

**SUBSTITUTE FOR  
SENATE BILL NO. 1152**

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, 2011; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

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

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PART 1

LINE-ITEM APPROPRIATIONS

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

amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2011, 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..... 4,354.3

Average population ..... 893.0

GROSS APPROPRIATION..... \$ 13,565,966,400

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 54,224,300

ADJUSTED GROSS APPROPRIATION..... \$ 13,511,742,100

Federal revenues:

Total other federal revenues..... 8,473,442,300

Total federal revenues (ARRA) ..... 920,178,700

Special revenue funds:

Total local revenues..... 232,374,700

Total private revenues..... 80,272,500

Merit award trust fund..... 149,220,500

Total other state restricted revenues..... 1,735,832,000

State general fund/general purpose..... \$ 1,920,421,400

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

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

Full-time equated classified positions..... 175.2

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

1	Deputy director--1.0 FTE positions .....	132,000
2	Director, office of services to the aging--1.0 FTE	
3	positions .....	106,100
4	Public relations liaison--1.0 FTE positions .....	60,000
5	Communications director--1.0 FTE positions .....	79,000
6	Legislative liaison--1.0 FTE positions .....	75,000
7	Departmental administration and management--165.2	
8	FTE positions .....	16,930,100
9	Worker's compensation program.....	8,855,200
10	Rent and building occupancy.....	10,862,500
11	Developmental disabilities council and	
12	projects--10.0 FTE positions .....	<u>2,847,500</u>
13	GROSS APPROPRIATION.....	\$ 40,093,900
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	13,900,700
17	Special revenue funds:	
18	Total private revenues.....	35,900
19	Total other state restricted revenues.....	2,514,000
20	State general fund/general purpose .....	\$ 23,643,300
21	<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES</b>	
22	<b>ADMINISTRATION AND SPECIAL PROJECTS</b>	
23	Full-time equated classified positions..... 107.5	
24	Mental health/substance abuse program	
25	administration--106.5 FTE positions.....	\$ 13,917,000
26	Gambling addiction--1.0 FTE positions .....	3,000,000
27	Protection and advocacy services support .....	194,400

1	Community residential and support services .....	1,893,500
2	Highway safety projects .....	400,000
3	Federal and other special projects .....	2,497,200
4	Family support subsidy .....	19,470,500
5	Housing and support services .....	<u>9,306,800</u>
6	GROSS APPROPRIATION .....	\$ 50,679,400
7	Federal revenues:	
8	Total federal revenues .....	35,352,200
9	Special revenue funds:	
10	Total private revenues .....	190,000
11	Total other state restricted revenues .....	3,000,000
12	State general fund/general purpose .....	\$ 12,137,200
13	<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE</b>	
14	<b>SERVICES PROGRAMS</b>	
15	Full-time equated classified positions..... 9.5	
16	Medicaid mental health services .....	\$ 2,035,793,800
17	Community mental health non-Medicaid services .....	230,216,900
18	Medicaid adult benefits waiver .....	32,054,900
19	Mental health services for special populations .....	6,873,800
20	Medicaid substance abuse services .....	42,917,500
21	CMHSP, purchase of state services contracts .....	127,817,700
22	Civil service charges .....	1,499,300
23	Federal mental health block grant--2.5 FTE positions .	15,392,100
24	Community substance abuse prevention, education and	
25	treatment programs .....	77,421,200
26	Children's waiver home care program .....	21,049,800
27	Nursing home PAS/ARR-OBRA--7.0 FTE positions .....	12,155,600

1	Children with serious emotional disturbance waiver...	<u>7,188,000</u>
2	GROSS APPROPRIATION.....	\$ 2,610,380,600
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	Interdepartmental grant from the department of human	
6	services .....	1,769,000
7	Federal revenues:	
8	Total other federal revenues.....	1,495,945,900
9	Federal FMAP stimulus (ARRA) .....	153,921,200
10	Special revenue funds:	
11	Total local revenues.....	25,228,900
12	Total other state restricted revenues.....	20,655,200
13	State general fund/general purpose.....	\$ 912,860,400
14	<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR</b>	
15	<b>PERSONS WITH DEVELOPMENTAL DISABILITIES, AND</b>	
16	<b>FORENSIC AND PRISON MENTAL HEALTH SERVICES</b>	
17	Total average population .....	893.0
18	Full-time equated classified positions.....	2,590.5
19	Caro regional mental health center - psychiatric	
20	hospital - adult--468.3 FTE positions.....	\$ 55,267,100
21	Average population .....	185.0
22	Kalamazoo psychiatric hospital - adult--483.1 FTE	
23	positions .....	53,493,900
24	Average population .....	189.0
25	Walter P. Reuther psychiatric hospital -	
26	adult--433.3 FTE positions .....	50,087,200
27	Average population .....	234.0

1	Hawthorn center - psychiatric hospital - children	
2	and adolescents--230.9 FTE positions.....	26,003,000
3	Average population .....	75.0
4	Center for forensic psychiatry--578.6 FTE positions ..	64,528,600
5	Average population .....	210.0
6	Forensic mental health services provided to the	
7	department of corrections--396.3 FTE positions.....	50,727,300
8	Revenue recapture.....	750,000
9	IDEA, federal special education.....	120,000
10	Special maintenance.....	332,500
11	Purchase of medical services for residents of	
12	hospitals and centers .....	445,600
13	Gifts and bequests for patient living and treatment	
14	environment .....	<u>1,000,000</u>
15	GROSS APPROPRIATION.....	\$ 302,755,200
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	Interdepartmental grant from the department of	
19	corrections .....	50,727,300
20	Federal revenues:	
21	Total other federal revenues.....	28,728,400
22	Federal FMAP stimulus (ARRA) .....	2,154,900
23	Special revenue funds:	
24	CMHSP, purchase of state services contracts .....	127,817,700
25	Other local revenues.....	16,915,200
26	Total private revenues.....	1,000,000
27	Total other state restricted revenues.....	15,724,300

1	State general fund/general purpose .....	\$	59,687,400
2	<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>		
3	Full-time equated classified positions.....	91.7	
4	Public health administration--7.3 FTE positions .....	\$	1,513,800
5	Healthy Michigan fund programs .....		5,913,600
6	Minority health grants and contracts--3.0 FTE		
7	positions .....		617,000
8	Promotion of healthy behaviors .....		675,900
9	Vital records and health statistics--81.4 FTE		
10	positions .....		<u>9,286,000</u>
11	GROSS APPROPRIATION .....	\$	18,006,300
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	Interdepartmental grant from the department of human		
15	services .....		1,150,600
16	Federal revenues:		
17	Total federal revenues .....		4,969,200
18	Special revenue funds:		
19	Total other state restricted revenues .....		10,681,800
20	State general fund/general purpose .....	\$	1,204,700
21	<b>Sec. 107. HEALTH POLICY, REGULATION, AND</b>		
22	<b>PROFESSIONS</b>		
23	Full-time equated classified positions.....	428.1	
24	Health systems administration--193.6 FTE positions ...	\$	20,124,900
25	Emergency medical services program state staff--8.5		
26	FTE positions .....		1,321,200
27	Radiological health administration--21.4 FTE positions		3,074,500

1	Emergency medical services grants and services .....	660,000
2	Health professions--149.5 FTE positions .....	25,467,800
3	Background check program--5.5 FTE positions .....	2,713,700
4	Health policy and regulation--30.2 FTE positions .....	3,781,200
5	Nurse scholarship, education, and research	
6	program--3.0 FTE positions .....	1,737,800
7	Certificate of need program administration--14.0 FTE	
8	positions .....	2,036,000
9	Rural health services--1.0 FTE positions .....	1,409,600
10	Michigan essential health provider .....	872,700
11	Primary care services--1.4 FTE positions .....	<u>4,250,300</u>
12	GROSS APPROPRIATION .....	\$ 67,449,700
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	Interdepartmental grant from the department of	
16	treasury, Michigan state hospital finance authority.	116,300
17	Federal revenues:	
18	Total other federal revenues .....	25,091,400
19	Special revenue funds:	
20	Total local revenues .....	100,000
21	Total private revenues .....	455,000
22	Total other state restricted revenues .....	31,336,600
23	State general fund/general purpose .....	\$ 10,350,400
24	<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>	
25	Full-time equated classified positions..... 50.7	
26	AIDS prevention, testing, and care programs--12.7	
27	FTE positions .....	\$ 46,456,800



1	Immunization local agreements.....	11,975,200
2	Immunization program management and field	
3	support--15.0 FTE positions .....	1,764,100
4	Pediatric AIDS prevention and control--1.0 FTE	
5	positions .....	1,231,300
6	Sexually transmitted disease control local agreements	3,360,700
7	Sexually transmitted disease control management and	
8	field support--22.0 FTE positions.....	<u>3,744,600</u>
9	GROSS APPROPRIATION.....	\$ 68,532,700
10	Appropriated from:	
11	Federal revenues:	
12	Total other federal revenues.....	43,447,000
13	Special revenue funds:	
14	Total private revenues.....	14,707,700
15	Total other state restricted revenues.....	7,501,400
16	State general fund/general purpose.....	\$ 2,876,600
17	<b>Sec. 109. LABORATORY SERVICES</b>	
18	Full-time equated classified positions..... 109.0	
19	Laboratory services--109.0 FTE positions.....	\$ <u>16,653,600</u>
20	GROSS APPROPRIATION.....	\$ 16,653,600
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	Interdepartmental grant from the department of	
24	natural resources and environment.....	461,100
25	Federal revenues:	
26	Total federal revenues.....	1,818,100
27	Special revenue funds:	

1	Total other state restricted revenues .....	7,966,400
2	State general fund/general purpose .....	\$ 6,408,000
3	<b>Sec. 110. EPIDEMIOLOGY</b>	
4	Full-time equated classified positions.....	127.7
5	AIDS surveillance and prevention program .....	2,254,100
6	Asthma prevention and control--2.6 FTE positions .....	857,100
7	Bioterrorism preparedness--68.6 FTE positions .....	49,259,700
8	Epidemiology administration--39.0 FTE positions .....	8,090,500
9	Lead abatement program--7.0 FTE positions .....	2,442,500
10	Newborn screening follow-up and treatment	
11	services--10.5 FTE positions .....	4,740,800
12	Tuberculosis control and prevention .....	<u>867,000</u>
13	GROSS APPROPRIATION .....	\$ 68,511,700
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues .....	61,104,800
17	Special revenue funds:	
18	Total private revenues .....	25,000
19	Total other state restricted revenues .....	5,572,800
20	State general fund/general purpose .....	\$ 1,809,100
21	<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
22	Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 20,000
23	Local public health operations .....	39,082,800
24	Medicaid outreach cost reimbursement to local health	
25	departments .....	<u>9,000,000</u>
26	GROSS APPROPRIATION .....	\$ 48,102,800
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	9,000,000
3	Special revenue funds:	
4	Total local revenues.....	5,150,000
5	State general fund/general purpose.....	\$ 33,952,800
6	<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND</b>	
7	<b>HEALTH PROMOTION</b>	
8	Full-time equated classified positions..... 75.5	
9	Alzheimer's information network.....	\$ 99,500
10	Cancer prevention and control program--12.0 FTE	
11	positions .....	13,739,500
12	Chronic disease prevention--26.9 FTE positions .....	4,968,900
13	Diabetes and kidney program--12.2 FTE positions .....	1,772,900
14	Health education, promotion, and research	
15	programs--6.5 FTE positions .....	829,600
16	Injury control intervention project.....	200,000
17	Public health traffic safety coordination--1.0 FTE	
18	positions .....	287,500
19	Smoking prevention program--14.0 FTE positions .....	2,058,100
20	Violence prevention--2.9 FTE positions .....	<u>1,676,700</u>
21	GROSS APPROPRIATION.....	\$ 25,632,700
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	23,053,100
25	Special revenue funds:	
26	Total private revenues.....	61,600
27	Total other state restricted revenues.....	697,700

1	State general fund/general purpose .....	\$	1,820,300
2	<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH</b>		
3	<b>SERVICES</b>		
4	Full-time equated classified positions.....	52.6	
5	Childhood lead program--6.0 FTE positions .....	\$	1,597,300
6	Dental programs--3.0 FTE positions .....		994,400
7	Dental program for persons with developmental		
8	disabilities .....		151,000
9	Family, maternal, and children's health services		
10	administration--43.6 FTE positions.....		5,890,700
11	Family planning local agreements .....		9,085,700
12	Local MCH services .....		7,018,100
13	Pregnancy prevention program .....		602,100
14	Special projects .....		2,340,200
15	Sudden infant death syndrome program .....		321,300
16	GROSS APPROPRIATION .....	\$	28,000,800
17	Appropriated from:		
18	Federal revenues:		
19	Total federal revenues .....		24,352,500
20	Special revenue funds:		
21	Total local revenues .....		75,000
22	State general fund/general purpose .....	\$	3,573,300
23	<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND</b>		
24	<b>NUTRITION PROGRAM</b>		
25	Full-time equated classified positions.....	45.0	
26	Women, infants, and children program administration		
27	and special projects--45.0 FTE positions .....	\$	13,631,700

1	Women, infants, and children program local		
2	agreements and food costs .....		<u>253,825,500</u>
3	GROSS APPROPRIATION.....	\$	267,457,200
4	Appropriated from:		
5	Federal revenues:		
6	Total federal revenues.....		208,847,000
7	Special revenue funds:		
8	Total private revenues.....		58,610,200
9	State general fund/general purpose.....	\$	0
10	<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
11	<b>(CSHCS)</b>		
12	Full-time equated classified positions.....	47.8	
13	Children's special health care services		
14	administration--45.0 FTE positions.....	\$	5,150,700
15	Bequests for care and services--2.8 FTE positions ....		1,514,600
16	Outreach and advocacy.....		3,773,500
17	Nonemergency medical transportation.....		1,527,600
18	Medical care and treatment.....		<u>236,106,900</u>
19	GROSS APPROPRIATION.....	\$	248,073,300
20	Appropriated from:		
21	Federal revenues:		
22	Total other federal revenues.....		140,504,600
23	Federal FMAP stimulus (ARRA) .....		12,863,300
24	Special revenue funds:		
25	Total private revenues.....		1,000,000
26	Total other state restricted revenues.....		3,841,000
27	State general fund/general purpose.....	\$	89,864,400

1     **Sec. 116. CRIME VICTIM SERVICES COMMISSION**

2     Full-time equated classified positions..... 11.0

3     Grants administration services--11.0 FTE positions...     \$       1,555,900

4     Justice assistance grants.....                               13,000,000

5     Crime victim rights services grants.....                     12,500,000

6     GROSS APPROPRIATION.....     \$       27,055,900

7     Appropriated from:

8     Federal revenues:

9     Total federal revenues.....                               16,567,500

10    Special revenue funds:

11    Total other state restricted revenues.....               10,488,400

12    State general fund/general purpose.....     \$               0

13    **Sec. 117. OFFICE OF SERVICES TO THE AGING**

14    Full-time equated classified positions..... 43.5

15    Office of services to aging administration--43.5 FTE

16    positions .....     \$       7,190,900

17    Community services.....                               34,149,400

18    Nutrition services.....                               35,360,200

19    Foster grandparent volunteer program.....               2,233,600

20    Retired and senior volunteer program.....               627,300

21    Senior companion volunteer program.....               1,604,400

22    Employment assistance.....                             3,792,500

23    Respite care program.....                               5,868,700

24    GROSS APPROPRIATION.....     \$       90,827,000

25    Appropriated from:

26    Federal revenues:

27    Total federal revenues.....                             56,781,900

1	Special revenue funds:	
2	Total private revenues.....	610,000
3	Merit award trust fund.....	4,468,700
4	Total other state restricted revenues.....	1,400,000
5	State general fund/general purpose.....	\$ 27,566,400
6	<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
7	Full-time equated classified positions.....	389.0
8	Medical services administration--389.0 FTE positions .	\$ 63,281,700
9	Facility inspection contract.....	132,800
10	MICild administration.....	<u>4,327,800</u>
11	GROSS APPROPRIATION.....	\$ 67,742,300
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	46,284,200
15	Total local revenues.....	107,000
16	Total private revenues.....	100,000
17	Total other state restricted revenues.....	105,300
18	State general fund/general purpose.....	\$ 21,145,800
19	<b>Sec. 119. MEDICAL SERVICES</b>	
20	Hospital services and therapy.....	\$ 1,326,346,200
21	Hospital disproportionate share payments.....	55,000,000
22	Physician services.....	323,846,900
23	Medicare premium payments.....	399,145,000
24	Pharmaceutical services.....	305,439,300
25	Home health services.....	5,336,200
26	Hospice services.....	114,175,200
27	Transportation.....	12,993,300

1	Auxiliary medical services.....	4,741,000
2	Dental services.....	144,910,200
3	Ambulance services.....	11,871,200
4	Long-term care services.....	1,604,393,700
5	Medicaid home- and community-based services waiver...	196,136,800
6	Adult home help services.....	305,534,800
7	Personal care services.....	14,605,900
8	Program of all-inclusive care for the elderly.....	16,600,000
9	Health plan services.....	3,758,014,000
10	MIChild program.....	56,063,700
11	Plan first family planning waiver.....	11,269,900
12	Medicaid adult benefits waiver.....	104,856,800
13	Special indigent care payments.....	88,518,500
14	Federal Medicare pharmaceutical program.....	180,945,800
15	Promotion of healthy behavior waiver.....	10,000,000
16	Maternal and child health.....	20,279,500
17	Subtotal basic medical services program.....	9,071,023,900
18	School-based services.....	64,630,600
19	Special Medicaid reimbursement.....	332,191,500
20	Subtotal special medical services payments.....	<u>396,822,100</u>
21	GROSS APPROPRIATION.....	\$ 9,467,846,000
22	Appropriated from:	
23	Federal revenues:	
24	Total other federal revenues.....	6,201,017,900
25	Federal FMAP stimulus (ARRA).....	751,239,300
26	Special revenue funds:	
27	Total local revenues.....	56,980,900



1	Total private revenues.....	3,477,100
2	Merit award trust fund.....	144,751,800
3	Total other state restricted revenues.....	1,611,131,100
4	State general fund/general purpose.....	\$ 699,247,900
5	<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
6	Information technology services and projects.....	\$ 35,364,200
7	Michigan Medicaid information system.....	<u>16,801,100</u>
8	GROSS APPROPRIATION.....	\$ 52,165,300
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	36,675,900
12	Special revenue funds:	
13	Total other state restricted revenues.....	3,216,000
14	State general fund/general purpose.....	\$ 12,273,400

15 PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

17 GENERAL SECTIONS

18 Sec. 201. Pursuant to section 30 of article IX of the state  
 19 constitution of 1963, total state spending from state resources  
 20 under part 1 for fiscal year 2010-2011 is \$3,805,473,900.00 and  
 21 state spending from state resources to be paid to local units of  
 22 government for fiscal year 2010-2011 is \$1,164,353,600.00. The  
 23 itemized statement below identifies appropriations from which  
 24 spending to local units of government will occur:

25 DEPARTMENT OF COMMUNITY HEALTH

1	MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION		
2	AND SPECIAL PROJECTS		
3	Community residential and support services .....	\$	286,400
4	Housing and support services .....		599,800
5	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
6	Community substance abuse prevention, education, and		
7	treatment programs .....	\$	9,671,100
8	Medicaid mental health services .....		521,781,800
9	Community mental health non-Medicaid services .....		230,216,900
10	Medicaid adult benefits waiver .....		10,966,000
11	Multicultural services .....		6,218,600
12	Medicaid substance abuse services .....		11,522,400
13	Children's waiver home care program .....		5,254,000
14	Nursing home PASARR .....		2,705,100
15	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
16	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
17	PUBLIC HEALTH ADMINISTRATION		
18	Minority health grants and contracts .....	\$	190,000
19	HEALTH POLICY, REGULATION, AND PROFESSIONS		
20	Primary care services .....	\$	88,900
21	INFECTIOUS DISEASE CONTROL		
22	AIDS prevention, testing, and care programs .....	\$	1,000,000
23	Immunization local agreements .....		1,750,000
24	Sexually transmitted disease control local agreements		235,200
25	LABORATORY SERVICES		
26	Laboratory services .....	\$	13,700
27	LOCAL HEALTH ADMINISTRATION AND GRANTS		

1	Implementation of 1993 PA 133, MCL 333.17015 .....	\$	8,000
2	Local public health operations .....		33,932,800
3	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
4	Cancer prevention and control program .....	\$	450,000
5	Chronic disease prevention .....		261,600
6	Diabetes and kidney program .....		54,500
7	Smoking prevention program .....		800,000
8	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
9	Childhood lead program .....	\$	51,100
10	Pregnancy prevention program .....		90,000
11	School health education programs .....		250,000
12	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
13	Medical care and treatment .....	\$	895,700
14	Outreach and advocacy .....		1,237,500
15	MEDICAL SERVICES		
16	Dental services .....	\$	2,005,600
17	Long-term care services .....		269,214,200
18	Transportation .....		2,572,700
19	Medicaid adult benefits waiver .....		6,186,600
20	Hospital services and therapy .....		5,316,800
21	Physician services .....		4,251,500
22	OFFICE OF SERVICES TO THE AGING		
23	Community services .....	\$	12,233,500
24	Nutrition services .....		8,787,000
25	Foster grandparent volunteer program .....		679,800
26	Retired and senior volunteer program .....		175,000
27	Senior companion volunteer program .....		215,000

1	Respite care program.....	5,384,800
2	CRIME VICTIM SERVICES COMMISSION	
3	Crime victim rights services grants.....	\$ <u>6,800,000</u>
4	TOTAL OF PAYMENTS TO LOCAL UNITS	
5	OF GOVERNMENT.....	\$ 1,164,353,600

6       Sec. 202. (1) The appropriations authorized under this act are  
7 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
8 to 18.1594.

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

11       Sec. 203. As used in this act:

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

13       (b) "ARRA" means the American recovery and reinvestment act of  
14 2009, Public Law 111-5.

15       (c) "CMHSP" means a community mental health services program  
16 as that term is defined in section 100a of the mental health code,  
17 1974 PA 258, MCL 330.1100a.

18       (d) "Current fiscal year" means the fiscal year ending  
19 September 30, 2011.

20       (e) "Department" means the Michigan department of community  
21 health.

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

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

24       (h) "EPSDT" means early and periodic screening, diagnosis, and  
25 treatment.

26       (i) "Federal poverty level" means the poverty guidelines  
27 published annually in the federal register by the United States

1 department of health and human services under its authority to  
2 revise the poverty line under 42 USC 9902.

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

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

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

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

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

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

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

14 (q) "IDG" means interdepartmental grant.

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

16 (s) "MICHild" means the program described in section 1670.

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

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

22 (v) "PIHP" means a specialty prepaid inpatient health plan for  
23 Medicaid mental health services, services to persons with  
24 developmental disabilities, and substance abuse services as  
25 described in section 232b of the mental health code, 1974 PA 258,  
26 MCL 330.1232b.

27 (w) "Title XVIII" and "Medicare" mean title XVIII of the

1 social security act, 42 USC 1395 to 1395iii.

2 (x) "Title XIX" and "Medicaid" mean title XIX of the social  
3 security act, 42 USC 1396 to 1396w-2.

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

6 (z) "WIC program" means the women, infants, and children  
7 supplemental nutrition program.

8 Sec. 204. The civil service commission shall bill the  
9 department at the end of the first fiscal quarter for the charges  
10 authorized by section 5 of article XI of the state constitution of  
11 1963. The department shall pay the total amount of the billing by  
12 the end of the second fiscal quarter.

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

20 (2) The state budget director may grant exceptions to this  
21 hiring freeze when the state budget director believes that the  
22 hiring freeze will render a state department or agency unable to  
23 deliver basic services, will cause loss of revenue to the state,  
24 will result in the inability of the state to receive federal funds,  
25 or will necessitate additional expenditures that exceed any savings  
26 from maintaining a vacancy. The state budget director shall report  
27 annually to the chairpersons of the senate and house standing

1 committees on appropriations the number of exceptions to the hiring  
2 freeze approved during the previous quarter and the reasons to  
3 justify the exception.

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

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

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

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

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

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

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

22       Sec. 211. (1) If the revenue collected by the department from  
23 fees and collections exceeds the amount appropriated in part 1, the  
24 revenue may be carried forward with the approval of the state  
25 budget director into the subsequent fiscal year. The revenue  
26 carried forward under this section shall be used as the first  
27 source of funds in the subsequent fiscal year.



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

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

(a) Maternal and child health block grant .....	\$	18,030,900
(b) Preventive health and health services block grant .....		3,589,800
(c) Substance abuse prevention and treatment block grant .....		60,832,200
(d) Healthy Michigan fund .....		37,189,300
(e) Michigan health initiative .....		9,100,000

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

(3) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in

1 subsection (2) on the amounts and detailed sources of federal,  
2 restricted, private, and local revenue proposed to support the  
3 total funds appropriated in each of the line items in part 1 of the  
4 next fiscal year executive budget proposal.

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

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

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

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

18 (c) Eligibility criteria for program participation and maximum  
19 benefit levels where applicable.

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

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

26 Sec. 214. The use of state restricted tobacco tax revenue  
27 received for the purpose of tobacco prevention, education, and

1 reduction efforts and deposited in the healthy Michigan fund shall  
2 not be used for lobbying as defined in section 5 of 1978 PA 472,  
3 MCL 4.415, and shall not be used in attempting to influence the  
4 decisions of the legislature, the governor, or any state agency.

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

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

19       (3) As used in this section:

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

22       (b) "Small business" means that term as defined under section  
23 7a of the administrative procedures act of 1969, 1969 PA 306, MCL  
24 24.207a.

25       Sec. 216. (1) In addition to funds appropriated in part 1 for  
26 all programs and services, there is appropriated for write-offs of  
27 accounts receivable, deferrals, and for prior year obligations in

1 excess of applicable prior year appropriations, an amount equal to  
2 total write-offs and prior year obligations, but not to exceed  
3 amounts available in prior year revenues.

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

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

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

18 (a) Immunizations.

19 (b) Communicable disease control.

20 (c) Sexually transmitted disease control.

21 (d) Tuberculosis control.

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

23 (f) Screening newborns for the conditions listed in section  
24 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
25 recommended by the newborn screening quality assurance advisory  
26 committee created under section 5430 of the public health code,  
27 1978 PA 368, MCL 333.5430.

1 (g) Community health annex of the Michigan emergency  
2 management plan.

3 (h) Prenatal care.

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

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

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

18 (c) The expected project duration.

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

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

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

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

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

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

24       (2) The department shall provide written or verbal biannually  
25 reports to the senate and house appropriations subcommittees on  
26 community health and the senate and house fiscal agencies  
27 summarizing the status of any new or ongoing discussions with the

1 centers for Medicare and Medicaid services or the federal  
2 department of health and human services regarding potential or  
3 future Medicaid waiver applications.

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

9 Sec. 266. (1) Due to the current budgetary problems in this  
10 state, out-of-state travel shall be limited to situations in which  
11 1 or more of the following conditions apply:

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

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

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

20 (d) The travel is necessary to comply with federal  
21 requirements.

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

24 (f) The travel is financed entirely by federal or nonstate  
25 funds.

26 (2) If out-of-state travel is necessary but does not meet 1 or  
27 more of the conditions in subsection (1), the state budget director

1 may grant an exception to allow the travel. Any exceptions granted  
2 by the state budget director shall be reported on a monthly basis  
3 to the house of representatives and senate standing committees on  
4 appropriations.

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

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

16 (b) The destination of each travel occurrence.

17 (c) The dates of each travel occurrence.

18 (d) A brief statement of the reason for each travel  
19 occurrence.

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

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

27 Sec. 267. A department or state agency shall not take



1 disciplinary action against an employee for communicating with a  
2 member of the legislature or his or her staff.

3       Sec. 270. Within 180 days after receipt of the notification  
4 from the attorney general's office of a legal action in which  
5 expenses had been recovered pursuant to section 106(4) of the  
6 social welfare act, 1939 PA 280, MCL 400.106, or any other statute  
7 under which the department has the right to recover expenses, the  
8 department shall submit a written report to the house and senate  
9 appropriations subcommittees on community health, the house and  
10 senate fiscal agencies, and the state budget office which includes,  
11 at a minimum, all of the following:

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

13       (b) The program or service for which the money was originally  
14 expended.

15       (c) Details on the disposition of the funds recovered such as  
16 the appropriation or revenue account in which the money was  
17 deposited.

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

19       Sec. 271. (1) The department, in cooperation with a PIHP, a  
20 Medicaid HMO, or a federally qualified health center shall  
21 establish and implement an early mental health services  
22 intervention pilot project. This project shall provide care  
23 coordination, disease management, and pharmacy management to  
24 eligible recipients suffering from chronic disease, including, but  
25 not limited to, diabetes, asthma, substance addiction, or stroke.  
26 Participating organizations may make use of data sharing, joint  
27 information technology efforts, and financial incentives to health

1 providers and recipients in this project. The department shall  
2 encourage that each CMHSP and Medicaid health plan act in a  
3 coordinated manner in the establishment of their respective  
4 electronic medical record systems.

5 (2) The pilot project shall make use of preestablished  
6 objectives and outcome measures to determine the cost effectiveness  
7 of the project. Participating organizations shall collect data to  
8 study and monitor the correlation between early mental health  
9 treatment services to program participants and improvement in the  
10 management of their chronic disease.

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

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

18 Sec. 272. (1) The department shall make efforts to implement  
19 the results of the study of current policies and allocation  
20 methodologies specified in section 272 of 2007 PA 123. These  
21 efforts to encourage administrative efficiencies shall apply to the  
22 following entities:

23 (a) Local public health departments.

24 (b) CMHSPs.

25 (c) Substance abuse coordinating agencies.

26 (d) Area agencies on aging.

27 (2) The department shall consult with at least the following

1 applicable organizations in implementing the results of the study:

2 (a) The Michigan association of community mental health  
3 boards.

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

5 (c) The Michigan association of substance abuse coordinating  
6 agencies.

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

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

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

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

26 (a) Coordinating agencies on substance abuse, Salvation Army  
27 harbor light program, and their subcontractors that receive payment

1 or reimbursement from funds appropriated under section 104.

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

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

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

18 Sec. 285. (1) By July 1 of the current fiscal year, the  
19 department shall expand its current prescription drug website to  
20 provide all of the following information:

21 (a) The 150 most commonly prescribed brand-name drug products  
22 under the Medicaid program and, if available, their generic  
23 equivalents.

24 (b) The most commonly prescribed brand-name drug products used  
25 for the treatment of all major illnesses and diseases, if not  
26 already included under subdivision (a), and, if available, their  
27 generic equivalents.

1 (c) The usual and customary price of each brand-name and  
2 generic prescription drug listed.

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

5 (e) Names and addresses for the pharmacies associated with the  
6 listed prescription drugs.

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

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

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

17 (i) An advisory statement alerting consumers that the price  
18 posted for a listed drug product is only for the strength and  
19 quantity posted.

20 (j) A date stamp indicating the most recent date the usual and  
21 customary price of each brand-name and generic prescription drug  
22 listed was updated.

23 (k) A notation indicating a prescription drug price was  
24 corrected.

25 (2) The department shall provide a progress report on these  
26 efforts to the senate and house appropriations subcommittees on  
27 community health and the senate and house fiscal agencies by May 1

1 of the current fiscal year.

2       Sec. 287. Not later than December 1, 2011, the department  
3 shall prepare and transmit a report that provides for estimates of  
4 the total general fund/general purpose appropriation lapses at the  
5 close of the fiscal year. This report shall summarize the projected  
6 year-end general fund/general purpose appropriation lapses by major  
7 departmental program or program areas. The report shall be  
8 transmitted to the office of the state budget, the chairpersons of  
9 the senate and house appropriations committees, and the fiscal  
10 agencies.

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

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

1 their law enforcement status.

2 **DEPARTMENTWIDE ADMINISTRATION**

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

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

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

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

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

22 Sec. 401. Funds appropriated in part 1 are intended to support  
23 a system of comprehensive community mental health services under  
24 the full authority and responsibility of local CMHSPs or PIHPs. The

1 department shall ensure that each CMHSP or PIHP provides all of the  
2 following:

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

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

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

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

21 (e) A system of case management or care management to monitor  
22 and ensure the provision of services consistent with the  
23 individualized plan of services or supports.

24 (f) A system of continuous quality improvement.

25 (g) A system to monitor and evaluate the mental health  
26 services provided.

27 (h) A system that serves at-risk and delinquent youth as



1 required under the provisions of the mental health code, 1974 PA  
2 258, MCL 330.1001 to 330.2106.

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

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

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

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

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

27       Sec. 403. (1) From the funds appropriated in part 1 for mental

1 health services for special populations, the department shall  
2 ensure that CMHSPs or PIHPs meet with multicultural service  
3 providers to develop a workable framework for contracting, service  
4 delivery, and reimbursement.

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

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

21 Sec. 404. (1) Not later than May 31 of the current fiscal  
22 year, the department shall provide a report on the community mental  
23 health services programs to the members of the house and senate  
24 appropriations subcommittees on community health, the house and  
25 senate fiscal agencies, and the state budget director that includes  
26 the information required by this section.

27 (2) The report shall contain information for each CMHSP or

1 PIHP and a statewide summary, each of which shall include at least  
2 the following information:

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

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

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

12 (d) Data describing service outcomes that includes, but is not  
13 limited to, an evaluation of consumer satisfaction, consumer  
14 choice, and quality of life concerns including, but not limited to,  
15 housing and employment.

16 (e) Information about access to community mental health  
17 services programs that includes, but is not limited to, the  
18 following:

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

20 (ii) The number of people who requested services but did not  
21 receive services.

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

24 (g) An analysis of information provided by CMHSPs in response  
25 to the needs assessment requirements of the mental health code,  
26 1974 PA 258, MCL 330.1001 to 330.2106, including information about  
27 the number of persons in the service delivery system who have

1 requested and are clinically appropriate for different services.

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

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

7 (i) The amount of the contract, organized by type of service  
8 provided.

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

10 (iii) Administrative costs for services provided to CMHSPs or  
11 PIHPs.

12 (j) Information on the community mental health Medicaid  
13 managed care program, including, but not limited to, both of the  
14 following:

15 (i) Expenditures by each CMHSP or PIHP organized by Medicaid  
16 eligibility group, including per eligible individual expenditure  
17 averages.

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

20 (k) An estimate of the number of direct care workers in local  
21 residential settings and paraprofessional and other nonprofessional  
22 direct care workers in settings where skill building, community  
23 living supports and training, and personal care services are  
24 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal  
25 year employed directly or through contracts with provider  
26 organizations.

27 (3) The department shall include data reporting requirements

1 listed in subsection (2) in the annual contract with each  
2 individual CMHSP or PIHP.

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

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

14 (2) Each CMHSP awarded wage pass-through money from the funds  
15 established under subsection (1) shall report on the actual  
16 expenditures of the money in the format determined by the  
17 department.

18 Sec. 407. (1) The amount appropriated in part 1 for substance  
19 abuse prevention, education, and treatment grants shall be expended  
20 for contracting with coordinating agencies. Coordinating agencies  
21 shall work with CMHSPs or PIHPs to coordinate care and services  
22 provided to individuals with severe and persistent mental illness  
23 and substance abuse diagnoses.

24 (2) The department shall approve coordinating fee schedules  
25 for providing substance abuse services and charge participants in  
26 accordance with their ability to pay.

27 (3) It is the intent of the legislature that the coordinating

1 agencies continue current efforts to collaborate on the delivery of  
2 services to those clients with severe and persistent mental illness  
3 and substance abuse diagnoses.

4 (4) Coordinating agencies that are located completely within  
5 the boundary of a PIHP shall conduct a study of the administrative  
6 costs and efficiencies associated with consolidation with that  
7 PIHP. If that coordinating agency realizes an administrative cost  
8 savings of 5% or greater of their current costs, then that  
9 coordinating agency shall initiate discussions regarding a  
10 potential merger in accordance with section 6226 of the public  
11 health code, 1978 PA 368, MCL 333.6226. The department shall report  
12 to the legislature by April 1 of the current fiscal year on any  
13 such discussions.

14 (5) Effective April 1, 2011, only PIHPs shall be considered  
15 substance abuse coordinating agencies for purposes of reimbursement  
16 with funds appropriated in part 1.

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

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

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

3 (c) Number of services provided by central diagnosis and  
4 referral agency, by subcontractor, and by service type.  
5 Additionally, data on length of stay, referral source, and  
6 participation in other state programs.

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

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

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

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

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

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

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

14           Sec. 414. Medicaid substance abuse treatment services shall be  
15 managed by PIHPs pursuant to the centers for Medicare and Medicaid  
16 services' approval of Michigan's 1915(b) waiver request submitted  
17 under 42 USC 1396n to implement a managed care plan for specialized  
18 substance abuse services. The PIHPs shall receive a capitated  
19 payment on a per eligible per month basis to assure provision of  
20 medically necessary substance abuse services to all beneficiaries  
21 who require those services. The PIHPs shall be responsible for the  
22 reimbursement of claims for specialized substance abuse services.  
23 The PIHPs that are not coordinating agencies may continue to  
24 contract with a coordinating agency. Any alternative arrangement  
25 must be based on client service needs and have prior approval from  
26 the department.

27           Sec. 418. On or before the tenth of each month, the department



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

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

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

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

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

26 Sec. 428. Each PIHP shall provide, from internal resources,  
27 local funds to be used as a bona fide part of the state match

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

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

13       Sec. 442. (1) It is the intent of the legislature that the  
14 \$32,054,900.00 in funding transferred from the community mental  
15 health non-Medicaid services line to support the Medicaid adult  
16 benefits waiver program shall be used to provide state match for  
17 increases in federal funding for primary care and specialty  
18 services provided to Medicaid adult benefits waiver enrollees and  
19 for economic increases for the Medicaid specialty services and  
20 supports program.

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

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

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

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

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

25           (2) CMHSPs and PIHPs shall take all necessary steps to ensure  
26 that individuals with mental illness, developmental disabilities,  
27 or substance abuse issues be placed in the least restrictive

1 setting in the quickest amount of time possible if it is the  
2 individual's choice.

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

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

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

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

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

1 the current fiscal year, and shall be consistent with Internal  
2 Revenue Service 990 and Office of Management and Budget A-87  
3 guidelines.

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

10 Sec. 462. (1) The department shall continue to utilize the  
11 funding formula for all CMHSPs that receive funds appropriated  
12 under the community mental health non-Medicaid services line  
13 utilized in fiscal year 2009-2010.

14 (2) It is the intent of the legislature that the department  
15 modify the process for determining allocations for Medicaid mental  
16 health services to prepaid inpatient health plans to remove  
17 geographic factors during the next bidding process.

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

26 Sec. 468. To foster a more efficient administration of and to  
27 integrate care in publicly funded mental health and substance abuse

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

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

17 (b) The accommodations or adjustments favor coordinating  
18 agencies who voluntarily elect to integrate with local community  
19 mental health authorities.

20 (c) The accommodations or adjustments do not negatively affect  
21 other coordinating agencies.

22 Sec. 470. (1) For those substance abuse coordinating agencies  
23 that have voluntarily incorporated into community mental health  
24 authorities and accepted funding from the department for  
25 administrative costs incurred pursuant to section 468, the  
26 department shall establish written expectations for those CMHSPs,  
27 PIHPs, and substance abuse coordinating agencies and counties with

1 respect to the integration of mental health and substance abuse  
2 services. At a minimum, the written expectations shall provide for  
3 the integration of those services as follows:

4 (a) Coordination and consolidation of administrative functions  
5 and redirection of efficiencies into service enhancements.

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

8 (c) Alignment of coordinating agencies and PIHPs boundaries to  
9 maximize opportunities for collaboration and integration of  
10 administrative functions and clinical activities.

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

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

25 Sec. 480. The department shall provide to the senate and house  
26 appropriations subcommittees on community health and the senate and  
27 house fiscal agencies by March 30 of the current fiscal year a

1 report on the number and reimbursement cost of atypical  
2 antipsychotic prescriptions by each PIHP for Medicaid  
3 beneficiaries.

4 Sec. 482. From the funds appropriated in part 1, the  
5 department shall continue funding for programs provided by Odyssey  
6 house.

7 Sec. 489. The department shall work with the Michigan  
8 association of community mental health boards and individual CMHSPs  
9 in an effort to mitigate necessary reductions to the community  
10 mental health non-Medicaid services line by seeking alternative  
11 funding sources.

12 Sec. 490. (1) The department shall establish a workgroup to  
13 develop a plan to maximize uniformity and consistency in the  
14 standards required of providers contracting directly with PIHPs,  
15 CMHSPs, and substance abuse coordinating agencies. These standards  
16 shall apply to community living supports, personal care services,  
17 substance abuse services, skill building services, and other  
18 similar supports and services providers who contract with PIHPs,  
19 CMHSPs, and substance abuse coordinating agencies or their  
20 contractors.

21 (2) The workgroup shall include representatives of the  
22 department, PIHPs, CMHSPs, substance abuse coordinating agencies,  
23 and affected providers. The standards shall include, but are not  
24 limited to, contract language, training requirements for direct  
25 support staff, performance indicators, financial and program  
26 audits, and billing procedures.

27 (3) The department shall provide a status report on the



workgroup's efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by June 1 of the current fiscal year.

Sec. 491. The department shall explore changes in program policy in the habilitation supports waiver for persons with developmental disabilities that would permit the movement of a slot that has become available to a county that has demonstrated a greater need for the services.

**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 shall be used 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

1 appropriated in part 1 for gifts and bequests for patient living  
2 and treatment environments shall be carried forward for 1 fiscal  
3 year. The purpose of gifts and bequests for patient living and  
4 treatment environments is to use additional private funds to  
5 provide specific enhancements for individuals residing at state-  
6 operated facilities. Use of the gifts and bequests shall be  
7 consistent with the stipulation of the donor. The expected  
8 completion date for the use of gifts and bequests donations is  
9 within 3 years unless otherwise stipulated by the donor.

10       Sec. 603. (1) The funds appropriated in part 1 for forensic  
11 mental health services provided to the department of corrections  
12 are in accordance with the interdepartmental plan developed in  
13 cooperation with the department of corrections. The department is  
14 authorized to receive and expend funds from the department of  
15 corrections in addition to the appropriations in part 1 to fulfill  
16 the obligations outlined in the interdepartmental agreements.

17       (2) By February 15 of the current fiscal year, the department  
18 shall provide a copy of the interdepartmental plan developed with  
19 the department of corrections to the senate and house  
20 appropriations subcommittees on community health and the senate and  
21 house fiscal agencies. The department shall work with the  
22 department of corrections to ensure that this interdepartmental  
23 agreement is updated every 3 years and that forensic mental health  
24 services provided to the department of corrections meet the  
25 standard of care for the provision of mental health services.

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

1           (a) The number of days of care purchased from state hospitals  
2 and centers.

3           (b) The number of days of care purchased from private  
4 hospitals in lieu of purchasing days of care from state hospitals  
5 and centers.

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

8           (d) Waiting lists for placements in state hospitals and  
9 centers.

10          (2) The department shall annually report the information in  
11 subsection (1) to the house and senate appropriations subcommittees  
12 on community health, the house and senate fiscal agencies, and the  
13 state budget director.

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

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

26          (3) Four months after the certification of closure required in  
27 section 19(6) of the state employees' retirement act, 1943 PA 240,

1 MCL 38.19, the department shall provide a closure plan to the house  
2 and senate appropriations subcommittees on community health and the  
3 state budget director.

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

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

18 Sec. 608. Effective October 1, 2010, the department, in  
19 consultation with the department of technology, management, and  
20 budget, shall establish and implement a bid process to identify 1  
21 or more private contractors to provide food service and custodial  
22 services at any state hospitals identified by the department as  
23 capable of generating savings through the outsourcing of such  
24 services.

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

1 product that contains tobacco and is intended for human  
2 consumption, including, but not limited to, cigarettes,  
3 noncigarette smoking tobacco, or smokeless tobacco, as those terms  
4 are defined in section 2 of the tobacco products tax act, 1993 PA  
5 327, MCL 205.422, and cigars.

#### 6 **PUBLIC HEALTH ADMINISTRATION**

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

12       Sec. 652. From the funds appropriated in part 1 for healthy  
13 Michigan fund programs, the department shall place a priority on  
14 programs that serve the needs of children. In particular, the  
15 department shall continue funding for poison control and the  
16 Michigan care improvement registry at not less than the level in  
17 effect in fiscal year 2009-2010.

18       Sec. 653. The department shall develop plans to address  
19 potential state public health emergencies.

#### 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 pursuant to section 16315 of the  
7 public health code, 1978 PA 368, MCL 333.16315, shall be used to  
8 increase the number of nurses practicing in Michigan. The board of  
9 nursing is encouraged to structure scholarships funded under this  
10 act in a manner that rewards recipients who intend to practice  
11 nursing in Michigan. In addition, the department and the board of  
12 nursing 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, addresses, and date of birth of  
10 licensees. The department may establish and collect a reasonable  
11 charge to provide this service. The revenue received from this  
12 service shall be used to offset expenses to provide the service.  
13 Any balance of this revenue collected and unexpended at the end of  
14 the fiscal year 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" means nonprofit organizations  
20 that use volunteer health professionals to provide care to  
21 uninsured individuals.

22       Sec. 713. The department shall 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 was 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. 725. From the funds appropriated in part 1 for rural  
5 health services, up to \$100.00 may be allocated to support rural  
6 health improvement as identified in "Michigan Strategic  
7 Opportunities for Rural Health Improvement, A State Rural Health  
8 Plan 2008-2012". The department shall make these funds available to  
9 rural and micropolitan communities under a competitive bid process.  
10 The department shall not allocate more than \$5,000.00 to each rural  
11 or micropolitan community under this section. The department shall  
12 not allocate funds appropriated under this section unless a 50/50  
13 state and local match rate has occurred. The department shall  
14 submit a report to the house and senate appropriations  
15 subcommittees on community health, house and senate fiscal  
16 agencies, and state budget director by April 1 of the current  
17 fiscal year on the projects supported by this allocation.

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

26       (2) If the required fees are shown to be insufficient to  
27 offset all expenses of implementing and administering the medical

1 marihuana program, the department shall review and revise the  
2 application and renewal fees accordingly to ensure that all  
3 expenses of implementing and administering the medical marihuana  
4 program are offset as is permitted under section 5 of the Michigan  
5 medical marihuana act, 2008 IL 1, MCL 333.26425.

6 Sec. 727. By October 1, 2010, the department shall establish  
7 and implement a bid process to identify a private or public  
8 contractor to provide management of the medical marihuana program.  
9 By April 1 of the current fiscal year, the department shall  
10 transfer responsibility for management of the medical marihuana  
11 program to the contractor identified by the bid process.

#### 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.

5 Sec. 805. The department shall develop a process for allowing  
6 adult individuals, parents, and guardians online access to the  
7 Michigan care improvement registry. The process shall be designed  
8 to protect registrant and user privacy. The department shall report  
9 to the senate and house appropriations subcommittees on community  
10 health, the senate and house fiscal agencies, and the state budget  
11 director on the results of this effort by April 1 of the current  
12 fiscal year.

### 13 **EPIDEMIOLOGY**

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

### 23 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

24 Sec. 901. The amount appropriated in part 1 for implementation  
25 of the 1993 additions of or amendments to sections 9161, 16221,

1 16226, 17014, 17015, and 17515 of the public health code, 1978 PA  
2 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and  
3 333.17515, shall be used to reimburse local health departments for  
4 costs incurred related to implementation of section 17015(18) of  
5 the public health code, 1978 PA 368, MCL 333.17015.

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

16 (2) The department shall explore changes in program policy  
17 that would permit enhanced grants provided through the local public  
18 health operations line to local public health departments that have  
19 successfully consolidated after October 1 of the current fiscal  
20 year.

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

1 agriculture. Public water supply, private groundwater supply, and  
2 on-site sewage management shall be provided in consultation with  
3 the department of natural resources and environment.

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

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

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

16 Sec. 905. The department shall study changing payments for  
17 local public health operations to a block grant model. The  
18 department shall report to the legislature by April 1 of the  
19 current fiscal year on the results of this study.

#### 20 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

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

25 (2) For purposes of complying with 2004 PA 164, \$100,000.00 of  
26 the funds appropriated in part 1 for the smoking prevention program

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

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

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

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

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

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

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

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

24 Sec. 1019. From the funds appropriated in part 1 for chronic  
25 disease prevention, up to \$50,000.00 may be allocated for stroke  
26 prevention, education, and outreach. The objectives of the program  
27 shall include education to assist persons in identifying risk

1 factors, and education to assist persons in the early  
2 identification of the occurrence of a stroke in order to minimize  
3 stroke damage.

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

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

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

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

22 Sec. 1104. (1) Before April 1 of the current fiscal year, the  
23 department shall submit a report to the house and senate fiscal  
24 agencies and the state budget director on planned allocations from  
25 the amounts appropriated in part 1 for local MCH services, prenatal  
26 care outreach and service delivery support, family planning local

1 agreements, and pregnancy prevention programs. Using applicable  
2 federal definitions, the report shall include information on all of  
3 the following:

4 (a) Funding allocations.

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

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

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

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

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

27 Sec. 1106. Each family planning program receiving federal



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

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

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

14 (2) Not later than December 1 of the current fiscal year, the  
15 department shall report to the senate and house appropriations  
16 subcommittees on community health and the senate and house standing  
17 committees on health policy the number of individual patients  
18 treated, number of procedures performed, and approximate total  
19 market value of those procedures from the immediately preceding  
20 fiscal year.

21 Sec. 1110. An agency that currently receives pregnancy  
22 prevention funds and either receives or is eligible for other  
23 family planning funds shall have the option of receiving all of its  
24 family planning funds directly from the department and be  
25 designated as a delegate agency.

26 Sec. 1111. The department shall allocate no less than 90% of  
27 the funds appropriated in part 1 for family planning local

1 agreements and the pregnancy prevention program for the direct  
2 provision of family planning and pregnancy prevention services.

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

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

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

20 (a) The department of education.

21 (b) The department of community health.

22 (c) The health administration in the department of community  
23 health.

24 (d) The mental health and substance abuse administration in  
25 the department of community health.

26 (e) The department of human services.

27 (f) The department of state police.

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

#### WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

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

Sec. 1153. The department shall ensure that individuals residing in rural communities have sufficient access to the services offered through the WIC program. The department shall report to the legislature on its efforts to increase access to the WIC program in rural areas.

#### CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

1 Michigan medical services program.

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

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

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

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

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

14 Sec. 1204. (1) Children who are determined medically eligible  
15 for and enroll in the children's special health care services  
16 program and who also have Medicaid will have the option to enroll  
17 in a Medicaid health plan and have their care co-managed by the  
18 children's special health care services program.

19 (2) The department shall work with the Michigan association of  
20 health plans to identify a feasible method for reimbursing Medicaid  
21 health plans for the children's special health care services  
22 program. The department shall report the results of this effort to  
23 the senate and house appropriations subcommittees on community  
24 health and the senate and house fiscal agencies by April 1 of the  
25 current fiscal year.

26 (3) The department shall adjust program policy to ensure that  
27 children enrolled in the children's special health care services

1 program and Medicaid that do not have an established relationship  
2 with a physician are enrolled in a Medicaid health plan.

3 **CRIME VICTIM SERVICES COMMISSION**

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

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

16 **OFFICE OF SERVICES TO THE AGING**

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

22 Sec. 1403. (1) The office of services to the aging shall  
23 require each region to report to the office of services to the  
24 aging and to the legislature home-delivered meals waiting lists  
25 based upon standard criteria. Determining criteria shall include

1 all of the following:

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

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

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

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

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

12 Sec. 1404. The area agencies on aging and local providers may  
13 receive and expend fees for the provision of day care, care  
14 management, respite care, and certain eligible home- and community-  
15 based services. The fees shall be based on a sliding scale, taking  
16 client income into consideration. The fees shall be used to  
17 maintain or expand services, or both.

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

27 Sec. 1413. Local counties may request to change membership in

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1 the area agencies on aging if the change is to an area agency on  
2 aging that is contiguous to that county pursuant to office of  
3 services to the aging policies and procedures for area agency on  
4 aging designation. The office of services to the aging shall adjust  
5 allocations to area agencies on aging to account for any changes in  
6 county membership. The office of services to the aging shall ensure  
7 annually that county boards of commissioners are aware that county  
8 membership in area agencies on aging can be changed subject to  
9 office of services to the aging policies and procedures for area  
10 agency on aging designation.

11 Sec. 1417. The department shall provide to the senate and  
12 house appropriations subcommittees on community health, senate and  
13 house fiscal agencies, and state budget director a report by March  
14 30 of the current fiscal year that contains all of the following:

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

17 (b) Detail expenditure by each area agency on aging by  
18 individual program and administration including both state-funded  
19 resources and locally funded resources.

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

23 <<

24  
25 >>

26 Sec. 1421. The department shall report to the legislature by  
27 April 1 of the current fiscal year the amount of money spent,

1 respectively, on home-delivered and congregate meals in fiscal year  
2 2009-2010.

### 3 MEDICAL SERVICES

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

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

14 Sec. 1603. (1) The department may establish a program for  
15 persons to purchase medical coverage at a rate determined by the  
16 department.

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

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

22 (4) The department shall modify program policies to permit  
23 individuals eligible for the transitional medical assistance plus  
24 program, as structured in fiscal year 2009-2010, to access medical  
25 assistance coverage through a 100% cost share.

26 Sec. 1604. (1) A Medicaid recipient shall remain eligible and



1 a qualifying applicant shall be determined eligible for medical  
2 assistance during a period of incarceration or detention. Medicaid  
3 coverage is limited during such a period to off-site inpatient  
4 hospitalization only.

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

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

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

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

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

1 her choice.

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

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

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

26 (5) The department shall develop an enrollment process for  
27 pregnant women covered under this section that facilitates the

1 selection of a managed care plan at the time of application.

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

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

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

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

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

7           Sec. 1620. (1) For fee-for-service recipients who do not  
8 reside in nursing homes, the pharmaceutical dispensing fee shall be  
9 \$2.75 or the pharmacy's usual or customary cash charge, whichever  
10 is less. For nursing home residents, the pharmaceutical dispensing  
11 fee shall be \$3.00 or the pharmacy's usual or customary cash  
12 charge, whichever is less.

13           (2) The department shall require a prescription co-payment for  
14 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a  
15 brand-name drug, except as prohibited by federal or state law or  
16 regulation.

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

1       Sec. 1621. The department may implement prospective drug  
2 utilization review and disease management systems. The prospective  
3 drug utilization review, a pharmacist-approved medication therapy  
4 program, and disease management systems authorized by this section  
5 shall have physician oversight; focus on patient, physician, and  
6 pharmacist education; and be developed in consultation with the  
7 national pharmaceutical council, Michigan state medical society,  
8 Michigan osteopathic association, Michigan pharmacists association,  
9 Michigan health and hospital association, and Michigan nurses  
10 association.

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

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

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

23       Sec. 1627. (1) The department shall use procedures and rebates  
24 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,  
25 to secure quarterly rebates from pharmaceutical manufacturers for  
26 outpatient drugs dispensed to participants in the MICHild program,  
27 maternal outpatient medical services program, and children's

1 special health care services.

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

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

9 Sec. 1630. Medicaid coverage for adult dental and podiatric  
10 services shall continue at not less than the level in effect on  
11 October 1, 2002, except that reasonable utilization limitations may  
12 be adopted in order to prevent excess utilization.

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

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

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

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

22 (c) One hundred dollars for the first day of an inpatient  
23 hospital stay.

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

25 Sec. 1633. By March 1 of the current fiscal year, the  
26 department shall report to the house and senate appropriations  
27 subcommittees on community health, the house and senate fiscal

1 agencies, and the state budget director on the feasibility of  
2 providing healthy kids dental coverage in cities rather than entire  
3 counties.

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

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

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

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

20 (a) That the recipient shall not smoke.

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

23 (c) That the recipient shall exercise regularly.

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

26 (e) That the recipient shall abstain from abusing controlled  
27 substances and narcotics.

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

5       Sec. 1642. The department shall allow ambulatory surgery  
6 centers in this state to fully participate in the Medicaid program.

7       Sec. 1643. Of the funds appropriated in part 1 for graduate  
8 medical education in the hospital services and therapy line-item  
9 appropriation, not less than \$12,585,400.00 shall be allocated for  
10 the psychiatric residency training program that establishes and  
11 maintains collaborative relations with the schools of medicine at  
12 Michigan State University and Wayne State University if the  
13 necessary allowable Medicaid matching funds are provided by the  
14 universities.

15       Sec. 1647. From the funds appropriated in part 1 for medical  
16 services, the department shall allocate for graduate medical  
17 education not less than the level of rates and payments in effect  
18 on April 1, 2005.

19       Sec. 1648. The department shall maintain and make available an  
20 online resource to enable medical providers to obtain enrollment  
21 and benefit information of Medicaid recipients. There shall be no  
22 charge to providers for the use of the online resource.

23       Sec. 1649. From the funds appropriated in part 1 for medical  
24 services, the department shall continue breast and cervical cancer  
25 treatment coverage for women up to 250% of the federal poverty  
26 level, who are under age 65, and who are not otherwise covered by  
27 insurance. This coverage shall be provided to women who have been



1 screened through the centers for disease control breast and  
2 cervical cancer early detection program, and are found to have  
3 breast or cervical cancer, pursuant to the breast and cervical  
4 cancer prevention and treatment act of 2000, Public Law 106-354.

5       Sec. 1650. (1) The department may require medical services  
6 recipients residing in counties offering managed care options to  
7 choose the particular managed care plan in which they wish to be  
8 enrolled. Persons not expressing a preference may be assigned to a  
9 managed care provider.

10       (2) Persons to be assigned a managed care provider shall be  
11 informed in writing of the criteria for exceptions to capitated  
12 managed care enrollment, their right to change HMOs for any reason  
13 within the initial 90 days of enrollment, the toll-free telephone  
14 number for problems and complaints, and information regarding  
15 grievance and appeals rights.

16       (3) The criteria for medical exceptions to HMO enrollment  
17 shall be based on submitted documentation that indicates a  
18 recipient has a serious medical condition, and is undergoing active  
19 treatment for that condition with a physician who does not  
20 participate in 1 of the HMOs. If the person meets the criteria  
21 established by this subsection, the department shall grant an  
22 exception to mandatory enrollment at least through the current  
23 prescribed course of treatment, subject to periodic review of  
24 continued eligibility.

25       Sec. 1651. (1) Medical services patients who are enrolled in  
26 HMOs have the choice to elect hospice services or other services  
27 for the terminally ill that are offered by the HMOs. If the patient

1 elects hospice services, those services shall be provided in  
2 accordance with part 214 of the public health code, 1978 PA 368,  
3 MCL 333.21401 to 333.21420.

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

8 Sec. 1652. Any new contracts with Medicaid health plans  
9 negotiated or signed, or both, during the current fiscal year shall  
10 include the following provisions regarding expansion of services by  
11 the Medicaid HMOs to counties not previously served by that  
12 Medicaid HMO:

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

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

22 Sec. 1653. Implementation and contracting for managed care by  
23 the department through HMOs shall be subject to the following  
24 conditions:

25 (a) Continuity of care is assured by allowing enrollees to  
26 continue receiving required medically necessary services from their  
27 current providers for a period not to exceed 1 year if enrollees

1 meet the managed care medical exception criteria.

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

4 (c) Mandatory enrollment of Medicaid beneficiaries living in  
5 counties defined as rural by the federal government, which is any  
6 nonurban standard metropolitan statistical area, is allowed if  
7 there is only 1 HMO serving the Medicaid population, as long as  
8 each Medicaid beneficiary is assured of having a choice of at least  
9 2 physicians by the HMO.

10 (d) Enrollment of recipients of children's special health care  
11 services in HMOs shall continue to be voluntary for those enrolled  
12 in the children's special health care services program. Children's  
13 special health care services recipients shall be informed of the  
14 opportunity to enroll in HMOs.

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

21 (f) Prior to contracting with an HMO for managed care services  
22 that did not have a contract with the department before October 1,  
23 2002, the department shall receive assurances from the office of  
24 financial and insurance regulation that the HMO meets the net worth  
25 and financial solvency requirements contained in chapter 35 of the  
26 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

27 Sec. 1654. Medicaid HMOs shall provide for reimbursement of

1 HMO covered services delivered other than through the HMO's  
2 providers if medically necessary and approved by the HMO,  
3 immediately required, and that could not be reasonably obtained  
4 through the HMO's providers on a timely basis. Such services shall  
5 be considered approved if the HMO does not respond to a request for  
6 authorization within 24 hours of the request. Reimbursement shall  
7 not exceed the Medicaid fee-for-service payment for those services.

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

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

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

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

23 Sec. 1657. (1) Reimbursement for medical services to screen  
24 and stabilize a Medicaid recipient, including stabilization of a  
25 psychiatric crisis, in a hospital emergency room shall not be made  
26 contingent on obtaining prior authorization from the recipient's  
27 HMO. If the recipient is discharged from the emergency room, the

1 hospital shall notify the recipient's HMO within 24 hours of the  
2 diagnosis and treatment received.

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

7 (3) Subsections (1) and (2) shall not be construed as a  
8 requirement to alter an existing agreement between an HMO and its  
9 contracting hospitals nor as a requirement that an HMO must  
10 reimburse for services that are not considered to be medically  
11 necessary.

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

17 (2) A hospital access agreement specified in subsection (1)  
18 shall be considered an affiliated provider contract pursuant to the  
19 requirements contained in chapter 35 of the insurance code of 1956,  
20 1956 PA 218, MCL 500.3501 to 500.3580.

21 Sec. 1659. The following sections of this act are the only  
22 ones that shall apply to the following Medicaid managed care  
23 programs, including the comprehensive plan, MIChoice long-term care  
24 plan, and the mental health, substance abuse, and developmentally  
25 disabled services program: 271, 288, 401, 402, 404, 411, 414, 418,  
26 424, 428, 456, 460, 462, 474, 1204, 1607, 1650, 1651, 1652, 1653,  
27 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1681, 1684, 1688,

1 1689, 1690, 1699, 1711, 1739, 1740, 1752, 1756, 1764, 1772, 1783,  
2 1787, 1815, 1816, 1819, 1820, 1821, 1824, 1833, and 1835.

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

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

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

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

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

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

10       (2) The department shall require HMOs to be responsible for  
11 the coordination of MIHP services as described in Medicaid policy.  
12 These responsibilities shall be specified in the information  
13 distributed by the HMOs to their members.

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

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

24       Sec. 1662. (1) The department shall assure that an external  
25 quality review of each contracting HMO is performed that results in  
26 an analysis and evaluation of aggregated information on quality,  
27 timeliness, and access to health care services that the HMO or its

1 contractors furnish to Medicaid beneficiaries.

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

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

14 (4) The department shall work with the Michigan association of  
15 health plans and the Michigan association for local public health  
16 to improve service delivery and coordination in the MIHP and EPSDT  
17 programs.

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

21 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
22 program is to be used to provide comprehensive health care to all  
23 children under age 19 who reside in families with income at or  
24 below 200% of the federal poverty level, who are uninsured and have  
25 not had coverage by other comprehensive health insurance within 6  
26 months of making application for MICHild benefits, and who are  
27 residents of this state. The department shall develop detailed



1 eligibility criteria through the medical services administration  
2 public concurrence process, consistent with the provisions of this  
3 act. Health coverage for children in families between 150% and 200%  
4 of the federal poverty level shall be provided by Medicaid HMOs.

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

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

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

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

27 (6) The department may enter into contracts to obtain certain

1 MICHild services from community mental health service programs.

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

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

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

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

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

24 Sec. 1677. The MICHild program shall provide all benefits  
25 available under the state employee insurance plan that are  
26 delivered through contracted providers and consistent with federal  
27 law, including, but not limited to, the following medically

1 necessary services:

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

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

9 (c) Durable medical equipment and prosthetic and orthotic  
10 devices.

11 (d) Dental services as outlined in the approved MICHild state  
12 plan.

13 (e) Substance abuse treatment services that may include  
14 inpatient, outpatient, and residential substance abuse treatment  
15 services.

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

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

19 (h) Emergency ambulance services.

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

23 Sec. 1681. From the funds appropriated in part 1 for home- and  
24 community-based services, the department and local waiver agents  
25 shall encourage the use of family members, friends, and neighbors  
26 of home- and community-based services participants, where  
27 appropriate, to provide homemaker services, meal preparation,

1 transportation, chore services, and other nonmedical covered  
2 services to participants in the Medicaid home- and community-based  
3 services program. This section shall not be construed as allowing  
4 for the payment of family members, friends, or neighbors for these  
5 services unless explicitly provided for in federal or state law.

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

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

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

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

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

1       Sec. 1683. The department shall promote activities that  
2 preserve the dignity and rights of terminally ill and chronically  
3 ill individuals. Priority shall be given to programs, such as  
4 hospice, that focus on individual dignity and quality of care  
5 provided persons with terminal illness and programs serving persons  
6 with chronic illnesses that reduce the rate of suicide through the  
7 advancement of the knowledge and use of improved, appropriate pain  
8 management for these persons; and initiatives that train health  
9 care practitioners and faculty in managing pain, providing  
10 palliative care, and suicide prevention.

11       Sec. 1684. The department shall submit a report by September  
12 30 of the current fiscal year to the house and senate  
13 appropriations subcommittees on community health, the house and  
14 senate fiscal agencies, and the state budget director that will  
15 identify by waiver agent, Medicaid home- and community-based  
16 services waiver costs by administration, case management, and  
17 direct services.

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

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

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

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

26       (2) Within 60 days of the end of each fiscal year, the  
27 department shall provide a report to the senate and house

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

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

25 (4) The department shall maintain any policies, guidelines,  
26 procedures, standards, and regulations in order to limit the self-  
27 determination option with respect to the home- and community-based

1 services waiver program to those services furnished by approved  
2 home-based service providers meeting provider qualifications  
3 established in the waiver and approved by the centers for Medicare  
4 and Medicaid services.

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

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

21       Sec. 1691. Payment increases provided in previous years to  
22 adult home help workers shall be continued.

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



1 and intermediate school districts regarding the sharing of federal  
2 Medicaid services funds received for these services. The department  
3 is authorized to receive and disburse funds to participating school  
4 districts pursuant to such agreements and state and federal law.

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

8 (a) Finance activities within the medical services  
9 administration related to this project.

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

13 (c) Offset general fund costs associated with the medical  
14 services program.

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

21 (2) The department shall ensure that all public entities  
22 eligible for special Medicaid reimbursement that participate in the  
23 Medicaid program are aware of the existence of these programs.

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

27 Sec. 1697. (1) As may be allowed by federal law or regulation,

1 the department may use funds provided by a local or intermediate  
2 school district, which have been obtained from a qualifying health  
3 system, as the state match required for receiving federal Medicaid  
4 or children health insurance program funds. Any such funds received  
5 shall be used only to support new school-based or school-linked  
6 health services.

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

12 Sec. 1699. (1) The department may make separate payments  
13 directly to qualifying hospitals serving a disproportionate share  
14 of indigent patients in the amount of \$55,000,000.00, and to  
15 hospitals providing graduate medical education training programs.  
16 If direct payment for GME and DSH is made to qualifying hospitals  
17 for services to Medicaid clients, hospitals will not include GME  
18 costs or DSH payments in their contracts with HMOs.

19 (2) The department shall allocate \$45,000,000.00 in  
20 disproportionate share hospital funding using the distribution  
21 methodology used in fiscal year 2003-2004.

22 (3) The department shall allocate \$10,000,000.00 in  
23 disproportionate share hospital funding to unaffiliated hospitals  
24 and hospital systems that received less than \$900,000.00 in  
25 disproportionate share hospital payments in fiscal year 2007-2008  
26 based on a formula that is weighted proportional to the product of  
27 each eligible system's Medicaid revenue and each eligible system's

1 Medicaid utilization, except that no payment of less than \$1,000.00  
2 shall be made.

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

8 Sec. 1711. 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 Sec. 1712. (1) Subject to the availability of funds, the  
12 department shall implement a rural health initiative. Available  
13 funds shall first be allocated as an outpatient adjustor payment to  
14 be paid directly to hospitals in rural counties in proportion to  
15 each hospital's Medicaid and indigent patient population.  
16 Additional funds, if available, shall be allocated for  
17 defibrillator grants, emergency medical technician training and  
18 support, or other similar programs.

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

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

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

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

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

20       Sec. 1732. The department shall assure that, if proposed  
21 modifications to the quality assurance assessment program for  
22 nursing homes are not implemented, the projected general  
23 fund/general purpose savings shall not be achieved through  
24 reductions in nursing home reimbursement rates.

25       Sec. 1733. (1) The department shall seek additional federal  
26 funds to permit the state to provide financial support for  
27 electronic prescribing and other health information technology

1 initiatives.

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

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

12 Sec. 1739. The department shall continue the contractor  
13 performance bonus program for Medicaid health plans. The contractor  
14 performance bonus program may include indicators based on the  
15 prevalent and chronic conditions affecting the Medicaid population  
16 and indicators of preventive health status for adults and children.

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

22 Sec. 1741. The department shall continue to provide nursing  
23 homes the opportunity to receive interim payments upon their  
24 request. The department shall make efforts to ensure that the  
25 interim payments are as similar to expected cost-settled payments  
26 as possible.

27 Sec. 1752. The department shall provide a Medicaid health plan

1 with any information that may assist the Medicaid health plan in  
2 determining whether another party may be responsible, in whole or  
3 in part, for the payment of health benefits.

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

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

26       (2) It is the intent of the legislature that the department  
27 seek clarification from the federal government on whether states

1 can deny Medicaid eligibility to fugitive felons through a state  
2 plan amendment or waiver. The department shall report to the  
3 legislature on the results of this effort.

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

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

24       Sec. 1770. In conjunction with the consultation requirements  
25 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and  
26 except as otherwise provided in this section, the department shall  
27 attempt to make the effective date for a proposed Medicaid policy

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

8       Sec. 1772. From the funds appropriated in part 1, the  
9 department shall continue a program, the primary goal of which is  
10 to enroll all children in foster care in Michigan in a Medicaid  
11 HMO.

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

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

18       Sec. 1775. The department shall provide a progress report on  
19 ongoing efforts to implement long-term managed care initiatives to  
20 the senate and house appropriations subcommittees on community  
21 health and the senate and house fiscal agencies by June 1 of the  
22 current fiscal year.

23       Sec. 1777. From the funds appropriated in part 1 for long-term  
24 care services, the department shall permit, in accordance with  
25 applicable federal and state law, nursing homes to use dining  
26 assistants to feed eligible residents if legislation to permit the  
27 use of dining assistants is enacted into law. The department shall



1 not be responsible for costs associated with training dining  
2 assistants.

3 Sec. 1783. (1) The department shall develop rates by April 1  
4 of the current fiscal year for the enrollment of individuals dually  
5 eligible for Medicare and Medicaid into Medicaid health plans if  
6 those health plans also maintain a Medicare advantage special needs  
7 plan certified by the centers for Medicare and Medicaid services.

8 (2) The department shall report quarterly to the house and  
9 senate appropriations subcommittees on community health and to the  
10 house and senate fiscal agencies the status of the rate development  
11 described in subsection (1) and the number of dual eligibles  
12 enrolled by month in Medicaid health plans with Medicare advantage  
13 special needs plan certification for the current fiscal year.

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

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

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

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

27 (5) The department shall identify any cost savings associated

1 with the implementation of low-day outliers for 1-day admissions to  
2 hospitals that are less than 24 hours and diagnosis related group  
3 weights and recalculations excluding the payments made outside of  
4 rates. This information shall be submitted by March 1 of the  
5 current fiscal year to the legislature and the fiscal agencies as  
6 part of an effort to identify additional cost savings in the  
7 Medicaid program.

8 (6) The department shall reimburse hospitals for admissions of  
9 less than 24 hours as outpatient observation stays.

10 Sec. 1787. The department shall work with the department of  
11 human services to obtain the telephone number of Medicaid  
12 beneficiaries and shall provide each Medicaid health plan with the  
13 telephone number of that health plan's enrollees on a monthly  
14 basis. The department shall report to the legislature on the  
15 outcome of these efforts.

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

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

26 Sec. 1815. From the funds appropriated in part 1 for health  
27 plan services, the department shall not implement a capitation

1 withhold as part of the overall capitation rate schedule that  
2 exceeds the 0.25% withhold administered during fiscal year 2008-  
3 2009.

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

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

17 Sec. 1819. The department shall use Medicaid health plan  
18 encounter data in the development and revision of hospital  
19 diagnosis related group pricing policy.

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

24 Sec. 1821. The department shall establish appropriate  
25 performance standards for Medicaid health plans a year in advance  
26 of the application of those standards. The determination of  
27 performance shall be based on and include such recognized concepts

1 as 1-year continuous enrollment and healthcare effectiveness data  
2 and information set audited data.

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

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

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

22 Sec. 1829. Notwithstanding the removal of coverage for certain  
23 optional Medicaid services, the department shall continue its  
24 policy of providing coverage for emergency services. For this  
25 purpose, the department shall continue to adhere to the guidelines  
26 outlined in medical services administration policy bulletin MSA 09-  
27 28.

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Sec. 1832. (1) The department shall continue efforts to standardize billing formats, referral forms, electronic credentialing, primary source verification, electronic billing and attachments, claims status, eligibility verification, and reporting of accepted and rejected encounter records received in the department data warehouse.

(2) The department shall convene a workgroup on the potential expansion of e-billing for the Medicaid program. The workgroup shall include representatives from medical provider organizations, Medicaid HMOs, and the department. The department shall report to the legislature on the findings of the workgroup by April 1 of the current fiscal year.

(3) The department shall provide a report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies detailing the percentage of claims for Medicaid reimbursement provided to the department that were initially rejected in fiscal year 2009-2010.

Sec. 1833. The department shall establish and implement a payment methodology to reimburse emergency departments and emergency providers at nonemergency rates for nonemergency care provided in emergency departments. As used in this section, "nonemergency services" means treatment provided in an emergency department for diagnoses appearing on the DCH 051 edit list.

1       Sec. 1834. Individuals dually eligible for Medicaid and  
2 Medicare who are enrolled in a Medicare advantage special needs  
3 plan shall be eligible for services provided through the home- and  
4 community-based waiver program.

5       Sec. 1835. The department shall develop and implement  
6 processes to report rejected and accepted encounters to Medicaid  
7 health plans. Medicaid health plans shall be permitted to report  
8 additional medical records data obtained during medical record  
9 audits to the encounter warehouse consistent with Medicare  
10 guidelines.

11       Sec. 1836. In addition to the guidelines established in  
12 medical services administration bulletin MSA 09-28, medically  
13 necessary optical devices and other treatment services for adult  
14 Medicaid patients shall be covered when conventional treatments do  
15 not provide functional vision correction. Such ocular conditions  
16 include, but are not limited to, congenital or acquired ocular  
17 disease or eye trauma.

18       Sec. 1837. The department shall explore utilization of  
19 telemedicine as a strategy to increase access to primary care  
20 services for Medicaid recipients in medically underserved areas.

21       Sec. 1838. (1) The department shall convene a workgroup  
22 consisting of nursing home provider representatives, including  
23 aging services of Michigan, the health care association of  
24 Michigan, and the Michigan county medical care facilities council,  
25 to identify possible budget-neutral changes in reimbursement for  
26 long-term care facilities that would provide incentive payments to  
27 nursing facilities. In complying with this subsection, the

1 workgroup shall consider measures of service quality, cost  
2 efficiency, volume of Medicaid beneficiaries served, and  
3 demonstrated commitment to underserved areas of the state. The  
4 workgroup shall examine the current long-term care reimbursement  
5 system and review alternative reimbursement methodologies.

6 (2) The department shall provide an update on the efforts of  
7 the workgroup required in subsection (1) with its presentation of  
8 the executive budget recommendation to the senate and house  
9 appropriations subcommittees on community health.

10 Sec. 1839. (1) The department shall work with relevant parties  
11 to explore the feasibility of seeking a modification of the  
12 demonstration waiver authorizing the Medicaid adult benefits waiver  
13 to expand physical and mental health coverage to childless adults  
14 with serious mental illness.

15 (2) The department shall provide an update of the findings  
16 associated with the requirements in subsection (1), including an  
17 estimate of any change in program general fund/general purpose cost  
18 and the number of individuals accessing physical health insurance,  
19 with its presentation of the executive budget recommendation to the  
20 senate and house appropriations subcommittees on community health.

21 Sec. 1840. Effective October 1 of the current fiscal year, the  
22 department shall reduce reimbursement rates for Medicaid physician  
23 services by 4.0%. The department shall exempt the following  
24 physician services from the reimbursement rate reduction:

25 (a) Primary care services.

26 (b) Emergency services.

27 (c) Pediatric services.

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1 (d) Obstetric services.

<<Sec. 1841. The department, in cooperation with the office of state budget, shall research and report to the legislature on the fiscal impact of federal health reform legislation. This report shall be provided to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by October 1, 2010.>>