

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

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

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

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

## House Bill No. 4436 as amended June 24, 2009

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

**DEPARTMENT OF COMMUNITY HEALTH**

## APPROPRIATION SUMMARY

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

Full-time equated classified positions..... 4,369.6

Average population ..... 893.0

GROSS APPROPRIATION..... \$ <<12,859,470,400>>:

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 47,177,000

ADJUSTED GROSS APPROPRIATION..... \$ <<12,812,293,400>>:

Federal revenues:

Total federal revenues..... 8,692,546,500

Special revenue funds:

Total local revenues..... 227,986,700

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

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

Total other state restricted revenues..... 1,528,563,400

State general fund/general purpose..... \$ <<2,267,988,400>>

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

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

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

Director--1.0 FTE position..... \$ 146,500

Deputy director--1.0 FTE position..... 132,000

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1	Director, office of services to the aging--1.0 FTE	
2	position .....	106,100
3	Public relations liaison--1.0 FTE position.....	60,000
4	Communications director--1.0 FTE position.....	79,000
5	Legislative liaison--1.0 FTE position.....	75,000
6	Departmental administration and management--172.2	
7	FTE positions .....	<<22,520,400>>
8	Worker's compensation program.....	9,147,100
9	Rent and building occupancy.....	10,778,100
10	Developmental disabilities council and	
11	projects--10.0 FTE positions .....	<u>2,793,500</u>
12	GROSS APPROPRIATION.....	\$ <<45,837,700>>
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	13,605,300
16	Special revenue funds:	
17	Total private revenues.....	35,200
18	Total other state restricted revenues.....	2,366,100
19	State general fund/general purpose.....	\$ <<29,831,100>>
20	<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES</b>	
21	<b>ADMINISTRATION AND SPECIAL PROJECTS</b>	
22	Full-time equated classified positions..... 126.5	
23	Mental health/substance abuse program	
24	administration--125.5 FTE positions.....	\$ 16,206,700
25	Consumer involvement program.....	189,100
26	Gambling addiction--1.0 FTE position.....	3,000,000
27	Protection and advocacy services support .....	194,400

1	Community residential and support services .....	2,136,000
2	Highway safety projects .....	400,000
3	Federal and other special projects .....	4,247,700
4	Family support subsidy .....	18,599,200
5	Housing and support services .....	9,306,800
6	Anti-drug abuse grants .....	9,075,100
7	IDG to judiciary for drug treatment courts .....	<u>1,800,000</u>
8	GROSS APPROPRIATION .....	\$ 65,155,000
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues .....	49,124,400
12	Special revenue funds:	
13	Total private revenues .....	190,000
14	Total other state restricted revenues .....	3,500,000
15	State general fund/general purpose .....	\$ 12,340,600
16	<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE</b>	
17	<b>SERVICES PROGRAMS</b>	
18	Full-time equated classified positions .....	9.5
19	Medicaid mental health services .....	\$ 2,150,975,800
20	Community mental health non-Medicaid services in	
21	counties with population under 1,500,000 .....	193,633,400
22	Community mental health non-Medicaid services in	
23	counties with population over 1,500,000 .....	52,000,000
24	Community mental health non-Medicaid services	
25	provided by community mental health authorities	
26	created pursuant to section 205 of the mental	
27	health code, 1974 PA 258, MCL 330.1205, in counties	

1	with population over 1,500,000.....	20,000,000
2	Medicaid adult benefits waiver.....	40,000,000
3	Multicultural services.....	6,823,900
4	Medicaid substance abuse services.....	40,568,500
5	CMHSP, purchase of state services contracts.....	120,833,400
6	Civil service charges.....	1,499,300
7	Federal mental health block grant--2.5 FTE positions .	15,374,900
8	State disability assistance program substance abuse	
9	services .....	2,509,800
10	Community substance abuse prevention, education and	
11	treatment programs .....	82,597,900
12	Children's waiver home care program.....	19,549,800
13	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,166,000
14	Children with serious emotional disturbance waiver...	570,000
15	Mental health court pilot programs.....	<u>100</u>
16	GROSS APPROPRIATION.....	\$ 2,759,102,800
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	1,536,196,500
20	Federal - FMAP stimulus.....	200,163,100
21	Special revenue funds:	
22	Total local revenues.....	25,228,900
23	Total other state restricted revenues.....	21,458,200
24	State general fund/general purpose.....	\$ 976,056,100
25	<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR</b>	
26	<b>PERSONS WITH DEVELOPMENTAL DISABILITIES, AND</b>	
27	<b>FORENSIC AND PRISON MENTAL HEALTH SERVICES</b>	

1	Total average population .....	893.0	
2	Full-time equated classified positions.....	2,590.5	
3	Caro regional mental health center - psychiatric		
4	hospital - adult--468.3 FTE positions.....	\$	52,809,300
5	Average population .....	185.0	
6	Kalamazoo psychiatric hospital - adult--483.1 FTE		
7	positions .....		51,065,700
8	Average population .....	189.0	
9	Walter P. Reuther psychiatric hospital -		
10	adult--433.3 FTE positions .....		46,659,000
11	Average population .....	234.0	
12	Hawthorn center - psychiatric hospital - children		
13	and adolescents--230.9 FTE positions.....		24,834,000
14	Average population .....	75.0	
15	Mount Pleasant center - developmental disabilities ...		2,465,000
16	Center for forensic psychiatry--578.6 FTE positions ..		60,686,800
17	Average population .....	210.0	
18	Forensic mental health services provided to the		
19	department of corrections--396.3 FTE positions.....		45,489,700
20	Revenue recapture.....		750,000
21	IDEA, federal special education.....		120,000
22	Special maintenance.....		335,300
23	Purchase of medical services for residents of		
24	hospitals and centers .....		445,600
25	Closed site, transition, and related costs.....		2,050,100
26	Gifts and bequests for patient living and treatment		
27	environment .....		<u>1,000,000</u>

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1	GROSS APPROPRIATION.....	\$	288,710,500
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	Interdepartmental grant from the department of		
5	corrections .....		45,489,700
6	Federal revenues:		
7	Total federal revenues.....		30,633,400
8	Federal - FMAP stimulus.....		3,382,200
9	Special revenue funds:		
10	CMHSP, purchase of state services contracts .....		<<120,833,400>>
11	Other local revenues.....		<<16,928,200>>
12	Total private revenues.....		1,000,000
13	Total other state restricted revenues.....		12,331,700
14	State general fund/general purpose.....	\$	58,111,900
15	<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>		
16	Full-time equated classified positions.....	92.7	
17	Public health administration--8.3 FTE positions .....	\$	1,647,300
18	Healthy Michigan fund programs.....		5,000,000
19	Minority health grants and contracts--3.0 FTE		
20	positions .....		600,400
21	Promotion of healthy behaviors.....		2,375,900
22	Vital records and health statistics--81.4 FTE		
23	positions .....		<u>10,392,000</u>
24	GROSS APPROPRIATION.....	\$	20,015,600
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	Interdepartmental grant from the department of human		

1	services .....	1,123,900
2	Federal revenues:	
3	Total federal revenues.....	5,236,900
4	Special revenue funds:	
5	Total private revenues.....	1,700,000
6	Total other state restricted revenues.....	10,616,000
7	State general fund/general purpose.....	\$ 1,338,800
8	<b>Sec. 107. HEALTH POLICY, REGULATION, AND</b>	
9	<b>PROFESSIONS</b>	
10	Full-time equated classified positions..... 413.6	
11	Health systems administration--193.6 FTE positions ...	\$ 20,386,300
12	Emergency medical services program state staff--8.5	
13	FTE positions .....	1,498,400
14	Radiological health administration--21.4 FTE positions	2,947,400
15	Emergency medical services grants and services .....	660,000
16	Health professions--140.0 FTE positions .....	24,598,200
17	Background check program--5.5 FTE positions .....	2,681,000
18	Health policy, regulation, and professions	
19	administration--25.2 FTE positions.....	3,001,300
20	Nurse scholarship, education, and research	
21	program--3.0 FTE positions .....	1,718,300
22	Certificate of need program administration--14.0 FTE	
23	positions .....	1,955,700
24	Rural health services--1.0 FTE position.....	1,405,700
25	Michigan essential health provider .....	861,300
26	Primary care services--1.4 FTE positions .....	<u>4,243,900</u>
27	GROSS APPROPRIATION.....	\$ 65,957,500



1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Interdepartmental grant from the department of	
4	treasury, Michigan state hospital finance authority.	116,300
5	Federal revenues:	
6	Total federal revenues.....	24,170,700
7	Special revenue funds:	
8	Total local revenues.....	227,700
9	Total private revenues.....	455,000
10	Total other state restricted revenues.....	31,606,600
11	State general fund/general purpose.....	\$ 9,381,200
12	<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>	
13	Full-time equated classified positions.....	51.7
14	AIDS prevention, testing, and care programs--	12.7
15	FTE positions .....	\$ 41,367,600
16	Immunization local agreements.....	12,240,300
17	Immunization program management and field	
18	support--15.0 FTE positions .....	1,683,900
19	Pediatric AIDS prevention and control--	1.0 FTE
20	position .....	1,226,400
21	Sexually transmitted disease control local agreements	3,360,700
22	Sexually transmitted disease control management and	
23	field support--23.0 FTE positions.....	<u>3,738,000</u>
24	GROSS APPROPRIATION.....	\$ 63,616,900
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	42,128,500

1	Special revenue funds:	
2	Total private revenues.....	10,873,600
3	Total other state restricted revenues.....	7,080,300
4	State general fund/general purpose.....	\$ 3,534,500
5	<b>Sec. 109. LABORATORY SERVICES</b>	
6	Full-time equated classified positions.....	123.0
7	Bovine tuberculosis--1.0 FTE position.....	\$ 200,400
8	Laboratory services--122.0 FTE positions.....	<u>18,439,100</u>
9	GROSS APPROPRIATION.....	\$ 18,639,500
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	Interdepartmental grant from the department of	
13	environmental quality .....	447,100
14	Federal revenues:	
15	Total federal revenues.....	1,683,600
16	Special revenue funds:	
17	Total other state restricted revenues.....	9,048,100
18	State general fund/general purpose.....	\$ 7,460,700
19	<b>Sec. 110. EPIDEMIOLOGY</b>	
20	Full-time equated classified positions.....	130.0
21	AIDS surveillance and prevention program.....	2,254,100
22	Asthma prevention and control--2.6 FTE positions .....	1,068,800
23	Bioterrorism preparedness--68.6 FTE positions .....	48,905,100
24	Epidemiology administration--42.3 FTE positions .....	8,133,800
25	Lead abatement program--7.0 FTE positions .....	2,191,300
26	Newborn screening follow-up and treatment	
27	services--9.5 FTE positions .....	4,692,100

1	Tuberculosis control and prevention.....	<u>867,000</u>
2	GROSS APPROPRIATION.....	\$ 68,112,200
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	60,390,800
6	Special revenue funds:	
7	Total private revenues.....	25,000
8	Total other state restricted revenues.....	5,295,200
9	State general fund/general purpose.....	\$ 2,401,200
10	<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
11	Implementation of 1993 PA 133, MCL 333.17015.....	\$ 50,000
12	Local public health operations.....	41,618,400
13	Medicaid outreach cost reimbursement to local health	
14	departments .....	<u>9,000,000</u>
15	GROSS APPROPRIATION.....	\$ 50,668,400
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	9,000,000
19	Special revenue funds:	
20	Total local revenues.....	5,150,000
21	State general fund/general purpose.....	\$ 36,518,400
22	<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND</b>	
23	<b>HEALTH PROMOTION</b>	
24	Full-time equated classified positions.....	75.3
25	Alzheimer's information network.....	\$ 99,500
26	Cancer prevention and control program--12.0 FTE	
27	positions .....	13,491,000

1	Chronic disease prevention--27.7 FTE positions .....	4,492,500
2	Diabetes and kidney program--12.2 FTE positions .....	1,707,500
3	Health education, promotion, and research	
4	programs--6.5 FTE positions .....	829,600
5	Injury control intervention project .....	304,500
6	Public health traffic safety coordination--1.0 FTE	
7	position .....	445,100
8	Smoking prevention program--14.0 FTE positions .....	2,064,000
9	Violence prevention--1.9 FTE positions .....	<u>1,892,900</u>
10	GROSS APPROPRIATION.....	\$ 25,326,600
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues .....	22,288,600
14	Special revenue funds:	
15	Total private revenues .....	146,600
16	Total other state restricted revenues .....	768,800
17	State general fund/general purpose .....	\$ 2,122,600
18	<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH</b>	
19	<b>SERVICES</b>	
20	Full-time equated classified positions..... 55.3	
21	Childhood lead program--6.0 FTE positions .....	\$ 1,766,600
22	Dental programs--3.0 FTE positions .....	1,094,400
23	Dental program for persons with developmental	
24	disabilities .....	151,000
25	Early childhood collaborative secondary prevention ...	524,000
26	Family, maternal, and children's health services	
27	administration--40.6 FTE positions .....	5,339,900

1	Family planning local agreements .....	9,085,700
2	Local MCH services .....	7,018,100
3	Migrant health care .....	272,200
4	Pregnancy prevention program .....	602,100
5	Prenatal care outreach and service delivery support ..	3,049,300
6	Special projects--5.7 FTE positions .....	3,157,500
7	Sudden infant death syndrome program .....	<u>321,300</u>
8	GROSS APPROPRIATION .....	\$ 32,382,100
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues .....	27,071,800
12	Special revenue funds:	
13	Total local revenues .....	75,000
14	State general fund/general purpose .....	\$ 5,235,300
15	<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND</b>	
16	<b>NUTRITION PROGRAM</b>	
17	Full-time equated classified positions .....	43.0
18	Women, infants, and children program administration	
19	and special projects--43.0 FTE positions .....	\$ 9,554,800
20	Women, infants, and children program local	
21	agreements and food costs .....	<u>236,506,700</u>
22	GROSS APPROPRIATION .....	\$ 246,061,500
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues .....	192,815,400
26	Special revenue funds:	
27	Total private revenues .....	53,246,100

1	State general fund/general purpose .....	\$	0
2	<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
3	<b>(CSHCS)</b>		
4	Full-time equated classified positions.....	47.8	
5	Children's special health care services		
6	administration--47.8 FTE positions.....	\$	4,927,000
7	Amputee program.....		184,600
8	Bequests for care and services.....		1,514,600
9	Outreach and advocacy.....		3,773,500
10	Non-emergency medical transportation.....		2,711,200
11	Medical care and treatment.....		<u>219,815,900</u>
12	GROSS APPROPRIATION.....	\$	232,926,800
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues.....		133,115,900
16	Federal - FMAP stimulus.....		16,174,800
17	Special revenue funds:		
18	Total private revenues.....		1,000,000
19	Total other state restricted revenues.....		4,496,900
20	State general fund/general purpose .....	\$	78,139,200
21	<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>		
22	Full-time equated classified positions.....	11.0	
23	Grants administration services--11.0 FTE positions ...	\$	1,498,200
24	Justice assistance grants.....		13,000,000
25	Crime victim rights services grants.....		12,500,000
26	Crime victim's rights fund revenue to Michigan state		
27	police .....		1,053,300

1	Crime victim's rights fund revenue to department of	
2	human services .....	<u>1,300,000</u>
3	GROSS APPROPRIATION.....	\$ 29,351,500
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	15,055,300
7	Special revenue funds:	
8	Total other state restricted revenues.....	14,296,200
9	State general fund/general purpose.....	\$ 0
10	<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>	
11	Full-time equated classified positions..... 37.5	
12	Commission (per diem \$50.00) .....	\$ 10,500
13	Office of services to aging administration--37.5 FTE	
14	positions .....	5,456,300
15	Community services.....	35,569,200
16	Nutrition services.....	37,083,300
17	Foster grandparent volunteer program.....	2,639,600
18	Retired and senior volunteer program.....	741,300
19	Senior companion volunteer program.....	1,896,300
20	Employment assistance.....	3,449,500
21	Respite care program.....	<u>6,800,000</u>
22	GROSS APPROPRIATION.....	\$ 93,646,000
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	53,879,600
26	Special revenue funds:	
27	Total private revenues.....	537,000

1	Merit award trust fund.....	5,000,000
2	Total other state restricted revenues.....	1,800,000
3	State general fund/general purpose.....	\$ 32,429,400
4	<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
5	Full-time equated classified positions.....	380.0
6	Medical services administration--378.0 FTE positions .	\$ 61,638,900
7	Facility inspection contract.....	132,800
8	MICild administration.....	<u>4,327,800</u>
9	GROSS APPROPRIATION.....	\$ 66,099,500
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	45,795,300
13	Total local revenues.....	5,000
14	Total other state restricted revenues.....	97,800
15	State general fund/general purpose.....	\$ 20,201,400
16	<b>Sec. 119. MEDICAL SERVICES</b>	
17	Hospital services and therapy.....	\$ 1,304,102,200
18	Hospital disproportionate share payments.....	50,000,000
19	Physician services.....	334,135,500
20	Medicare premium payments.....	340,075,000
21	Pharmaceutical services.....	138,879,200
22	Home health services.....	6,653,400
23	Hospice services.....	103,679,900
24	Transportation.....	12,025,500
25	Auxiliary medical services.....	7,467,300
26	Dental services.....	123,912,000
27	Ambulance services.....	13,808,100



1	Long-term care services.....	1,516,122,500
2	Medicaid home and community-based services waiver....	176,426,800
3	Adult home help services.....	279,433,500
4	Personal care services.....	16,562,100
5	Program of all-inclusive care for the elderly.....	16,600,000
6	Health plan services.....	3,388,124,900
7	MiChild program.....	52,304,500
8	Plan first family planning waiver.....	8,782,200
9	Medicaid adult benefits waiver.....	138,871,700
10	Special indigent care payments.....	88,518,500
11	Federal Medicare pharmaceutical program.....	183,611,800
12	Promotion of healthy behavior waiver.....	10,000,000
13	Maternal and child health.....	20,279,500
14	Social services to the physically disabled.....	1,344,900
15	Subtotal basic medical services program.....	8,331,721,000
16	School-based services.....	64,630,600
17	Special Medicaid reimbursement.....	238,574,100
18	Subtotal special medical services payments.....	<u>303,204,700</u>
19	GROSS APPROPRIATION.....	\$ 8,634,925,700
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues.....	5,420,157,400
23	Federal - FMAP stimulus.....	753,251,200
24	Special revenue funds:	
25	Total local revenues.....	59,538,500
26	Total private revenues.....	3,100,000
27	Merit award trust fund.....	17,899,900

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1	Total other state restricted revenues .....	1,400,227,600
2	State general fund/general purpose .....	\$ 980,751,100
3	<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
4	Information technology services and projects .....	\$ 36,133,500
5	Michigan Medicaid information system .....	<u>16,801,100</u>
6	GROSS APPROPRIATION .....	\$ 52,934,600
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues .....	37,225,800
10	Special revenue funds:	
11	Total other state restricted revenues .....	3,573,900
12	State general fund/general purpose .....	\$ 12,134,900

13 PART 2

14 PROVISIONS CONCERNING APPROPRIATIONS

15 GENERAL SECTIONS

16 Sec. 201. Pursuant to section 30 of article IX of the state

17 constitution of 1963, total state spending from state resources

18 under part 1 for fiscal year 2009-2010 is <<\$3,819,451,700.00>> and

19 state spending from state resources to be paid to local units of

20 government for fiscal year 2009-2010 is \$1,277,167,100.00. The

21 itemized statement below identifies appropriations from which

22 spending to local units of government will occur:

23 DEPARTMENT OF COMMUNITY HEALTH

24 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

25 AND SPECIAL PROJECTS

1	Community residential and support services .....	\$	344,600
2	Housing and support services .....		599,800
3	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
4	State disability assistance program substance		
5	abuse services .....	\$	2,509,800
6	Community substance abuse prevention, education, and		
7	treatment programs .....		16,820,200
8	Medicaid mental health services .....		574,955,800
9	Community mental health non-Medicaid services		
10	in counties with population under 1,500,000 .....		193,633,400
11	Community mental health non-Medicaid services		
12	in counties with population over 1,500,000 .....		52,000,000
13	Community mental health non-Medicaid		
14	services provided by community mental health		
15	authorities created pursuant to section 205		
16	of the mental health code, 1974 PA 258, MCL 330.1205,		
17	in counties with population over 1,500,000 .....		20,000,000
18	Medicaid adult benefits waiver .....		10,308,000
19	Multicultural services .....		6,823,900
20	Medicaid substance abuse services .....		12,846,900
21	Respite services .....		1,000,000
22	Children's waiver home care program .....		5,225,700
23	Nursing home PASARR .....		2,738,400
24	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
25	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
26	MENTAL HEALTH SERVICES		
27	Center for forensic psychiatry .....	\$	290,300

1	PUBLIC HEALTH ADMINISTRATION		
2	Minority health grants and contracts .....	\$	241,000
3	Public health administration .....		61,500
4	HEALTH POLICY, REGULATION, AND PROFESSIONS		
5	Nurse scholarship, education, and research programs ..	\$	72,600
6	Primary care services .....		115,600
7	INFECTIOUS DISEASE CONTROL		
8	AIDS prevention, testing, and care programs .....	\$	865,700
9	Immunization local agreements .....		2,158,100
10	Immunization program management and field support ....		30,300
11	Sexually transmitted disease control local agreements		421,800
12	LABORATORY SERVICES		
13	Laboratory services .....	\$	3,300
14	EPIDEMIOLOGY		
15	Epidemiology administration .....	\$	125,000
16	LOCAL HEALTH ADMINISTRATION AND GRANTS		
17	Implementation of 1993 PA 133 .....	\$	5,300
18	Local public health operations .....		36,468,400
19	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
20	Cancer prevention and control program .....	\$	397,300
21	Chronic disease prevention .....		261,600
22	Diabetes and kidney program .....		357,700
23	Smoking prevention program .....		959,900
24	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
25	Childhood lead program .....	\$	244,000
26	Family, maternal, and children's health administration		87,100
27	Family planning local agreements .....		111,300

1	Local MCH services.....		246,100
2	Pregnancy prevention program.....		1,558,800
3	Prenatal care outreach and service delivery support ..		697,800
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.....	\$	13,479,300
17	Nutrition services.....		10,583,100
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.....	\$	1,277,167,100
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. 215. (1) The department shall report to the house and  
20 senate appropriations subcommittees on the budget for the  
21 department, the joint committee on administrative rules, and the  
22 senate and house fiscal agencies by no later than April 1, 2010 on  
23 each specific policy change made by the department to implement a  
24 public act affecting that department that took effect during the  
25 preceding calendar year.

26 (2) Funds appropriated in part 1 shall not be used by the  
27 department to adopt a rule that will apply to a small business and

1 that will have a disproportionate economic impact on small  
2 businesses because of the size of those businesses if the  
3 department fails to reduce the disproportionate economic impact of  
4 the rule on small businesses as provided under section 40 of the  
5 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

6 (3) As used in this section:

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

9 (b) "Small business" means that term as defined under section  
10 7a of the administrative procedures act of 1969, 1969 PA 306, MCL  
11 24.207a.

12 Sec. 216. (1) In addition to funds appropriated in part 1 for  
13 all programs and services, there is appropriated for write-offs of  
14 accounts receivable, deferrals, and for prior year obligations in  
15 excess of applicable prior year appropriations, an amount equal to  
16 total write-offs and prior year obligations, but not to exceed  
17 amounts available in prior year revenues.

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

23 (3) The department shall report by March 15 of the current  
24 fiscal year to the house of representatives and senate  
25 appropriations subcommittees on community health on all  
26 reimbursements, refunds, adjustments, and settlements from prior  
27 years.

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

5       (a) Immunizations.

6       (b) Communicable disease control.

7       (c) Sexually transmitted disease control.

8       (d) Tuberculosis control.

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

10       (f) Screening newborns for the conditions listed in section  
11 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
12 recommended by the newborn screening quality assurance advisory  
13 committee created under section 5430 of the public health code,  
14 1978 PA 368, MCL 333.5430.

15       (g) Community health annex of the Michigan emergency  
16 management plan.

17       (h) Prenatal care.

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

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

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

5 (c) The expected project duration.

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

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

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

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

27 Sec. 259. From the funds appropriated in part 1 for

1 information technology, the department shall pay user fees to the  
2 department of information technology for technology-related  
3 services and projects. Such user fees shall be subject to  
4 provisions of an interagency agreement between the department and  
5 the department of information technology.

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

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

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

27 (2) The department shall provide written or verbal quarterly



1 reports to the senate and house appropriations subcommittees on  
2 community health and the senate and house fiscal agencies  
3 summarizing the status of any new or ongoing discussions with the  
4 centers for Medicare and Medicaid services or the federal  
5 department of health and human services regarding potential or  
6 future Medicaid waiver applications.

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

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

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

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

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

23       (d) The travel is necessary to comply with federal  
24 requirements.

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

27       (f) The travel is financed entirely by federal or nonstate

1 funds.

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

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

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

19 (b) The destination of each travel occurrence.

20 (c) The dates of each travel occurrence.

21 (d) A brief statement of the reason for each travel  
22 occurrence.

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

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

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

6 Sec. 269. (1) Of the amount appropriated in part 1 for  
7 Medicaid mental health services, \$170,000,000.00 is for prepaid  
8 inpatient health plan reimbursement of antipsychotic prescriptions  
9 under the Medicaid program. All of the following conditions shall  
10 apply to this arrangement:

11 (a) The department shall develop uniform statewide procedures  
12 and practices to be followed by the prepaid inpatient health plans.  
13 These procedures and practices shall adhere to the requirements of  
14 section 1625 and section 109h of the social welfare act, 1939 PA  
15 280, MCL 400.109h.

16 (b) The department shall include the actual cost of  
17 antipsychotic prescriptions, net of actual rebates, into the  
18 actuarially sound capitation rates for the prepaid inpatient health  
19 plans.

20 (c) The department shall develop and implement training for  
21 prepaid inpatient health programs regarding billing processes  
22 required for reimbursement under this section.

23 (d) If legislation authorizing the state to collect rebates on  
24 pharmaceuticals prescribed by Medicaid managed care organizations  
25 is not passed by congress and signed by the president, the  
26 department shall ask the office of state budget to propose a  
27 transfer of funding from the Medicaid mental health services line

1 to the pharmaceutical services line.

2 (2) Medicaid reimbursement of mental health prescriptions that  
3 are not antipsychotics shall be made from the medical services  
4 pharmaceutical services line in part 1. The department shall  
5 utilize the same operational procedures for these medications that  
6 were followed in fiscal year 2008-2009 and shall adhere to the  
7 requirements of section 109h of the social welfare act, 1939 PA  
8 280, MCL 400.109h.

9 (3) The directors of the medical services administration and  
10 the department's mental health and substance abuse administration  
11 shall provide a joint quarterly report to the senate and house  
12 appropriations subcommittees on community health and the senate and  
13 house fiscal agencies.

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

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

24 (b) The program or service for which the money was originally  
25 expended.

26 (c) Details on the disposition of the funds recovered such as  
27 the appropriation or revenue account in which the money was

1 deposited.

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

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

16 (2) The pilot project shall make use of preestablished  
17 objectives and outcome measures to determine the cost effectiveness  
18 of the project. Participating organizations shall collect data to  
19 study and monitor the correlation between early mental health  
20 treatment services to program participants and improvement in the  
21 management of their chronic disease.

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

25 (4) A progress report on the pilot project shall be provided  
26 to the house and senate appropriations subcommittees on community  
27 health, the house and senate fiscal agencies, and the state budget

1 director no later than May 1 of the current fiscal year.

2 Sec. 272. (1) The department shall make efforts to implement  
3 the results of the study of current policies and allocation  
4 methodologies specified in section 272 of 2007 PA 123. These  
5 efforts to encourage administrative efficiencies shall apply to the  
6 following entities:

7 (a) Local public health departments.

8 (b) CMHSPs.

9 (c) Substance abuse coordinating agencies.

10 (d) Area agencies on aging.

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

13 (a) The Michigan association of community mental health  
14 boards.

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

16 (c) The Michigan association of substance abuse coordinating  
17 agencies.

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

19 (3) The department shall submit a report on its efforts to  
20 implement the results of the study to the senate and house  
21 appropriations subcommittees on community health, the senate and  
22 house committees on health policy, the senate and house fiscal  
23 agencies, and the state budget director by April 1, 2009.

24 Sec. 276. Funds appropriated in part 1 shall not be used by a  
25 principal executive department, state agency, or authority to hire  
26 a person to provide legal services that are the responsibility of  
27 the attorney general. This prohibition does not apply to legal

1 services for bonding activities and for those activities that the  
2 attorney general authorizes.

3       Sec. 282. (1) The department, through its organizational units  
4 responsible for departmental administration, operation, and  
5 finance, shall establish uniform definitions, standards, and  
6 instructions for the classification, allocation, assignment,  
7 calculation, recording, and reporting of administrative costs by  
8 the following entities:

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

12       (b) Area agencies on aging and local providers, and their  
13 subcontractors that receive payment or reimbursement from funds  
14 appropriated under section 118.

15       (2) By May 15 of the current fiscal year, the department shall  
16 provide a written draft of its proposed definitions, standards, and  
17 instructions to the house of representatives and senate  
18 appropriations subcommittees on community health, the house and  
19 senate fiscal agencies, and the state budget director.

20       Sec. 284. The department shall not approve the travel of more  
21 than 1 departmental employee to a specific professional development  
22 conference or training seminar that is located outside of this  
23 state unless the professional development conference or training  
24 seminar is funded by a federal or private funding source and  
25 requires more than 1 person from a department to attend, or the  
26 conference or training seminar includes multiple issues in which 1  
27 employee from the department does not have expertise.

1       Sec. 285. (1) The department shall expand its current  
2       prescription drug website to provide all of the following  
3       information:

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

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

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

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

15      (e) Names and addresses for the pharmacies associated with the  
16      listed prescription drugs.

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

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

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

27      (i) An advisory statement alerting consumers that the price



1 posted for a listed drug product is only for the strength and  
2 quantity posted.

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

6 (k) A notation indicating a prescription drug price was  
7 corrected.

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

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 Sec. 287. Not later than October 15, 2010, the department  
19 shall prepare and transmit a report that provides for estimates of  
20 the total general fund/general purpose appropriation lapses at the  
21 close of the fiscal year. This report shall summarize the projected  
22 year-end general fund/general purpose appropriations lapses by  
23 major departmental program or program areas. The report shall be  
24 transmitted to the office of the state budget, the chairpersons of  
25 the senate and house appropriations committees, and the fiscal  
26 agencies.

27 Sec. 288. It is the intent of the legislature that legislation

1 be enacted to transfer \$10,200,000.00 in prepaid inpatient health  
2 plan use tax revenue and \$2,400,000.00 in Medicaid health plan use  
3 tax revenue to the Medicaid benefits trust fund.

<<Sec. 289. The department shall work with the department of human services to help provide nutrition education to individuals participating in the food assistance program.

Sec. 290. From the funds appropriated in part 1 for departmentwide administration and management, \$50,000.00 shall be allocated for a study of the efficacy of psychotropic medications prescribed to Medicaid clients. This report shall be provided to the senate and house appropriations subcommittees on the department of community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 291. From the funds appropriated in part 1, up to \$100.00 shall be allocated for a cooperative effort between the department, the department of human services, and the department of state police to coordinate the functions of the state police LEIN system and the department of human services bridges case management system. The purpose of this effort will be to provide usable data that will allow authorized users of the bridges case management system to identify those persons who may be ineligible to receive certain assistance services due to their law enforcement status. The department shall deliver a report on this effort to the senate and house appropriations subcommittees on community health not later than May 1, 2010.>>

#### 4 DEPARTMENTWIDE ADMINISTRATION

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

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

#### 13 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL 14 PROJECTS

15 Sec. 350. The department may enter into a contract with the  
16 protection and advocacy agency, authorized under section 931 of the  
17 mental health code, 1974 PA 258, MCL 330.1931, or a similar

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18 organization to provide legal services for purposes of gaining and  
19 maintaining occupancy in a community living arrangement that is  
20 under lease or contract with the department or a community mental  
21 health services program to provide services to persons with mental  
22 illness or developmental disability.

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

1    COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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

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

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

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

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

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

1 individualized plan of services or supports.

2 (f) A system of continuous quality improvement.

3 (g) A system to monitor and evaluate the mental health  
4 services provided.

5 (h) A system that serves at-risk and delinquent youth as  
6 required under the provisions of the mental health code, 1974 PA  
7 258, MCL 330.1001 to 330.2106.

8 Sec. 402. (1) From funds appropriated in part 1, final  
9 authorizations to CMHSPs or PIHPs shall be made upon the execution  
10 of contracts between the department and CMHSPs or PIHPs. The  
11 contracts shall contain an approved plan and budget as well as  
12 policies and procedures governing the obligations and  
13 responsibilities of both parties to the contracts. Each contract  
14 with a CMHSP or PIHP that the department is authorized to enter  
15 into under this subsection shall include a provision that the  
16 contract is not valid unless the total dollar obligation for all of  
17 the contracts between the department and the CMHSPs or PIHPs  
18 entered into under this subsection for fiscal year 2008-2009 does  
19 not exceed the amount of money appropriated in part 1 for the  
20 contracts authorized under this subsection.

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

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

27 (b) Any amendments to contracts with CMHSPs or PIHPs that

1 would affect rates or expenditures are enacted.

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

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

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

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

27 Sec. 404. (1) Not later than May 31 of the current fiscal

1 year, the department shall provide a report on the community mental  
2 health services programs to the members of the house and senate  
3 appropriations subcommittees on community health, the house and  
4 senate fiscal agencies, and the state budget director that includes  
5 the information required by this section.

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

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

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

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

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

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

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

26 (ii) The number of people who requested services but did not  
27 receive services.

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

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

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

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

13 (i) The amount of the contract, organized by type of service  
14 provided.

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

16 (iii) Administrative costs for services provided to CMHSPs or  
17 PIHPs.

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

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

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

26 (k) An estimate of the number of direct care workers in local  
27 residential settings and paraprofessional and other nonprofessional



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1 direct care workers in settings where skill building, community  
2 living supports and training, and personal care services are  
3 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal  
4 year employed directly or through contracts with provider  
5 organizations.

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

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

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

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26 (2)>> Each CMHSP awarded wage pass-through money from the funds  
27 established under <<subsection (1)>> shall report on the

1 actual expenditures of the money in the format determined by the  
2 department.

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

10       (2) The department shall reimburse all licensed substance  
11 abuse programs eligible to participate in the program at a rate  
12 equivalent to that paid by the department of human services to  
13 adult foster care providers. Programs accredited by department-  
14 approved accrediting organizations shall be reimbursed at the  
15 personal care rate, while all other eligible programs shall be  
16 reimbursed at the domiciliary care rate.

17       Sec. 407. (1) The amount appropriated in part 1 for substance  
18 abuse prevention, education, and treatment grants shall be expended  
19 for contracting with PIHPs.

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

23       (3) From the funds appropriated in part 1 for community  
24 substance abuse prevention, education, and treatment programs,  
25 \$200.00 shall be used to fund medically necessary medications  
26 prescribed by a physician for the treatment of alcoholism and other  
27 substance abuse disorders.

1           (4) Effective April 1, 2010, only PIHPs shall be considered  
2 substance abuse coordinating agencies for purposes of reimbursement  
3 with funds appropriated in part 1.

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

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

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

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

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

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

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

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

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

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

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

1 in fiscal year 2007-2008.

2       Sec. 414. Medicaid substance abuse treatment services shall be  
3 managed by selected PIHPs pursuant to the centers for Medicare and  
4 Medicaid services' approval of Michigan's 1915(b) waiver request to  
5 implement a managed care plan for specialized substance abuse  
6 services. The selected PIHPs shall receive a capitated payment on a  
7 per eligible per month basis to assure provision of medically  
8 necessary substance abuse services to all beneficiaries who require  
9 those services. The selected PIHPs shall be responsible for the  
10 reimbursement of claims for specialized substance abuse services.  
11 The PIHPs that are not coordinating agencies may continue to  
12 contract with a coordinating agency. Any alternative arrangement  
13 must be based on client service needs and have prior approval from  
14 the department.

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

25       Sec. 423. (1) The department shall work cooperatively with the  
26 departments of human services, corrections, education, state  
27 police, and military and veterans affairs to coordinate and improve

1 the delivery of substance abuse prevention, education, and  
2 treatment programs within existing appropriations.

3 (2) The department shall establish a work group composed of  
4 representatives of the department, the departments of human  
5 services, corrections, education, state police, and military and  
6 veterans affairs, coordinating agencies, CMHSPs, and any other  
7 persons considered appropriate to examine and review the source and  
8 expenditure of all public and private funds made available for  
9 substance abuse programs and services. The work group shall develop  
10 and recommend cost-effective measures for the expenditure of funds  
11 and delivery of substance abuse programs and services. The  
12 department shall submit the findings of the work group to the house  
13 of representatives and senate appropriations subcommittees on  
14 community health, the house and senate fiscal agencies, and the  
15 state budget director by May 31 of the current fiscal year.

16 Sec. 424. Each PIHP that contracts with the department to  
17 provide services to the Medicaid population shall adhere to the  
18 following timely claims processing and payment procedure for claims  
19 submitted by health professionals and facilities:

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

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

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

5 <<Sec. 428. Each PIHP shall provide, from internal resources, local  
6 funds to be used as a bona fide part of the state match required under  
7 the Medicaid program in order to increase capitation rates for PIHPs.  
8 These funds shall not include either state funds received by a CMHSP for  
9 services provided to non-Medicaid recipients or the state matching  
10 portion of the Medicaid capitation payments made to a PIHP.

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17 Sec. 435. A county required under the provisions of the mental  
18 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide  
19 matching funds to a CMHSP for mental health services rendered to  
20 residents in its jurisdiction shall pay the matching funds in equal  
21 installments on not less than a quarterly basis throughout the  
22 fiscal year, with the first payment being made by October 1 of the  
23 current fiscal year.

24 Sec. 442. (1) It is the intent of the legislature that the  
25 \$40,000,000.00 in funding transferred from the community mental  
26 health non-Medicaid services line to support the Medicaid adult  
27 benefits waiver program shall be used to provide state match for

1 increases in federal funding for primary care and specialty  
2 services provided to Medicaid adult benefits waiver enrollees and  
3 for economic increases for the Medicaid specialty services and  
4 supports program.

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

8 (3) Capitation payments to CMHSPs for persons who become  
9 enrolled in the Medicaid adult benefits waiver program shall be  
10 made using the same rate methodology as payments for the current  
11 Medicaid beneficiaries.

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

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

24 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to  
25 the fullest extent possible when providing services and support  
26 programs for individuals with mental illness, developmental  
27 disabilities, or substance abuse issues. Consumer choices shall



1 include skill-building assistance, rehabilitative and habilitative  
2 services, supported and integrated employment services program  
3 settings, and other work preparatory services provided in the  
4 community or by accredited community-based rehabilitation  
5 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or  
6 restrict any choices from the array of services and program  
7 settings available to consumers without reasonable justification  
8 that those services are not in the consumer's best interest.

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

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

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

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

27 (c) In conjunction with the state court administrator's

1 office, a report that evaluates the cost-benefit of establishing a  
2 specialized mental health court program that diverts adults with  
3 serious mental illness alleged to have committed an offense deemed  
4 nonserious into treatment prior to the filing of any charges.

5       Sec. 459. From the funds appropriated in part 1 for mental  
6 health court pilot programs, the department shall work with the  
7 judiciary, including the state court administrative office, to  
8 develop guidelines for the operation and evaluation of pilot mental  
9 health courts. Local CMHSPs and trial courts interested in becoming  
10 mental health court pilot sites shall submit a joint application  
11 for funding prepared in accordance with guidelines established by  
12 the department and judiciary. The applications shall include  
13 documentation of community needs and a commitment to the program by  
14 key stakeholders, including the local courts, law enforcement,  
15 prosecutor, defense counsel, and treatment providers.

16       Sec. 460. (1) The department shall establish uniform  
17 definitions, standards, and instructions for the classification,  
18 allocation, assignment, calculation, recording, and reporting of  
19 administrative costs by PIHPs, CMHSPs, and contracted organized  
20 provider systems that receive payment or reimbursement from funds  
21 appropriated under section 104. The department shall adopt these  
22 definitions, standards, and instructions in a manner consistent  
23 with Internal Revenue Service 990 and Office of Management and  
24 Budget A-87 guidelines.

25       (2) By April 15, 2010, the department shall provide a written  
26 draft of its proposed definitions, standards, and instructions to  
27 the house and senate appropriations subcommittees on community

1 health, the house and senate fiscal agencies, and the state budget  
2 director.

3       Sec. 462. Effective October 1, 2009, the department shall  
4 implement a funding equity plan for all CMHSPs that receive funds  
5 appropriated under the community mental health non-Medicaid line.  
6 For this purpose, the department shall utilize the funding formula  
7 that was used to determine funding reductions mandated by Executive  
8 Order No. 2009-22. The department shall submit the proposed funding  
9 equity plan to the legislature at least 60 days prior to the  
10 implementation of that plan.

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

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

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

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

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

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

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

20 Sec. 470. Effective April 1, 2010, funds appropriated in part  
21 1 for community mental health non-Medicaid services shall be  
22 distributed directly to the existing PIHPs.

23 Sec. 474. The department shall ensure that each contract with  
24 a CMHSP or PIHP requires the CMHSP or PIHP to provide each  
25 recipient and his or her family with information regarding the  
26 different types of guardianship and the alternatives to  
27 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to

1 reduce or restrict the ability of a recipient or his or her family  
2 from seeking to obtain any form of legal guardianship without just  
3 cause.

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

10       Sec. 482. From the funds appropriated in part 1, the  
11 department shall continue funding for programs provided by Odyssey  
12 house at the levels in effect during fiscal year 2007-2008.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 facilities.

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

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

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

18 (5) The department shall investigate the feasibility of  
19 closing 1 or more of the remaining state hospitals and provide a  
20 detailed report to the house and senate appropriations  
21 subcommittees on community health, the house and senate fiscal  
22 agencies, and the state budget director by February 1, 2010.

23 Sec. 606. The department may collect revenue for patient  
24 reimbursement from first- and third-party payers, including  
25 Medicaid and local county CMHSP payers, to cover the cost of  
26 placement in state hospitals and centers. The department is  
27 authorized to adjust financing sources for patient reimbursement



1 based on actual revenues earned. If the revenue collected exceeds  
2 current year expenditures, the revenue may be carried forward with  
3 approval of the state budget director. The revenue carried forward  
4 shall be used as a first source of funds in the subsequent year.

5 Sec. 608. Effective October 1, 2009, the department, in  
6 consultation with the department of management and budget, shall  
7 establish and implement a bid process to identify 1 or more private  
8 contractors to provide food service and custodial services at the 2  
9 state hospitals identified by the department as capable of  
10 generating savings through the outsourcing of such services.

11 Sec. 609. The department shall continue to ban the use of all  
12 tobacco products in and on the grounds of state psychiatric  
13 facilities. As used in this section, "tobacco product" means a  
14 product that contains tobacco and is intended for human  
15 consumption, including, but not limited to, cigarettes,  
16 noncigarette smoking tobacco, or smokeless tobacco, as those terms  
17 are defined in section 2 of the tobacco products tax act, 1993 PA  
18 327, MCL 205.422, and cigars.

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

26 (2) It is the intent of the legislature that employees  
27 displaced by any reductions in force or closing of facilities who

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1 are not placed within other positions in the department or hired by  
2 a CMHSP be given priority in state programs for job retraining or  
3 education, such as the no worker left behind program.

4 **PUBLIC HEALTH ADMINISTRATION**

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

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

17 Sec. 652. From the funds appropriated in part 1 for healthy  
18 Michigan fund programs, the department shall place a priority on  
19 programs which serve the needs of children. <<In particular, the  
department shall continue funding for poison control at not less than the  
level in effect in fiscal year 2007-2008. In particular, the department  
shall continue funding for the Michigan care improvement registry at not  
less than the levels in effect in fiscal year 2007-2008.>>

20 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

21 Sec. 704. The department shall continue to contract with  
22 grantees supported through the appropriation in part 1 for the  
23 emergency medical services grants and contracts to ensure that a  
24 sufficient number of qualified emergency medical services personnel  
25 exist to serve rural areas of the state.

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

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

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

25       Sec. 709. The funds appropriated in part 1 for the Michigan  
26 essential health care provider program may also provide loan  
27 repayment for dentists that fit the criteria established by part 27

1 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

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

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

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

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

25       Sec. 714. The department shall report by April 1 of the  
26 current fiscal year to the legislature on the timeliness of nursing  
27 facility complaint investigations and the number of allegations

1 that are substantiated on an annual basis. The report shall consist  
2 of the number of allegations filed by consumers and the number of  
3 facility-reported incidents. The department shall make every effort  
4 to contact every complainant and the subject of a complaint during  
5 an investigation.

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

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

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

24 Sec. 722. A medical professional who is newly accepted into  
25 the Michigan essential health provider program in fiscal year 2008-  
26 2009 is eligible for 4 years of loan repayments.

27 Sec. 724. From the funds appropriated in part 1 for emergency

1 medical services program state staff, up to \$100.00 may be  
2 allocated for the development of a coordinated statewide trauma  
3 care system.

4       Sec. 726. (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  
7 director, on an annual basis, that includes all data on the amount  
8 collected from medical marihuana program application and renewal  
9 fees along with the cost of administering the medical marihuana  
10 program under the Michigan medical marihuana act, 2008 IL 1, MCL  
11 333.26421 to 333.26430.

12       (2) If the required fees are shown to be insufficient to  
13 offset all expenses of implementing and administering the medical  
14 marihuana program, the department shall review and revise the  
15 application and renewal fees accordingly to ensure that all  
16 expenses of implementing and administering the medical marihuana  
17 program are offset as is permitted under section 5 of the Michigan  
18 medical marihuana act, 2008 IL 1, MCL 333.26425.

19       Sec. 727. The department, in conformity with the provisions of  
20 the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to  
21 333.26430, and in consultation with the department of management  
22 and budget, shall establish and implement a competitive bid process  
23 to identify a vendor to administer the medical marihuana  
24 application and registration process, including, but not limited  
25 to, the development of a secure medical marihuana identification  
26 card and the development of a secure database of licensed users of  
27 medical marihuana in this state. The department, in consultation

1 with the department of management and budget, shall secure a single  
2 vendor to provide all the services and shall not use multiple  
3 vendors to provide all the services of that act. If the department  
4 is unable to find a single vendor to provide all services, the  
5 department shall retain the administrative processes that cannot be  
6 operated by the contracted vendor. The vendor shall be a third-  
7 party provider with demonstrated experience in the field of  
8 providing such services, with at least 1 year of experience  
9 administering such services in another state, and shall be able to  
10 provide all services in conformity with the Michigan medical  
11 marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

12 **INFECTIOUS DISEASE CONTROL**

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

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

26 Sec. 804. The department, in conjunction with efforts to

1 implement the Michigan prisoner reentry initiative, shall cooperate  
2 with the department of corrections to share data and information as  
3 they relate to prisoners being released who are HIV positive or  
4 positive for the hepatitis C antibody. By April 1 of the current  
5 fiscal year, the department shall report to the senate and house  
6 appropriations subcommittees on community health, the senate and  
7 house fiscal agencies, and the state budget director on the  
8 progress and results of its work as permitted under federal law and  
9 the potential outcomes from its work with the department of  
10 corrections under this section.

#### 11 **EPIDEMIOLOGY**

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

#### 21 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

22 Sec. 901. The amount appropriated in part 1 for implementation  
23 of the 1993 additions of or amendments to sections 9161, 16221,  
24 16226, 17014, 17015, and 17515 of the public health code, 1978 PA  
25 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and



1 333.17515, shall reimburse local health departments for costs  
2 incurred related to implementation of section 17015(18) of the  
3 public health code, 1978 PA 368, MCL 333.17015.

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

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

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

26 (3) Distributions in subsection (1) shall be made only to  
27 counties that maintain local spending in the current fiscal year of

1 at least the amount expended in fiscal year 1992-1993 for the  
2 services described in subsection (1).

3 (4) By April 1 of the current fiscal year, the department  
4 shall make available a report to the senate and house  
5 appropriations subcommittees on community health, the senate and  
6 house fiscal agencies, and the state budget director on the planned  
7 allocation of the funds appropriated for local public health  
8 operations.

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

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

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

19 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of  
20 the funds appropriated in part 1 for the smoking prevention program  
21 shall be used for the quit kit program that includes the nicotine  
22 patch or nicotine gum.

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

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

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

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

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

8 Sec. 1008. From the funds appropriated in part 1 for the  
9 diabetes and kidney program, the department may allocate up to  
10 \$25,000.00 for a diabetes management pilot project in Muskegon  
11 County.

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

18 Sec. 1010. From the funds appropriated in part 1 for chronic  
19 disease prevention, up to \$200,000.00 shall be allocated for  
20 osteoporosis prevention and treatment education.

21 Sec. 1019. From the funds appropriated in part 1 for chronic  
22 disease prevention, \$50,000.00 may be allocated for stroke  
23 prevention, education, and outreach. The objectives of the program  
24 shall include education to assist persons in identifying risk  
25 factors, and education to assist persons in the early  
26 identification of the occurrence of a stroke in order to minimize  
27 stroke damage.

1       Sec. 1031. (1) From the funds appropriated in part 1 for the  
2 injury control intervention project, \$200,000.00 shall be used to  
3 continue 2 incentive-based pilot programs for level I and level II  
4 trauma hospitals to ensure greater state utilization of an  
5 interactive, evidence-based treatment guideline model for traumatic  
6 brain injury.

7       (2) One pilot program shall be placed in a county of less than  
8 225,000. The other pilot program shall be placed in a county with a  
9 population over 1,000,000.

10       Sec. 1032. From the funds appropriated in part 1 for the  
11 cancer prevention and control program, up to \$100.00 may be  
12 allocated to the Van Andel Institute for phase II of the predictive  
13 molecular therapeutics program for the late stage treatment of  
14 Medicaid eligible pediatric and adult cancer patients.

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

16       Sec. 1101. The department shall review the basis for the  
17 distribution of funds to local health departments and other public  
18 and private agencies for the women, infants, and children food  
19 supplement program; family planning; and prenatal care outreach and  
20 service delivery support program and indicate the basis upon which  
21 any projected underexpenditures by local public and private  
22 agencies shall be reallocated to other local agencies that  
23 demonstrate need.

24       Sec. 1104. (1) Before April 1 of the current fiscal year, the  
25 department shall submit a report to the house and senate fiscal  
26 agencies and the state budget director on planned allocations from

1 the amounts appropriated in part 1 for local MCH services, prenatal  
2 care outreach and service delivery support, family planning local  
3 agreements, and pregnancy prevention programs. Using applicable  
4 federal definitions, the report shall include information on all of  
5 the following:

6 (a) Funding allocations.

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

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

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

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

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

1 standards, when applicable.

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

9       Sec. 1107. Of the amount appropriated in part 1 for prenatal  
10 care outreach and service delivery support, not more than 8% shall  
11 be expended for local administration, data processing, and  
12 evaluation.

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

16       Sec. 1109. (1) From the amounts appropriated in part 1 for  
17 dental programs, funds shall be allocated to the Michigan dental  
18 association for the administration of a volunteer dental program  
19 that provides dental services to the uninsured in an amount that is  
20 no less than the amount allocated to that program in fiscal year  
21 1996-1997.

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

1 fiscal year.

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

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

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

15       Sec. 1116. The department shall convene appropriate  
16 stakeholders to determine the efficacy and impact of restoring a  
17 statewide coordinated regional perinatal system in Michigan. A  
18 report shall be produced that reflects best practices, expected  
19 potential impact on infant mortality, and recommendations for  
20 policy and funding of such a system in Michigan. The report shall  
21 be provided to the house and senate appropriations subcommittees on  
22 community health and standing committees on health policy, the  
23 house and senate fiscal agencies, and the state budget director by  
24 April 1, 2010.

25       Sec. 1129. The department shall provide a report annually to  
26 the house and senate appropriations subcommittees on community  
27 health, the house and senate fiscal agencies, and the state budget

1 director on the number of children with elevated blood lead levels  
2 from information available to the department. The report shall  
3 provide the information by county, shall include the level of blood  
4 lead reported, and shall indicate the sources of the information.

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

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

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

18 (a) The department of education.

19 (b) The department of community health.

20 (c) The health administration in the department of community  
21 health.

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

24 (e) The department of human services.

25 (f) The department of state police.

26 (2) Upon written or oral request, a pupil not less than 18  
27 years of age or a parent or legal guardian of a pupil less than 18



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1 years of age, within a reasonable period of time after the request  
2 is made, shall be informed of the content of a course in the health  
3 education curriculum and may examine textbooks and other classroom  
4 materials that are provided to the pupil or materials that are  
5 presented to the pupil in the classroom. This subsection does not  
6 require a school board to permit pupil or parental examination of  
7 test questions and answers, scoring keys, or other examination  
8 instruments or data used to administer an academic examination.

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

13 Sec. 1138. From the funds appropriated in part 1 for special  
14 projects, \$100.00 shall be allocated to the Ele's Place  
15 organization in Lansing.

16 Sec. 1139. From the funds appropriated in part 1 for <<prenatal  
17 care outreach and service delivery support>>, the department shall fund  
the Kalamazoo nurse family  
18 partnership at the same level of funding as was provided in fiscal  
19 year 2007-2008.

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

21 Sec. 1151. The department may work with local participating  
22 agencies to define local annual contributions for the farmer's  
23 market nutrition program, project FRESH, to enable the department  
24 to request federal matching funds based on local commitment of  
25 funds.

26 Sec. 1153. The department shall ensure that individuals

1 residing in rural communities have sufficient access to the  
2 services offered through the WIC program.

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

4 Sec. 1201. Funds appropriated in part 1 for medical care and  
5 treatment of children with special health care needs shall be paid  
6 according to reimbursement policies determined by the Michigan  
7 medical services program. Exceptions to these policies may be taken  
8 with the prior approval of the state budget director. The  
9 department shall report to the senate and house appropriations  
10 subcommittees on community health and the senate and house fiscal  
11 agencies the number of exceptions granted under this section.

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

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

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

17 (c) Provide genetic diagnostic and counseling services for  
18 eligible families.

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

22 Sec. 1203. All children who are determined medically eligible  
23 for the children's special health care services program shall be  
24 referred to the appropriate locally based services program in their  
25 community.

26 Sec. 1204. Effective October 1, 2009, all children who are

determined medically eligible for the children's special health care services program shall be enrolled into an accredited managed care plan. This provision does not apply to individuals enrolled in the children's special health care services program prior to October 1, 2009.

#### **CRIME VICTIM SERVICES COMMISSION**

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

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

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

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

1       Sec. 1403. (1) The office of services to the aging shall  
2       require each region to report to the office of services to the  
3       aging and to the legislature home-delivered meals waiting lists  
4       based upon standard criteria. Determining criteria shall include  
5       all of the following:

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

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

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

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

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

16      Sec. 1404. The area agencies and local providers may receive  
17      and expend fees for the provision of day care, care management,  
18      respite care, and certain eligible home- and community-based  
19      services. The fees shall be based on a sliding scale, taking client  
20      income into consideration. The fees shall be used to expand  
21      services.

22      Sec. 1406. The appropriation of \$5,000,000.00 of merit award  
23      trust funds to the office of services to the aging for the respite  
24      care program shall be allocated in accordance with a long-term care  
25      plan developed by the long-term care working group established in  
26      section 1657 of 1998 PA 336 upon implementation of the plan. The  
27      use of the funds shall be for direct respite care or adult respite

1 care center services. Not more than 9% of the amount allocated  
2 under this section shall be expended for administration and  
3 administrative purposes.

4       Sec. 1413. The legislature affirms the commitment to locally  
5 based services. The legislature supports the role of local county  
6 board of commissioners in the approval of area agency on aging  
7 plans. Local counties may request to change membership in the area  
8 agencies on aging if the change is to an area agency on aging that  
9 is contiguous to that county pursuant to office of services to the  
10 aging policies and procedures for area agency on aging designation.  
11 The office of services to the aging shall adjust allocations to  
12 area agencies on aging to account for any changes in county  
13 membership. The office of services to the aging shall ensure  
14 annually that county boards of commissioners are aware that county  
15 membership in area agencies on aging can be changed subject to  
16 office of services to the aging policies and procedures for area  
17 agency on aging designation. The legislature supports the office of  
18 services to the aging working with others to provide training to  
19 commissioners to better understand and advocate for aging issues.  
20 It is the intent of the legislature to prohibit area agencies on  
21 aging from providing direct services, other than access services,  
22 unless the agencies receive a waiver from the commission on  
23 services to the aging. The legislature's intent in this section is  
24 conditioned on compliance with federal and state laws, rules, and  
25 policies.

26       Sec. 1416. The legislature very, very strongly affirms its  
27 commitment to provide in-home services, resources, and assistance

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1 for the frail elderly who are not being served by the Medicaid  
2 home- and community-based services waiver program.

3 Sec. 1417. The department shall provide to the senate and  
4 house appropriations subcommittees on community health, senate and  
5 house fiscal agencies, and state budget director a report by March  
6 30 of the current fiscal year that contains all of the following:

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

9 (b) Detail expenditure by each area agency on aging by  
10 individual program and administration including both state funded  
11 resources and locally funded resources.

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

<<Sec. 1419. From the funds appropriated in part 1 for nutrition  
services, \$480,500.00 shall be allocated to provide an interdepartmental  
grant to the department of agriculture to support the Michigan  
agricultural surplus system.>>

## 15 MEDICAL SERVICES

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

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

26 Sec. 1603. (1) The department may establish a program for

1 persons to purchase medical coverage at a rate determined by the  
2 department.

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

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

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

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

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

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

1           (2) An applicant qualified as described in subsection (1)  
2 shall be given a letter of authorization to receive Medicaid  
3 covered services related to her pregnancy. All qualifying  
4 applicants shall be entitled to receive all medically necessary  
5 obstetrical and prenatal care without preauthorization from a  
6 health plan. All claims submitted for payment for obstetrical and  
7 prenatal care shall be paid at the Medicaid fee-for-service rate in  
8 the event a contract does not exist between the Medicaid  
9 participating obstetrical or prenatal care provider and the managed  
10 care plan. The applicant shall receive a listing of Medicaid  
11 physicians and managed care plans in the immediate vicinity of the  
12 applicant's residence.

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

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

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



1           (6) The department shall mandate enrollment of women, whose  
2     qualifying condition is pregnancy, into Medicaid managed care  
3     plans.

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

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

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

27          Sec. 1620. (1) For fee-for-service recipients who do not

1   reside in nursing homes, the pharmaceutical dispensing fee shall be  
2   \$2.50 or the pharmacy's usual or customary cash charge, whichever  
3   is less. For nursing home residents, the pharmaceutical dispensing  
4   fee shall be \$2.75 or the pharmacy's usual or customary cash  
5   charge, whichever is less.

6           (2) 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          (3) 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. 1627. (1) The department shall use procedures and rebates  
17 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,  
18 to secure quarterly rebates from pharmaceutical manufacturers for  
19 outpatient drugs dispensed to participants in the MICHild program,  
20 maternal outpatient medical services program, children's special  
21 health care services, and adult benefit waiver program.

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

25 Sec. 1629. The department shall utilize maximum allowable cost  
26 pricing for generic drugs that is based on wholesaler pricing to  
27 providers that is available from at least 2 wholesalers who deliver

1 in the state of Michigan.

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

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

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

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

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

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

21 (c) Fifty dollars for the first day of an inpatient hospital  
22 stay.

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

24 (3) In addition to the minimum copayments listed in subsection  
25 (2), the department shall increase and expand Medicaid cost-sharing  
26 mechanisms as permitted by the federal deficit reduction act of  
27 2005, Public Law 109-171. These additional copayments or premiums,

1 or both, shall be designed so as to produce \$10,000,000.00 in  
2 general fund/general purpose savings to the state Medicaid program.

3 Sec. 1633. From the funds appropriated in part 1 for dental  
4 services, the department shall allocate \$430,300.00 to expand the  
5 healthy kids dental program to the cities of Sterling Heights and  
6 Highland Park effective August 1, 2010.

7 Sec. 1634. From the funds appropriated in part 1 for ambulance  
8 services, the department shall continue the 5% increase in payment  
9 rates for ambulance services implemented in fiscal year 2000-2001  
10 and continue the ground mileage reimbursement rate per statute mile  
11 at \$4.25.

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

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

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

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

1 (a) That the recipient shall not smoke.

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

4 (c) That the recipient shall exercise regularly.

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

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

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

13 Sec. 1642. The department shall continue to allow ambulatory  
14 surgery centers in this state to fully participate in the Medicaid  
15 program when hospitals are reimbursed for Medicaid services through  
16 the new Michigan Medicaid information system. Ambulatory surgery  
17 centers that provide services to Medicaid eligible patients shall  
18 be reimbursed in the same manner as hospitals. The reimbursement  
19 schedule for ambulatory surgery centers that was developed and  
20 implemented in consultation with the industry in fiscal year 2007-  
21 2008 shall continue to be used in fiscal year 2009-2010.

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

1 necessary allowable Medicaid matching funds are provided by the  
2 universities.

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

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

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

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

25       (2) Persons to be assigned a managed care provider shall be  
26 informed in writing of the criteria for exceptions to capitated  
27 managed care enrollment, their right to change HMOs for any reason

1 within the initial 90 days of enrollment, the toll-free telephone  
2 number for problems and complaints, and information regarding  
3 grievance and appeals rights.

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

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

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

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



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

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

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

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

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

19           (c) Mandatory enrollment of Medicaid beneficiaries living in  
20 counties defined as rural by the federal government, which is any  
21 nonurban standard metropolitan statistical area, is allowed if  
22 there is only 1 HMO serving the Medicaid population, as long as  
23 each Medicaid beneficiary is assured of having a choice of at least  
24 2 physicians by the HMO.

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

1 October 1, 2009. Children's special health care services recipients  
2 shall be informed of the opportunity to enroll in HMOs.

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

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

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

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

27 (2) Medicaid recipients shall be allowed to change HMOs for

1 any reason within the initial 90 days of enrollment.

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

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

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

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

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

27 (4) The department shall provide a report by September 30 of

1 the current fiscal year to the senate and house appropriations  
2 subcommittees on community health and senate and house fiscal  
3 agencies examining how payment policies in the current Medicaid  
4 program create financial incentives for health facilities to admit  
5 recipients from the emergency room.

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

11 (2) A hospital access agreement specified in subsection (1)  
12 shall be considered an affiliated provider contract pursuant to the  
13 requirements contained in chapter 35 of the insurance code of 1956,  
14 1956 PA 218, MCL 500.3501 to 500.3580.

15 Sec. 1659. The following sections of this act are the only  
16 ones that shall apply to the following Medicaid managed care  
17 programs, including the comprehensive plan, MIChoice long-term care  
18 plan, and the mental health, substance abuse, and developmentally  
19 disabled services program: 271, 288, 401, 402, 404, 411, 414, 418,  
20 424, 428, 456, 462, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656,  
21 1657, 1658, 1660, 1661, 1662, 1699, 1711, 1752, 1776, 1783, 1787,  
22 1791, 1815, 1820, 1821, and 1828.

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

27 (2) The primary responsibility of assuring a child's hearing

1 and vision screening is with the child's primary care provider. The  
2 primary care provider shall provide age-appropriate screening or  
3 arrange for these tests through referrals to local health  
4 departments. Local health departments shall provide preschool  
5 hearing and vision screening services and accept referrals for  
6 these tests from physicians or from Head Start programs in order to  
7 assure all preschool children have appropriate access to hearing  
8 and vision screening. Local health departments shall be reimbursed  
9 for the cost of providing these tests for Medicaid eligible  
10 children by the Medicaid program.

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

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

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

21 Sec. 1661. (1) The department shall assure that all Medicaid  
22 eligible children and pregnant women have timely access to MIHP  
23 services. Medicaid HMOs shall assure that MIHP screening is  
24 available to their pregnant members and that those women found to  
25 meet the MIHP high-risk criteria are offered maternal support  
26 services. Local health departments shall assure that MIHP screening  
27 is available for Medicaid pregnant women and that those women found

1 to meet the MIHP high-risk criteria are offered MIHP services or  
2 are referred to a certified MIHP provider.

3 (2) The department shall prohibit HMOs from requiring prior  
4 authorization of their contracted providers for any MIHP screening  
5 referral, or for up to 3 MIHP service visits.

6 (3) The department shall require HMOs to be responsible for  
7 the coordination of MIHP services as described in Medicaid policy.  
8 These responsibilities shall be specified in the information  
9 distributed by the HMOs to their members.

10 (4) The department shall assure the coordination of MIHP  
11 services with the WIC program, state-supported substance abuse,  
12 smoking prevention, and violence prevention programs, the  
13 department of human services, and any other state or local program  
14 with a focus on preventing adverse birth outcomes and child abuse  
15 and neglect.

16 (5) The department shall provide, on an annual basis, budget-  
17 neutral incentives to Medicaid HMOs and local health departments to  
18 improve performance on measures related to the care of pregnant  
19 women.

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

25 (2) The department shall require Medicaid HMOs to provide  
26 EPSDT utilization data through the encounter data system, and  
27 health employer data and information set well child health measures

1 in accordance with the National Committee on Quality Assurance  
2 prescribed methodology.

3 (3) The department shall provide a copy of the analysis of the  
4 Medicaid HMO annual audited health employer data and information  
5 set reports and the annual external quality review report to the  
6 senate and house of representatives appropriations subcommittees on  
7 community health, the senate and house fiscal agencies, and the  
8 state budget director, within 30 days of the department's receipt  
9 of the final reports from the contractors.

10 (4) The department shall work with the Michigan association of  
11 health plans and the Michigan association for local public health  
12 to improve service delivery and coordination in the MIHP and EPSDT  
13 programs.

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

17 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
18 program is to be used to provide comprehensive health care to all  
19 children under age 19 who reside in families with income at or  
20 below 200% of the federal poverty level, who are uninsured and have  
21 not had coverage by other comprehensive health insurance within 6  
22 months of making application for MICHild benefits, and who are  
23 residents of this state. The department shall develop detailed  
24 eligibility criteria through the medical services administration  
25 public concurrence process, consistent with the provisions of this  
26 act. Health coverage for children in families between 150% and 200%  
27 of the federal poverty level shall be provided by the Medicaid

1 HMOs.

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

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

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

18 (5) The department shall enter into a contract to obtain  
19 MICHild services from any HMO or dental care corporation that  
20 offers to provide the managed health care benefits for MICHild  
21 services at the MICHild capitated rate. As used in this subsection,  
22 "dental care corporation", "health care corporation", "insurer",  
23 and "prudent purchaser agreement" mean those terms as defined in  
24 section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

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

27 (7) The department may make payments on behalf of children



1 enrolled in the MICHild program from the line-item appropriation  
2 associated with the program as described in the MICHild state plan  
3 approved by the United States department of health and human  
4 services, or from other medical services.

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

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

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

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

25 (a) Inpatient mental health services, other than substance  
26 abuse treatment services, including services furnished in a state-  
27 operated mental hospital and residential or other 24-hour

1 therapeutically planned structured services.

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

5 (c) Durable medical equipment and prosthetic and orthotic  
6 devices.

7 (d) Dental services as outlined in the approved MICHild state  
8 plan.

9 (e) Substance abuse treatment services that may include  
10 inpatient, outpatient, and residential substance abuse treatment  
11 services.

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

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

15 (h) Emergency ambulance services.

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

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

1 services unless explicitly provided for in federal or state law.

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

5 (2) The department is authorized to receive and spend penalty  
6 money received as the result of noncompliance with medical services  
7 certification regulations. Penalty money, characterized as private  
8 funds, received by the department shall increase authorizations and  
9 allotments in the long-term care accounts.

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

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

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

23 Sec. 1683. The department shall promote activities that  
24 preserve the dignity and rights of terminally ill and chronically  
25 ill individuals. Priority shall be given to programs, such as  
26 hospice, that focus on individual dignity and quality of care  
27 provided persons with terminal illness and programs serving persons

1 with chronic illnesses that reduce the rate of suicide through the  
2 advancement of the knowledge and use of improved, appropriate pain  
3 management for these persons; and initiatives that train health  
4 care practitioners and faculty in managing pain, providing  
5 palliative care, and suicide prevention.

6       Sec. 1684. (1) Of the funds appropriated in part 1 for the  
7 Medicaid home- and community-based services waiver program, the  
8 payment rate allocated for administrative expenses for fiscal year  
9 2008-2009 shall continue at the rate implemented in fiscal year  
10 2005-2006 after the \$2.00 per person per day mandated reduction.

11       (2) The savings realized from continuing the reduced  
12 administrative rate shall be reallocated to increase enrollment in  
13 the waiver program and to provide direct services to eligible  
14 program participants.

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

25       Sec. 1687. The department shall study the feasibility, impact,  
26 and cost of supporting a Medicaid rate enhancement to be used  
27 exclusively to fund affordable, accessible, and adequate health

1 insurance for direct care workers in nursing homes, adult foster  
2 care homes, homes for the aged, and home- and community-based  
3 services programs. The department shall report its findings and  
4 recommendations to the senate and house appropriations  
5 subcommittees on community health and the senate and house fiscal  
6 agencies by April 1, 2010.

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

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

23       (2) Within 60 days of the end of each fiscal quarter, the  
24 department shall provide a report to the senate and house  
25 appropriations subcommittees on community health and the senate and  
26 house fiscal agencies that details existing and future allocations  
27 for the home- and community-based services waiver program by

1 regions as well as the associated expenditures. The report shall  
2 include information regarding the net cost savings from moving  
3 individuals from a nursing home to the home- and community-based  
4 services waiver program, the number of individuals transitioned  
5 from nursing homes to the home- and community-based services waiver  
6 program, the number of individuals on waiting lists by region for  
7 the program, and the amount of funds transferred during the fiscal  
8 quarter. The report shall also include the number of Medicaid  
9 individuals served and the number of days of care for the home- and  
10 community-based services waiver program and in nursing homes.

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

22 (4) It is the intent of the legislature that the department  
23 shall revise any policies, guidelines, procedures, standards, and  
24 regulations in order to limit the self-determination option with  
25 respect to the home- and community-based services waiver program to  
26 those services furnished by credentialed and approved home-based  
27 service providers.

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

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

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

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

26       Sec. 1692. (1) The department is authorized to pursue  
27 reimbursement for eligible services provided in Michigan schools

1 from the federal Medicaid program. The department and the state  
2 budget director are authorized to negotiate and enter into  
3 agreements, together with the department of education, with local  
4 and intermediate school districts regarding the sharing of federal  
5 Medicaid services funds received for these services. The department  
6 is authorized to receive and disburse funds to participating school  
7 districts pursuant to such agreements and state and federal law.

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

11 (a) Finance activities within the medical services  
12 administration related to this project.

13 (b) Reimburse participating school districts pursuant to the  
14 fund-sharing ratios negotiated in the state-local agreements  
15 authorized in subsection (1).

16 (c) Offset general fund costs associated with the medical  
17 services program.

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

24 Sec. 1694. The department shall distribute \$695,000.00 to  
25 children's hospitals that have a high indigent care volume. The  
26 amount to be distributed to any given hospital shall be based on a  
27 formula determined by the department of community health.



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

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

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

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

23       Sec. 1699. The department may make separate payments directly  
24    to qualifying hospitals serving a disproportionate share of  
25    indigent patients in the amount of \$51,000,000.00, and to hospitals  
26    providing graduate medical education training programs. If direct  
27    payment for GME and DSH is made to qualifying hospitals for

1 services to Medicaid clients, hospitals will not include GME costs  
2 or DSH payments in their contracts with HMOs.

3 Sec. 1710. Any proposed changes by the department to the  
4 MIChoice home- and community-based services waiver program  
5 screening process shall be provided to the members of the house and  
6 senate appropriations subcommittees on community health 30 days  
7 prior to implementation of the proposed changes.

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

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

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

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

1 methodology in such a manner as to reduce aggregate expenditures to  
2 the fiscal year 2001-2002 adjusted expenditure target.

3       Sec. 1712. (1) Subject to the availability of funds, the  
4 department shall implement a rural health initiative. Available  
5 funds shall first be allocated as an outpatient adjustor payment to  
6 be paid directly to hospitals in rural counties in proportion to  
7 each hospital's Medicaid and indigent patient population.  
8 Additional funds, if available, shall be allocated for  
9 defibrillator grants, EMT training and support, or other similar  
10 programs.

11       (2) Except as otherwise specified in this section, "rural"  
12 means a county, city, village, or township with a population of not  
13 more than 30,000, including those entities if located within a  
14 metropolitan statistical area.

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

18       Sec. 1717. (1) The department shall create 2 pools for  
19 distribution of disproportionate share hospital funding. The first  
20 pool, totaling \$45,000,000.00, shall be distributed using the  
21 distribution methodology used in fiscal year 2003-2004. The second  
22 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated  
23 hospitals and hospital systems that received less than \$900,000.00  
24 in disproportionate share hospital payments in fiscal year 2007-  
25 2008 based on a formula that is weighted proportional to the  
26 product of each eligible system's Medicaid revenue and each  
27 eligible system's Medicaid utilization, except that no payment of

1 less than \$1,000.00 shall be made.

2 (2) By September 30 of the current fiscal year, the department  
3 shall report to the senate and house appropriations subcommittees  
4 on community health and the senate and house fiscal agencies on the  
5 new distribution of funding to each eligible hospital from the 2  
6 pools.

7 Sec. 1718. The department shall provide each Medicaid adult  
8 home help beneficiary or applicant with the right to a fair hearing  
9 when the department or its agent reduces, suspends, terminates, or  
10 denies adult home help services. If the department takes action to  
11 reduce, suspend, terminate, or deny adult home help services, it  
12 shall provide the beneficiary or applicant with a written notice  
13 that states what action the department proposes to take, the  
14 reasons for the intended action, the specific regulations that  
15 support the action, and an explanation of the beneficiary's or  
16 applicant's right to an evidentiary hearing and the circumstances  
17 under which those services will be continued if a hearing is  
18 requested.

19 Sec. 1721. The department shall conduct a review of Medicaid  
20 eligibility pertaining to funds prepaid to a nursing home or other  
21 health care facility that are subsequently returned to an  
22 individual who becomes Medicaid eligible and shall report its  
23 findings to the members of the house and senate appropriations  
24 subcommittees on community health and the house and senate fiscal  
25 agencies not later than May 15 of the current fiscal year. Included  
26 in its report shall be recommendations for policy and procedure  
27 changes regarding whether any funds prepaid to a nursing home or

1 other health care facility that are subsequently returned to an  
2 individual, after the date of Medicaid eligibility and patient pay  
3 amount determination, shall be considered as a countable asset and  
4 recommendations for a mechanism for departmental monitoring of  
5 those funds.

6 Sec. 1724. The department shall allow licensed pharmacies to  
7 purchase injectable drugs for the treatment of respiratory  
8 syncytial virus for shipment to physicians' offices to be  
9 administered to specific patients. If the affected patients are  
10 Medicaid eligible, the department shall reimburse pharmacies for  
11 the dispensing of the injectable drugs and reimburse physicians for  
12 the administration of the injectable drugs.

13 Sec. 1725. The department shall continue to work with the  
14 department of human services and the department of state police to  
15 reduce Medicaid eligibility errors related to basic eligibility  
16 requirements, residency issues, felony status issues, and income  
17 requirements.

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

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

26 Sec. 1733. (1) The department shall seek additional federal  
27 funds to permit the state to provide financial support for

1 electronic prescribing and other health information technology  
2 initiatives.

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

6 Sec. 1734. The department shall seek federal money for  
7 demonstration programs that will permit this state to provide  
8 financial incentives for positive health behavior practiced by  
9 Medicaid recipients, including, but not limited to, consumer-driven  
10 strategies that enable Medicaid recipients to choose coverage that  
11 meets their individual needs and that authorize monetary or other  
12 rewards for demonstrating positive health behavior changes.

13 Sec. 1739. The department shall continue to establish medical  
14 outcome targets for the 10 most prevalent and costly ailments  
15 affecting Medicaid recipients. The department may use indicators  
16 that recipients are successfully managing chronic disease, measures  
17 of recipient compliance with treatment plans, and studies of the  
18 proportion of Medicaid providers who follow established best  
19 practices in treating chronic disease as possible medical outcome  
20 target measures. The department shall make bonus payments,  
21 independent of HMO rate adjustments utilized in fiscal year 2005-  
22 2006, available to Medicaid HMOs that meet these outcome targets.

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

1       Sec. 1741. The department shall continue to provide nursing  
2 homes the opportunity to receive interim payments upon their  
3 request. The department shall make efforts to ensure that the  
4 interim payments are as similar to expected cost-settled payments  
5 as possible.

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

10       Sec. 1753. Upon passage of legislation, the department shall  
11 collect from auto insurers in this state on a monthly basis  
12 information necessary to enable the department to determine whether  
13 an individual who is receiving payments of medical expenses from  
14 the auto insurer is also a Medicaid recipient. For each individual  
15 that the department identifies under this section, the department  
16 shall submit a claim for payment to the auto insurer if a Medicaid  
17 payment has been made on behalf of the Medicaid recipient. The  
18 department shall consult with auto insurers in this state to  
19 establish a system by which information and claims shall be  
20 processed.

21       Sec. 1756. The department shall establish and implement a  
22 specialized case and care management program to serve the most  
23 costly Medicaid beneficiaries who are noncompliant with medical  
24 management, including persons with chronic diseases and mental  
25 health diagnoses, high prescription drug utilizers, members  
26 demonstrating noncompliance with previous medical management, and  
27 neonates. The case and care management program shall, at a minimum,

1 provide a performance payment incentive for physicians who manage  
2 the recipient's care and health costs in the most effective way.  
3 The department may also develop additional contractual arrangements  
4 with 1 or more Medicaid HMOs for the provision of specialized case  
5 management services. Contracts with Medicaid HMOs may include  
6 provisions requiring collection of data related to Medicaid  
7 recipient compliance. Measures of patient compliance may include  
8 the proportion of clients who fill their prescriptions, the rate of  
9 clients who do not show for scheduled medical appointments, and the  
10 proportion of clients who use their medication.

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

16       (2) The department shall work in cooperation with the  
17 department of human services and the department of state police to  
18 ensure that fugitive felons are not in receipt of Medicaid  
19 benefits.

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

23       (a) Lengthening the look-back policy for asset transfers from  
24 3 to 5 years.

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

27       (c) Individuals with more than \$500,000.00 in home equity do



1 not qualify for Medicaid.

2 (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL  
3 400.601 to 400.613, to collect an enhanced state share of damages  
4 collected from entities that have been successfully prosecuted for  
5 filing a fraudulent Medicaid claim.

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

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

26 Sec. 1770. In conjunction with the consultation requirements  
27 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and

1 except as otherwise provided in this section, the department shall  
2 attempt to make the effective date for a proposed Medicaid policy  
3 bulletin or adjustment to the Medicaid provider manual on October  
4 1, January 1, April 1, or July 1 after the end of the consultation  
5 period. The department may provide an effective date for a proposed  
6 Medicaid policy bulletin or adjustment to the Medicaid provider  
7 manual other than provided for in this section if necessary to be  
8 in compliance with federal or state law, regulations, or rules or  
9 with an executive order of the governor.

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

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

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

20 Sec. 1775. (1) The department shall study the feasibility of  
21 using managed care to deliver Medicaid long-term care services. The  
22 study shall focus upon the following:

23 (a) If there is a sufficient number of organizations  
24 interested in providing these services.

25 (b) The extent of services provided through Medicaid managed  
26 long-term care.

27 (c) Estimated changes in Medicaid long-term care expenditure

1 associated with implementing managed care for these services.

2 (2) The department shall report the results of this study to  
3 the senate and house appropriations subcommittees on community  
4 health and the senate and house fiscal agencies by June 1 of the  
5 current fiscal year.

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

11 Sec. 1776. If the department continues to utilize the Medicare  
12 outpatient prospective payment system methodology to reimburse  
13 hospitals for Medicaid clients seen in the outpatient setting  
14 including the emergency room, then the Medicaid reduction factor  
15 utilized by the department to compute the amount of payment made by  
16 Medicaid health plans to hospitals must be revenue neutral and  
17 actuarially sound.

18 Sec. 1777. From the funds appropriated in part 1 for long-term  
19 care services, the department shall permit, in accordance with  
20 applicable federal and state law, nursing homes to use dining  
21 assistants to feed eligible residents if legislation to permit the  
22 use of dining assistants is enacted into law. The department shall  
23 not be responsible for costs associated with training dining  
24 assistants.

25 Sec. 1783. The department shall develop rates by January 1,  
26 2010 for the enrollment of individuals dually eligible for Medicare  
27 and Medicaid into Medicaid health plans if those health plans also

1 maintain a Medicare advantage special needs plan certified by the  
2 centers for Medicare and Medicaid services.

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

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

11       (3) The department shall define a low-day threshold of 1 as an  
12 inpatient stay of less than 25 hours.

13       (4) The department shall identify any cost savings associated  
14 with the implementation of low-day outliers for 1-day admissions to  
15 hospitals that are less than 24 hours. This information shall be  
16 submitted by January 1, 2010 to the legislature and the fiscal  
17 agencies as part of an effort to identify additional cost savings  
18 in the Medicaid program.

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

24       Sec. 1789. The department shall study whether the current  
25 nursing home occupancy ceiling is adequate and shall recommend  
26 whether to retain the ceiling at 85% or to lower it. The department  
27 shall report its findings and recommendations to the state budget

1 director, senate and house appropriations subcommittees on  
2 community health, and senate and house fiscal agencies by April 1  
3 of the current fiscal year.

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

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

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

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

25       Sec. 1796. The department shall direct the health information  
26 technology commission to examine strategies that promote the  
27 ability to share medical records. The department shall report the

1 commission's findings by July 1, 2009.

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

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

12       Sec. 1805. From the funds appropriated in part 1 for personal  
13 care services, \$1,344,000.00 shall be allocated beginning October  
14 1, 2009, to fund an \$8.00 increase to the personal care supplement  
15 paid to adult foster care facilities and homes for the aged that  
16 provide personal care services to Medicaid beneficiaries.

17       Sec. 1813. The department shall inform county boards of  
18 commissioners in counties not presently covered by the program of  
19 all-inclusive care for the elderly of the possibility of expansion  
20 of the program to their county.

21       Sec. 1815. From the funds appropriated in part 1 for health  
22 plan services, the department may not implement a capitation  
23 withhold as part of the overall capitation rate schedule that  
24 exceeds the 0.19% withhold administered during fiscal year 2008-  
25 2009.

26       Sec. 1816. The department shall work with the Michigan  
27 association of health plans to develop and implement strategies for

1 the use of information technology services for claims payment,  
2 claims status, and related functions.

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

12 Sec. 1819. The department shall use Medicaid health plan  
13 encounter data in the development and revision of hospital DRG  
14 pricing policy. The department shall establish a protocol to  
15 routinely review these encounter data submissions and inform  
16 Medicaid health plans if said submissions are not acceptable for  
17 purposes of this section.

18 Sec. 1820. The department shall recognize accrediting  
19 organizations for Medicaid health plans and shall consider  
20 accreditation results when reviewing the performance of Medicaid  
21 health plans.

22 Sec. 1821. The department shall establish appropriate  
23 performance standards for Medicaid health plans a year in advance  
24 of the application of those standards. The determination of  
25 performance shall be based on and include such recognized concepts  
26 as 1-year continuous enrollment and HEDIS audited data.

27 Sec. 1822. The department, the department's contracted

1 Medicaid pharmacy benefit manager, and all Medicaid health plans  
2 shall implement coverage for a mental health prescription drug  
3 within 30 days of that drug's approval by the department's pharmacy  
4 and therapeutics committee.

5       Sec. 1823. By March 1 of the current fiscal year, the  
6 department, in consultation with the department of management and  
7 budget, shall establish and implement a bid process to identify a  
8 vendor to provide benefit administration for durable medical  
9 equipment, prosthetics, orthotics, and supplies for individuals  
10 enrolled in the fee-for-service Medicaid program. The vendor shall  
11 be a third-party administrator in good standing and shall minimally  
12 provide utilization management, claims/benefit administration, and  
13 provider network administration.

14       Sec. 1824. (1) Individuals who live in homes for the aged or  
15 adult foster care facilities shall be eligible for services from  
16 the home- and community-based waiver program.

17       (2) The department shall seek any necessary federal waivers or  
18 state plan amendments to implement the policy described in  
19 subsection (1).

20       Sec. 1825. The department shall work in conjunction with  
21 relevant stakeholders to determine the feasibility of implementing  
22 quality assurance assessment programs targeted to certain providers  
23 of medical services, as permitted by federal law. The department  
24 shall submit a report on these efforts to the house and senate  
25 appropriations subcommittees on community health, the house and  
26 senate fiscal agencies, and the state budget director by April 1,  
27 2010.



1       Sec. 1826. The department shall develop a plan to expand the  
2 beneficiary monitoring program. This expansion shall include  
3 changes in the criteria for disenrollment from Medicaid health  
4 plans to ensure more placements in the beneficiary monitoring  
5 program.

6       Sec. 1827. The department shall work with the Michigan health  
7 and hospital association, the health care association of Michigan,  
8 and aging services of Michigan in an effort to mitigate necessary  
9 provider rate reductions through an expansion of the existing  
10 hospital and nursing home quality assurance assessment programs.

11       Sec. 1828. (1) Effective October 1, 2009, Medicaid payment  
12 rates for providers described in subsection (2) shall be reduced to  
13 8% less than the rates in effect on May 1, 2009.

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

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

20       (4) If a physician quality assurance assessment program  
21 meeting the conditions in subsection (5) is enacted into law, all  
22 funds retained by the state shall be used, on a proportional basis,  
23 to reduce or eliminate the rate reductions described in subsections  
24 (1), (2), and (3).

25       (5) In order to satisfy the requirements in subsection (4), a  
26 physician quality assurance assessment program shall meet the  
27 following conditions:

1 (a) Have a tax rate of no greater than 2.0%.

2 (b) Provide sufficient funding to increase Medicaid physician  
3 reimbursement for procedure codes and other reimbursement to that  
4 paid by the Medicare program.

5 (c) Only take effect if federal matching funds are made  
6 available to support the Medicaid rate increase.

7 (d) Revenue derived from the physician quality assurance  
8 assessment shall only be used to support the physician services and  
9 the health plan services line items.

10 (e) Be designed so that physicians with Medicaid revenue in  
11 excess of 3.0% of their total revenues prior to establishment of  
12 the quality assurance assessment program will receive more revenue  
13 from the Medicaid rate increase than they would contribute to the  
14 quality assurance assessment.

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

20 Sec. 1830. The department shall implement an automated real-  
21 time prospective preclaims payment review process to improve the  
22 coordination of benefits between Medicaid and other sources of  
23 coverage for Medicaid beneficiaries. The department shall implement  
24 an initiative establishing an automated real-time prospective  
25 preclaims payment review process, including, but not limited to, a  
26 prior pharmacy authorization and prepharmacy claims review of  
27 alternative insurance coverage program, provided, however, that any

1 such initiative has no net costs to the department. Any initiative  
2 implemented by the department shall have a negligible effect on the  
3 turnaround of claims for provider payment or on beneficiary access  
4 to services and demonstrate savings potential.