes and child abuse
26 and neglect.

27 (4) The department shall provide, on an annual basis, budget-

1 neutral incentives to Medicaid HMOs and local health departments to
2 improve performance on measures related to the care of pregnant
3 women.

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

9 (2) The department shall require Medicaid HMOs to provide
10 EPSDT utilization data through the encounter data system, and
11 health employer data and information set well child health measures
12 in accordance with the National Committee on Quality Assurance
13 prescribed methodology.

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

21 (4) The department shall work with the Michigan association of
22 health plans and the Michigan association for local public health
23 to improve service delivery and coordination in the MIHP and EPSDT
24 programs.

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

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

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

19 (3) Children whose category of eligibility changes between the
20 Medicaid and MICHild programs shall be assured of keeping their
21 current health care providers through the current prescribed course
22 of treatment for up to 1 year, subject to periodic reviews by the
23 department if the beneficiary has a serious medical condition and
24 is undergoing active treatment for that condition.

25 (4) To be eligible for the MICHild program, a child must be
26 residing in a family with an adjusted gross income of less than or
27 equal to 200% of the federal poverty level. The department's

1 verification policy shall be used to determine eligibility.

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

7 (a) "Dental care corporation", "health care corporation",
8 "insurer", and "prudent purchaser agreement" mean those terms as
9 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
10 550.52.

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

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

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

20 (8) The department shall assure that an external quality
21 review of each MICHild contractor, as described in subsection (5),
22 is performed, which analyzes and evaluates the aggregated
23 information on quality, timeliness, and access to health care
24 services that the contractor furnished to MICHild beneficiaries.

25 Sec. 1671. From the funds appropriated in part 1, the
26 department shall continue a comprehensive approach to the marketing
27 and outreach of the MICHild program. The marketing and outreach

1 required under this section shall be coordinated with current
2 outreach, information dissemination, and marketing efforts and
3 activities conducted by the department.

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

8 Sec. 1677. The MICHild program shall provide all benefits
9 available under the state employee insurance plan that are
10 delivered through contracted providers and consistent with federal
11 law, including, but not limited to, the following medically
12 necessary services:

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

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

20 (c) Durable medical equipment and prosthetic and orthotic
21 devices.

22 (d) Dental services as outlined in the approved MICHild state
23 plan.

24 (e) Substance abuse treatment services that may include
25 inpatient, outpatient, and residential substance abuse treatment
26 services.

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

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

3 (h) Emergency ambulance services.

4 Sec. 1678. If a child meets the income eligibility criteria
5 for free breakfast, lunch, or milk as determined under the Richard
6 B. Russell national school lunch act, Public Law 79-396, the
7 department shall automatically enroll the child in MICHild.

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

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

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

24 (2) In addition to the appropriations in part 1, the
25 department is authorized to receive and spend penalty money
26 received as the result of noncompliance with medical services
27 certification regulations. Penalty money, characterized as private

1 funds, received by the department shall increase authorizations and
2 allotments in the long-term care accounts.

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

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

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

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

26 Sec. 1685. All nursing home rates, class I and class III, must
27 have their respective fiscal year rate set 30 days prior to the

1 beginning of their rate year. Rates may take into account the most
2 recent cost report prepared and certified by the preparer, provider
3 corporate owner or representative as being true and accurate, and
4 filed timely, within 5 months of the fiscal year end in accordance
5 with Medicaid policy. If the audited version of the last report is
6 available, it shall be used. Any rate factors based on the filed
7 cost report may be retroactively adjusted upon completion of the
8 audit of that cost report.

9 Sec. 1686. (1) The department shall submit a report by April
10 30 of the current fiscal year to the house and senate
11 appropriations subcommittees on community health and the house and
12 senate fiscal agencies on the progress of 4 Medicaid long-term care
13 single point of entry services pilot projects. The department shall
14 also submit a final plan to the house and senate subcommittees on
15 community health and the house and senate fiscal agencies 60 days
16 prior to any expansion of the program.

17 (2) In addition to the report required under subsection (1),
18 the department shall report all of the following to the house and
19 senate appropriations subcommittees on community health and the
20 house and senate fiscal agencies by September 30 of the current
21 fiscal year:

22 (a) The total cost of the single point of entry program.

23 (b) The total cost of each designated single point of entry.

24 (c) The total amount of Medicaid dollars saved because of the
25 program.

26 (d) The total number of emergent single point of entry cases
27 handled.

1 (e) The total number of single point of entry cases involving
2 transfer from hospital settings to long-term care settings.

3 (3) As used in this section, "single point of entry" means a
4 system that enables consumers to access Medicaid long-term care
5 services and supports through 1 agency or organization and that
6 promotes consumer education and choice of long-term care options.

7 Sec. 1687. The department shall study the feasibility, impact,
8 and cost of supporting a Medicaid rate enhancement to be used
9 exclusively to fund affordable, accessible, and adequate health
10 insurance for direct care workers in nursing homes, adult foster
11 care homes, homes for the aged, and home- and community-based
12 services programs. The department shall report its findings and
13 recommendations to the senate and house appropriations
14 subcommittees on community health and the senate and house fiscal
15 agencies by April 1, 2010.

16 Sec. 1688. The department shall not impose a limit on per unit
17 reimbursements to service providers that provide personal care or
18 other services under the Medicaid home- and community-based
19 services waiver program for the elderly and disabled. The
20 department's per day per client reimbursement cap calculated in the
21 aggregate for all services provided under the Medicaid home- and
22 community-based services waiver is not a violation of this section.

23 Sec. 1689. (1) Priority in enrolling additional persons in the
24 Medicaid home- and community-based services waiver program shall be
25 given to those who are currently residing in nursing homes or who
26 are eligible to be admitted to a nursing home if they are not
27 provided home- and community-based services. The department shall

1 use screening and assessment procedures to assure that no
2 additional Medicaid eligible persons are admitted to nursing homes
3 who would be more appropriately served by the Medicaid home- and
4 community-based services waiver program.

5 (2) Within 60 days of the end of each fiscal quarter, the
6 department shall provide a report to the senate and house
7 appropriations subcommittees on community health and the senate and
8 house fiscal agencies that details existing and future allocations
9 for the home- and community-based services waiver program by
10 regions as well as the associated expenditures. The report shall
11 include information regarding the net cost savings from moving
12 individuals from a nursing home to the home- and community-based
13 services waiver program, the number of individuals transitioned
14 from nursing homes to the home- and community-based services waiver
15 program, the number of individuals on waiting lists by region for
16 the program, and the amount of funds transferred during the fiscal
17 quarter. The report shall also include the number of Medicaid
18 individuals served and the number of days of care for the home- and
19 community-based services waiver program and in nursing homes.

20 (3) The department shall develop a system to collect and
21 analyze information regarding individuals on the home- and
22 community-based services waiver waiting list to identify the
23 community supports they receive, including, but not limited to,
24 adult home help, food assistance, and housing assistance services
25 and to determine the extent to which these community supports help
26 individuals remain in their home and avoid entry into a nursing
27 home. The department shall provide a progress report on

1 implementation to the senate and house appropriations subcommittees
2 on community health and the senate and house fiscal agencies by
3 June 1 of the current fiscal year.

4 Sec. 1690. (1) The department shall submit a report to the
5 house and senate appropriations subcommittees on community health,
6 the house and senate fiscal agencies, and the state budget director
7 by April 1 of the current fiscal year, to include all data
8 collected on the quality assurance indicators in the preceding
9 fiscal year for the home- and community-based services waiver
10 program, as well as quality improvement plans and data collected on
11 critical incidents in the waiver program and their resolutions.

12 (2) The department shall submit a report to the house and
13 senate appropriations subcommittees on community health, the house
14 and senate fiscal agencies, and the state budget director by April
15 1 of the current fiscal year, to include all data collected on the
16 quality assurance indicators in the preceding fiscal year for the
17 adult home help program, as well as quality improvement plans and
18 data collected on critical incidents in the adult home help program
19 and their resolutions.

20 Sec. 1691. (1) Payment increases provided in previous years to
21 adult home help workers shall be continued. From the funds
22 appropriated in part 1 for adult home help services, \$16,584,000.00
23 is appropriated to increase the wages of adult home help workers by
24 50 cents per hour in all counties effective October 1, 2009.

25 (2) The department, in conjunction with the department of
26 human services, shall revise any policies, rules, procedures, or
27 regulations that may be an administrative barrier to the

1 implementation of the wage adjustments described in this section.

2 Sec. 1692. (1) The department is authorized to pursue
3 reimbursement for eligible services provided in Michigan schools
4 from the federal Medicaid program. The department and the state
5 budget director are authorized to negotiate and enter into
6 agreements, together with the department of education, with local
7 and intermediate school districts regarding the sharing of federal
8 Medicaid services funds received for these services. The department
9 is authorized to receive and disburse funds to participating school
10 districts pursuant to such agreements and state and federal law.

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

14 (a) Finance activities within the medical services
15 administration related to this project.

16 (b) Reimburse participating school districts pursuant to the
17 fund-sharing ratios negotiated in the state-local agreements
18 authorized in subsection (1).

19 (c) Offset general fund costs associated with the medical
20 services program.

21 Sec. 1693. The special Medicaid reimbursement appropriation in
22 part 1 may be increased if the department submits a medical
23 services state plan amendment pertaining to this line item at a
24 level higher than the appropriation. The department is authorized
25 to appropriately adjust financing sources in accordance with the
26 increased appropriation.

27 Sec. 1694. The department shall distribute \$1,500,000.00 to an

1 academic health care system that includes a children's hospital
2 that has a high indigent care volume.

3 Sec. 1695. (1) The department shall evaluate the impact of
4 implementing a case mix reimbursement system for nursing
5 facilities. The department shall consult with representatives from
6 the department, the health care association of Michigan, the
7 Michigan county medical care facilities council, and the Michigan
8 association of homes and services for the aging.

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

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

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

25 Sec. 1699. The department may make separate payments directly
26 to qualifying hospitals serving a disproportionate share of
27 indigent patients in the amount of \$51,000,000.00, and to hospitals

1 providing graduate medical education training programs. If direct
2 payment for GME and DSH is made to qualifying hospitals for
3 services to Medicaid clients, hospitals will not include GME costs
4 or DSH payments in their contracts with HMOs.

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

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

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

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

27 Sec. 1716. The department shall seek to maintain a constant

1 enrollment level within the Medicaid adult benefits waiver program
2 throughout fiscal year 2009-2010.

3 Sec. 1717. (1) The department shall create 2 pools for
4 distribution of disproportionate share hospital funding. The first
5 pool, totaling \$45,900,000.00, shall be distributed using the
6 distribution methodology used in fiscal year 2003-2004. The second
7 pool, totaling \$5,100,000.00, shall be distributed to unaffiliated
8 hospitals and hospital systems that received less than \$900,000.00
9 in disproportionate share hospital payments in fiscal year 2007-
10 2008 based on a formula that is weighted proportional to the
11 product of each eligible system's Medicaid revenue and each
12 eligible system's Medicaid utilization, except that no payment of
13 less than \$1,000.00 shall be made.

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

19 Sec. 1718. The department shall provide each Medicaid adult
20 home help beneficiary or applicant with the right to a fair hearing
21 when the department or its agent reduces, suspends, terminates, or
22 denies adult home help services. If the department takes action to
23 reduce, suspend, terminate, or deny adult home help services, it
24 shall provide the beneficiary or applicant with a written notice
25 that states what action the department proposes to take, the
26 reasons for the intended action, the specific regulations that
27 support the action, and an explanation of the beneficiary's or

1 applicant's right to an evidentiary hearing and the circumstances
2 under which those services will be continued if a hearing is
3 requested.

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

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

25 Sec. 1725. The department shall continue to work with the
26 department of human services to reduce Medicaid eligibility errors
27 related to basic eligibility requirements, residency issues, and

1 income requirements.

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

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

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

15 Sec. 1733. (1) The department shall seek additional federal
16 funds to permit the state to provide financial support for
17 electronic prescribing and other health information technology
18 initiatives.

19 (2) The department shall develop a 3-year strategic plan for
20 the implementation of electronic prescribing for the Medicaid
21 program.

22 Sec. 1734. The department shall seek federal money for
23 demonstration programs that will permit this state to provide
24 financial incentives for positive health behavior practiced by
25 Medicaid recipients, including, but not limited to, consumer-driven
26 strategies that enable Medicaid recipients to choose coverage that
27 meets their individual needs and that authorize monetary or other

1 rewards for demonstrating positive health behavior changes.

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

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

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

17 Sec. 1742. The department shall allow the retention of \$100.00
18 in special Medicaid reimbursement funding by any public hospital
19 that meets each of the following criteria:

20 (a) The hospital participates in the intergovernmental
21 transfers.

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

23 (c) The hospital provides surgical services.

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

25 Sec. 1752. The department shall provide a Medicaid health plan
26 with any information that may assist the Medicaid health plan in
27 determining whether another party may be responsible, in whole or

1 in part, for the payment of health benefits.

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

19 Sec. 1757. The department shall direct the department of human
20 services to obtain proof from all Medicaid recipients that they are
21 legal United States citizens or otherwise legally residing in this
22 country and that they are residents of this state before approving
23 Medicaid eligibility.

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

27 (a) Lengthening the look-back policy for asset transfers from

1 3 to 5 years.

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

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

6 (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL
7 400.601 to 400.613, to collect an enhanced state share of damages
8 collected from entities that have been successfully prosecuted for
9 filing a fraudulent Medicaid claim.

10 Sec. 1764. The department shall annually certify rates paid to
11 Medicaid health plans as being actuarially sound in accordance with
12 federal requirements and shall provide a copy of the rate
13 certification and approval immediately to the house and senate
14 appropriations subcommittees on community health and the house and
15 senate fiscal agencies.

16 Sec. 1767. The department shall study and evaluate the impact
17 of the change in the way in which the Medicaid program pays
18 pharmacists for prescriptions from average wholesale price to
19 average manufacturer price as required by the federal deficit
20 reduction act of 2005, Public Law 109-171. Upon release of the data
21 by the centers for Medicare and Medicaid services, the department
22 shall submit a report of its study to the senate and house
23 appropriations subcommittees on community health and the senate and
24 house fiscal agencies. If the department finds that there is a
25 negative impact on the pharmacists, the department shall reexamine
26 the current pharmaceutical dispensing fee structure established
27 under section 1620 and include in the report recommendations and

1 proposals to counter the negative impact of that federal
2 legislation.

3 Sec. 1770. In conjunction with the consultation requirements
4 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and
5 except as otherwise provided in this section, the department shall
6 attempt to make the effective date for a proposed Medicaid policy
7 bulletin or adjustment to the Medicaid provider manual on October
8 1, January 1, April 1, or July 1 after the end of the consultation
9 period. The department may provide an effective date for a proposed
10 Medicaid policy bulletin or adjustment to the Medicaid provider
11 manual other than provided for in this section if necessary to be
12 in compliance with federal or state law, regulations, or rules or
13 with an executive order of the governor.

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

18 Sec. 1773. (1) The department shall establish and implement a
19 bid process to identify a single private contractor to provide
20 Medicaid covered nonemergency transportation services in each
21 county with a population over 750,000 individuals.

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

24 Sec. 1783. (1) The department shall develop rates by January
25 1, 2010 for the enrollment of individuals dually eligible for
26 Medicare and Medicaid into Medicaid health plans if those health
27 plans also maintain a Medicare advantage special needs plan

1 certified by the centers for Medicare and Medicaid services.

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

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

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

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

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

23 Sec. 1791. (1) From the money appropriated in part 1 for
24 physician services and health plan services, \$5,285,700.00, of
25 which \$2,100,000.00 is general fund/general purpose money, shall be
26 allocated to increase Medicaid reimbursement rates for primary care
27 and well child visit procedure codes. The increased reimbursement

1 rates in this section shall be implemented October 1, 2008 and
2 shall not exceed the comparable Medicare payment rate for the same
3 services.

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

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

13 Sec. 1796. The department shall direct the health information
14 technology commission to examine strategies that promote the
15 ability to share medical records. The department shall report the
16 commission's findings by July 1, 2009.

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

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

27 Sec. 1805. From the funds appropriated in part 1 for personal

1 care services, \$1,344,000.00 shall be allocated beginning October
2 1, 2009, to fund an \$8.00 increase to the personal care supplement
3 paid to adult foster care facilities and homes for the aged that
4 provide personal care services to Medicaid beneficiaries.

5 Sec. 1806. From the funds appropriated in part 1 for county
6 indigent care and third share plans, \$98,165,400.00 of general
7 fund/general purpose is appropriated to provide preventive and
8 ambulatory health care services through county health plans to
9 uninsured persons with income below 150% of the federal poverty
10 level and who do not qualify for Medicaid, Medicare, MICHild, or
11 the adult benefits waiver program. The services covered shall be
12 comparable to the benefits provided through the plan B coverage
13 currently available through the county health plans. The department
14 and county health plans shall make an effort to inform recipients
15 that these funds may be contingent upon the availability of federal
16 stimulus funds under the American recovery and reinvestment act of
17 2009.

18 Sec. 1810. From the funds appropriated in part 1 for county
19 indigent care and third share plans, \$5,000,000.00 is appropriated
20 to subsidize the costs of COBRA continuation coverage for workers
21 who were involuntarily terminated from their employment on or after
22 September 1, 2008 and who are eligible for the 65% subsidy of
23 health coverage authorized by the American recovery and
24 reinvestment act of 2009. The funding shall be allocated to county
25 health plans for payment of 1/2 of the remaining monthly premium
26 cost of those workers who qualify for the 65% subsidy of health
27 coverage authorized by the American recovery and reinvestment act

1 of 2009.

2 Sec. 1811. If section 2946 of the revised judiciary act of
3 1961, 1961 PA 236, MCL 600.2946, is amended to allow Michigan
4 citizens to file product liability suits against pharmaceutical
5 manufacturers for damages related to defective drugs, the
6 department shall make all efforts to recover Medicaid funds that it
7 paid for treatment of injuries resulting from use of these drugs by
8 Medicaid enrollees.

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

19 Sec. 1813. From the funds appropriated in part 1 for hospital
20 services and therapy, the department shall allocate \$12,300,000.00
21 in general fund/general purpose funds to prevent the implementation
22 of executive orders 2001-09, 2002-22, and 2005-07 in fiscal year
23 2009-2010. In fiscal year 2009-2010, the department shall not
24 reduce inpatient hospital payments or make a gross adjustment to
25 medical/surgical hospitals, distinct part rehabilitation units, and
26 freestanding rehabilitation hospitals related to these executive
27 orders.

1 Sec. 1814. From the funds appropriated in part 1 for Medicaid
2 adult benefit waiver, \$45,000,000.00 shall be allocated beginning
3 October 1, 2009 to fund a hospital benefit for adult benefit waiver
4 program enrollees.