

SENATE BILL No. 299

EXECUTIVE BUDGET BILL

March 3, 2009, Introduced by Senator CHERRY and referred to the Committee on Appropriations.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill,
the amounts listed in this part are appropriated for the department

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

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

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

Full-time equated classified positions..... 4,380.1

Average population 893.0

GROSS APPROPRIATION..... \$ 12,966,966,900

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 48,677,000

ADJUSTED GROSS APPROPRIATION..... \$ 12,918,289,900

Federal revenues:

Federal - FMAP stimulus..... 529,057,100

Total other federal revenues..... 7,794,347,600

Special revenue funds:

Total local revenues..... 229,677,200

Total private revenues..... 70,208,500

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

Total other state restricted revenues..... 1,470,525,300

State general fund/general purpose..... \$ 2,801,574,300

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

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

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

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

Departmental administration and management--172.2

1	FTE positions	22,470,400
2	Worker's compensation program.....	9,147,100
3	Rent and building occupancy.....	10,778,100
4	Developmental disabilities council and	
5	projects--10.0 FTE positions	<u>2,793,500</u>
6	GROSS APPROPRIATION.....	\$ 45,787,700
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	13,605,300
10	Special revenue funds:	
11	Total private revenues.....	35,200
12	Total other state restricted revenues.....	2,366,100
13	State general fund/general purpose.....	\$ 29,781,100
14	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
15	ADMINISTRATION AND SPECIAL PROJECTS	
16	Full-time equated classified positions..... 123.0	
17	Mental health/substance abuse program	
18	administration--122.0 FTE positions.....	\$ 15,797,200
19	Consumer involvement program.....	189,100
20	Gambling addiction--1.0 FTE position.....	3,000,000
21	Protection and advocacy services support	388,700
22	Community residential and support services	2,136,000
23	Highway safety projects.....	400,000
24	Federal and other special projects	4,247,700
25	Family support subsidy.....	18,599,200
26	Housing and support services	9,306,800
27	Anti-drug abuse grants.....	5,315,200

1	Interdepartmental grant to judiciary for drug	
2	treatment courts	<u>1,800,000</u>
3	GROSS APPROPRIATION.....	\$ 61,179,900
4	Federal revenues:	
5	Total federal revenues.....	44,955,000
6	Special revenue funds:	
7	Total private revenues.....	190,000
8	Total other state restricted revenues.....	3,500,000
9	State general fund/general purpose.....	\$ 12,534,900
10	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
11	SERVICES PROGRAMS	
12	Full-time equated classified positions..... 9.5	
13	Medicaid mental health services.....	\$ 1,939,331,800
14	Community mental health non-Medicaid services.....	319,908,700
15	Medicaid adult benefits waiver.....	40,000,000
16	Medicaid substance abuse services.....	41,297,500
17	CMHSP, purchase of state services contracts.....	122,462,400
18	Civil service charges.....	1,499,300
19	Federal mental health block grant--2.5 FTE positions .	15,374,900
20	State disability assistance program substance abuse	
21	services	2,509,800
22	Community substance abuse prevention, education, and	
23	treatment programs	83,597,700
24	Children's waiver home care program.....	19,549,800
25	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,166,000
26	Children with serious emotional disturbance waiver...	<u>570,000</u>
27	GROSS APPROPRIATION.....	\$ 2,598,267,900

1	Appropriated from:	
2	Federal revenues:	
3	Total other federal revenues	1,384,755,100
4	Federal - FMAP stimulus	104,355,100
5	Special revenue funds:	
6	Total local revenues	25,228,900
7	Total other state restricted revenues	11,258,200
8	State general fund/general purpose	\$ 1,072,670,600
9	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
10	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND	
11	FORENSIC AND PRISON MENTAL HEALTH SERVICES	
12	Total average population	893.0
13	Full-time equated classified positions	2,590.5
14	Caro regional mental health center - psychiatric	
15	hospital - adult--468.3 FTE positions	\$ 52,809,300
16	Average population	185.0
17	Kalamazoo psychiatric hospital - adult--483.1 FTE	
18	positions	51,065,700
19	Average population	189.0
20	Walter P. Reuther psychiatric hospital -	
21	adult--433.3 FTE positions	46,659,000
22	Average population	234.0
23	Hawthorn center - psychiatric hospital - children	
24	and adolescents--230.9 FTE positions	24,834,000
25	Average population	75.0
26	Mount Pleasant center - developmental	
27	disabilities	2,465,000

1	Center for forensic psychiatry--578.6 FTE positions ..	61,686,800
2	Average population	210.0
3	Forensic mental health services provided to the	
4	department of corrections--396.3 FTE positions.....	45,489,700
5	Revenue recapture.....	750,000
6	IDEA, federal special education.....	120,000
7	Special maintenance and equipment.....	335,300
8	Purchase of medical services for residents of	
9	hospitals and centers	445,600
10	Closed site, transition, and related costs.....	2,050,100
11	Severance pay.....	105,700
12	Gifts and bequests for patient living and treatment	
13	environment	<u>1,000,000</u>
14	GROSS APPROPRIATION.....	\$ 289,816,200
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	Interdepartmental grant from the department of	
18	corrections	45,489,700
19	Federal revenues:	
20	Total other federal revenues.....	30,633,400
21	Federal - FMAP stimulus.....	1,753,200
22	Special revenue funds:	
23	CMHSP, purchase of state services contracts.....	122,462,400
24	Other local revenues.....	16,928,200
25	Total private revenues.....	1,000,000
26	Total other state restricted revenues.....	12,331,700
27	State general fund/general purpose.....	\$ 59,217,600

1	Sec. 106. PUBLIC HEALTH ADMINISTRATION		
2	Full-time equated classified positions.....	102.7	
3	Public health administration--8.3 FTE positions		\$ 1,647,300
4	Minority health grants and contracts--3.0 FTE		
5	positions		1,500,400
6	Promotion of healthy behaviors.....		2,375,900
7	Vital records and health statistics--91.4 FTE		
8	positions		<u>10,392,000</u>
9	GROSS APPROPRIATION.....		\$ 15,915,600
10	Appropriated from:		
11	Interdepartmental grant revenues:		
12	Interdepartmental grant from the department of human		
13	services		1,123,900
14	Interdepartmental grant from the department of		
15	state		1,500,000
16	Federal revenues:		
17	Total federal revenues.....		3,736,900
18	Special revenue funds:		
19	Total private revenues.....		1,700,000
20	Total other state restricted revenues.....		6,516,000
21	State general fund/general purpose.....		\$ 1,338,800
22	Sec. 107. HEALTH POLICY, REGULATION, AND		
23	PROFESSIONS		
24	Full-time equated classified positions.....	415.6	
25	Health systems administration--193.6 FTE positions ...		\$ 20,686,300
26	Emergency medical services program state staff--8.5		
27	FTE positions		1,498,400

1	Radiological health administration--21.4 FTE positions	2,947,400
2	Emergency medical services grants and services	660,000
3	Health professions--142.0 FTE positions	24,204,700
4	Background check program--5.5 FTE positions	2,689,900
5	Health policy, regulation, and professions	
6	administration--25.2 FTE positions	3,001,300
7	Nurse scholarship, education, and research	
8	program--3.0 FTE positions	1,718,300
9	Certificate of need program administration--14.0 FTE	
10	positions	1,955,700
11	Rural health services--1.0 FTE position	1,237,700
12	Michigan essential health provider	861,300
13	Primary care services--1.4 FTE positions	<u>4,168,800</u>
14	GROSS APPROPRIATION	\$ 65,629,800
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	Interdepartmental grant from the department of	
18	treasury, Michigan state hospital finance authority.	116,300
19	Federal revenues:	
20	Total federal revenues	24,128,700
21	Special revenue funds:	
22	Total local revenues	227,700
23	Total private revenues	455,000
24	Total other state restricted revenues	31,222,000
25	State general fund/general purpose	\$ 9,480,100
26	Sec. 108. INFECTIOUS DISEASE CONTROL	
27	Full-time equated classified positions..... 51.7	

1	AIDS prevention, testing, and care programs--12.7		
2	FTE positions	\$	41,367,600
3	Immunization local agreements.....		13,990,300
4	Immunization program management and field		
5	support--15.0 FTE positions		2,038,800
6	Pediatric AIDS prevention and control--1.0 FTE		
7	position		1,226,400
8	Sexually transmitted disease control local agreements		3,360,700
9	Sexually transmitted disease control management and		
10	field support--23.0 FTE positions.....		<u>3,738,000</u>
11	GROSS APPROPRIATION.....	\$	65,721,800
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues.....		42,128,500
15	Special revenue funds:		
16	Total private revenues.....		10,873,600
17	Total other state restricted revenues.....		9,185,200
18	State general fund/general purpose.....	\$	3,534,500
19	Sec. 109. LABORATORY SERVICES		
20	Full-time equated classified positions..... 123.0		
21	Bovine tuberculosis--1.0 FTE position.....	\$	200,400
22	Laboratory services--122.0 FTE positions.....		<u>18,439,100</u>
23	GROSS APPROPRIATION.....	\$	18,639,500
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	Interdepartmental grant from the department of		
27	environmental quality		447,100

1	Federal revenues:	
2	Total federal revenues.....	1,683,600
3	Special revenue funds:	
4	Total other state restricted revenues.....	9,048,100
5	State general fund/general purpose.....	\$ 7,460,700
6	Sec. 110. EPIDEMIOLOGY	
7	Full-time equated classified positions.....	131.0
8	AIDS surveillance and prevention program.....	\$ 2,254,100
9	Asthma prevention and control--2.6 FTE positions.....	1,068,800
10	Bioterrorism preparedness--68.6 FTE positions.....	49,405,100
11	Epidemiology administration--42.3 FTE positions.....	8,133,800
12	Lead abatement program--7.0 FTE positions.....	2,191,300
13	Newborn screening follow-up and treatment	
14	services--10.5 FTE positions	4,692,100
15	Tuberculosis control and prevention.....	<u>867,000</u>
16	GROSS APPROPRIATION.....	\$ 68,612,200
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	60,390,800
20	Special revenue funds:	
21	Total local revenues.....	500,000
22	Total private revenues.....	25,000
23	Total other state restricted revenues.....	5,295,200
24	State general fund/general purpose.....	\$ 2,401,200
25	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
26	Implementation of 1993 PA 133, MCL 333.17015	\$ 50,000
27	Local health services.....	220,000

1	Local public health operations.....	40,618,400
2	Medicaid outreach cost reimbursement to local health	
3	departments	<u>9,000,000</u>
4	GROSS APPROPRIATION.....	\$ 49,888,400
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	9,000,000
8	Special revenue funds:	
9	Total local revenues.....	5,150,000
10	Total other state restricted revenues.....	220,000
11	State general fund/general purpose.....	\$ 35,518,400
12	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
13	HEALTH PROMOTION	
14	Full-time equated classified positions..... 75.3	
15	Alzheimer's information network.....	389,500
16	Cancer prevention and control program--12.0 FTE	
17	positions	15,219,900
18	Chronic disease prevention--27.7 FTE positions.....	6,190,700
19	Diabetes and kidney program--12.2 FTE positions.....	4,022,700
20	Health education, promotion, and research	
21	programs--6.5 FTE positions	829,600
22	Injury control intervention project.....	104,500
23	Public health traffic safety coordination--1.0 FTE	
24	position	445,100
25	Smoking prevention program--14.0 FTE positions.....	5,752,400
26	Tobacco tax collection and enforcement.....	610,000
27	Violence prevention--1.9 FTE positions.....	<u>1,892,900</u>

1	GROSS APPROPRIATION.....	\$	35,457,300
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		22,288,600
5	Special revenue funds:		
6	Total private revenues.....		146,600
7	Total other state restricted revenues.....		11,099,500
8	State general fund/general purpose.....	\$	1,922,600
9	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH		
10	SERVICES		
11	Full-time equated classified positions.....	56.3	
12	Childhood lead program--6.0 FTE positions.....	\$	2,766,600
13	Dental programs--3.0 FTE positions.....		1,119,400
14	Dental program for persons with developmental		
15	disabilities		151,000
16	Family, maternal, and children's health services		
17	administration--43.6 FTE positions.....		5,655,900
18	Family planning local agreements.....		9,493,800
19	Local MCH services.....		7,264,200
20	Migrant health care.....		272,200
21	Pregnancy prevention program.....		5,149,800
22	Prenatal care outreach and service delivery support ..		1,427,200
23	School health and education programs--1.0 FTE		
24	positions		501,500
25	Special projects--2.7 FTE positions.....		3,757,400
26	Sudden infant death syndrome program.....		321,300
27	GROSS APPROPRIATION.....	\$	37,880,300

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	26,420,200
4	Special revenue funds:	
5	Total local revenues.....	75,000
6	Total other state restricted revenues.....	7,751,900
7	State general fund/general purpose.....	\$ 3,633,200
8	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
9	NUTRITION PROGRAM	
10	Full-time equated classified positions.....	43.0
11	Women, infants, and children program administration	
12	and special projects--43.0 FTE positions.....	\$ 9,554,800
13	Women, infants, and children program local	
14	agreements and food costs	<u>236,506,700</u>
15	GROSS APPROPRIATION.....	\$ 246,061,500
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	192,815,400
19	Special revenue funds:	
20	Total private revenues.....	53,246,100
21	State general fund/general purpose.....	\$ 0
22	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
23	(CSHCS)	
24	Full-time equated classified positions.....	47.8
25	Children's special health care services	
26	administration--45.0 FTE positions.....	\$ 4,927,000
27	Amputee program.....	184,600

1	Bequests for care and services--2.8 FTE positions	1,514,600
2	Outreach and advocacy.....	3,773,500
3	Non-emergency medical transportation.....	2,711,200
4	Medical care and treatment.....	<u>203,782,100</u>
5	GROSS APPROPRIATION.....	\$ 216,893,000
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues.....	124,765,900
9	Federal - FMAP stimulus.....	9,250,500
10	Special revenue funds:	
11	Total private revenues.....	1,000,000
12	Total other state restricted revenues.....	3,396,900
13	State general fund/general purpose.....	\$ 78,479,700
14	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
15	Full-time equated classified positions..... 11.0	
16	Grants administration services--11.0 FTE positions ...	\$ 1,498,200
17	Justice assistance grants.....	13,000,000
18	Crime victim rights services grants.....	12,500,000
19	Crime victim's rights fund revenue to Michigan state	
20	police	1,053,300
21	Crime victim's rights fund revenue to department of	
22	human services	<u>1,300,000</u>
23	GROSS APPROPRIATION.....	\$ 29,351,500
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	15,055,300
27	Special revenue funds:	

1	Total other state restricted revenues	14,296,200
2	State general fund/general purpose	\$ 0
3	Sec. 117. OFFICE OF SERVICES TO THE AGING	
4	Full-time equated classified positions.....	37.5
5	Commission (per diem \$50.00)	\$ 10,500
6	Office of services to aging administration--37.5 FTE	
7	positions	5,456,300
8	Community services	35,569,100
9	Nutrition services	37,250,300
10	Foster grandparent volunteer program	2,639,600
11	Retired and senior volunteer program	741,300
12	Senior companion volunteer program	1,896,300
13	Employment assistance	3,449,500
14	Respite care program	<u>6,800,000</u>
15	GROSS APPROPRIATION	\$ 93,812,900
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues	53,879,600
19	Special revenue funds:	
20	Total private revenues	537,000
21	Merit award trust fund	5,000,000
22	Total other state restricted revenues	1,967,000
23	State general fund/general purpose	\$ 32,429,300
24	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
25	Full-time equated classified positions.....	380.0
26	Medical services administration--380.0 FTE positions .	\$ 61,707,500
27	Facility inspection contract	132,800

1	MICChild administration.....	<u>4,327,800</u>
2	GROSS APPROPRIATION.....	\$ 66,168,100
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	45,829,600
6	Total local revenues.....	5,000
7	Total other state restricted revenues.....	97,800
8	State general fund/general purpose.....	\$ 20,235,700
9	Sec. 119. MEDICAL SERVICES	
10	Hospital services and therapy.....	\$ 1,222,685,500
11	Hospital disproportionate share payments.....	50,000,000
12	Physician services.....	309,785,300
13	Medicare premium payments.....	357,350,800
14	Pharmaceutical services.....	239,297,600
15	Home health services.....	6,889,900
16	Hospice services.....	104,666,000
17	Transportation.....	22,947,500
18	Auxiliary medical services.....	12,161,700
19	Dental services.....	130,449,500
20	Ambulance services.....	23,422,700
21	Long-term care services.....	2,020,156,300
22	Single point of entry.....	12,724,200
23	Health plan services.....	3,600,420,400
24	MICChild program.....	41,378,000
25	Plan first family planning waiver.....	8,782,200
26	Medicaid adult benefits waiver.....	138,871,700
27	Special indigent care payments.....	88,518,500

1	Federal Medicare pharmaceutical program.....	183,611,800
2	Promotion of healthy behavior waiver.....	10,000,000
3	Maternal and child health.....	20,279,500
4	Social services to the physically disabled.....	1,344,900
5	Subtotal basic medical services program.....	8,605,744,000
6	School-based services.....	64,630,600
7	Special Medicaid reimbursement.....	238,574,100
8	Subtotal special medical services payments.....	<u>303,204,700</u>
9	GROSS APPROPRIATION.....	\$ 8,908,948,700
10	Appropriated from:	
11	Federal revenues:	
12	Total other federal revenues.....	5,661,049,900
13	Federal - FMAP stimulus.....	413,698,300
14	Special revenue funds:	
15	Total local revenues.....	59,100,000
16	Total private revenues.....	1,000,000
17	Merit award trust fund.....	17,899,900
18	Total other state restricted revenues.....	1,337,399,600
19	State general fund/general purpose.....	\$ 1,418,801,000
20	Sec. 120. INFORMATION TECHNOLOGY	
21	Information technology services and projects.....	\$ 36,133,500
22	Michigan Medicaid information system.....	<u>16,801,100</u>
23	GROSS APPROPRIATION.....	\$ 52,934,600
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	37,225,800
27	Special revenue funds:	

1	Total other state restricted revenues	3,573,900
2	State general fund/general purpose	\$ 12,134,900

3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

6 Sec. 201. Pursuant to section 30 of article IX of the state
 7 constitution of 1963, total state spending from state resources
 8 under part 1 for fiscal year 2009-2010 is \$4,294,999,500.00 and
 9 state spending from state resources to be paid to local units of
 10 government for fiscal year 2009-2010 is \$1,330,708,300.00. The
 11 itemized statement below identifies appropriations from which
 12 spending to local units of government will occur:

13 DEPARTMENT OF COMMUNITY HEALTH

14 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

15 AND SPECIAL PROJECTS

16	Community residential and support services	\$ 344,600
----	--	------------

17	Housing and support services	599,800
----	------------------------------------	---------

18 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

19 State disability assistance program substance

20	abuse services	\$ 2,509,800
----	----------------------	--------------

21 Community substance abuse prevention, education, and

22	treatment programs	11,583,100
----	--------------------------	------------

23	Medicaid mental health services	587,466,400
----	---------------------------------------	-------------

24	Community mental health non-Medicaid services	319,908,700
----	---	-------------

25	Medicaid adult benefits waiver	10,308,000
----	--------------------------------------	------------

1	Medicaid substance abuse services.....		13,041,800
2	Children's waiver home care program.....		5,952,800
3	Nursing home PASARR.....		2,738,400
4	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
5	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
6	MENTAL HEALTH SERVICES		
7	Center for forensic psychiatry.....	\$	290,300
8	PUBLIC HEALTH ADMINISTRATION		
9	Minority health grants and contracts.....	\$	241,000
10	Public health administration.....		61,500
11	HEALTH POLICY, REGULATION, AND PROFESSIONS		
12	Nurse scholarship, education, and research programs ..	\$	72,600
13	Primary care services.....		115,600
14	INFECTIOUS DISEASE CONTROL		
15	AIDS prevention, testing, and care programs	\$	865,700
16	Immunization local agreements.....		2,158,100
17	Immunization program management and field support		30,300
18	Sexually transmitted disease control local agreements		191,200
19	LABORATORY SERVICES		
20	Laboratory services.....	\$	3,300
21	EPIDEMIOLOGY		
22	Epidemiology administration.....	\$	125,000
23	LOCAL HEALTH ADMINISTRATION AND GRANTS		
24	Implementation of 1993 PA 133.....	\$	5,300
25	Local public health operations.....		35,468,400
26	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
27	Cancer prevention and control program.....	\$	397,300

1	Chronic disease prevention.....		261,600
2	Diabetes and kidney program.....		357,700
3	Smoking prevention program.....		959,900
4	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
5	Childhood lead program.....	\$	244,000
6	Family, maternal, and children's health		
7	administration		87,100
8	Local MCH services.....		246,100
9	Pregnancy prevention program.....		1,558,800
10	Prenatal care outreach and service delivery support ..		697,800
11	School health and education programs.....		297,000
12	Special projects.....		819,800
13	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
14	Medical care and treatment.....	\$	451,100
15	Outreach and advocacy.....		3,077,500
16	MEDICAL SERVICES		
17	Dental services.....	\$	2,348,100
18	Long-term care services.....		262,002,000
19	Transportation.....		5,736,900
20	Medicaid adult benefits waiver.....		9,443,300
21	Hospital services and therapy.....		6,113,400
22	Physician services.....		3,717,400
23	OFFICE OF SERVICES TO THE AGING		
24	Community services.....	\$	13,599,200
25	Nutrition services.....		10,750,100
26	Foster grandparent volunteer program.....		565,000
27	Retired and senior volunteer program.....		154,700

1	Senior companion volunteer program.....	99,600
2	Respite care program.....	5,841,200
3	CRIME VICTIM SERVICES COMMISSION	
4	Crime victim rights services grants.....	\$ <u>6,800,000</u>
5	TOTAL OF PAYMENTS TO LOCAL UNITS	
6	OF GOVERNMENT.....	\$ 1,330,708,300

7 Sec. 202. (1) The appropriations authorized under this bill

8 are subject to the management and budget act, 1984 PA 431, MCL

9 18.1101 to 18.1594.

10 (2) Funds for which the state is acting as the custodian or

11 agent are not subject to annual appropriation.

12 Sec. 203. As used in this bill:

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

14 (b) "CMHSP" means a community mental health services program

15 as that term is defined in section 100a of the mental health code,

16 1974 PA 258, MCL 330.1100a.

17 (c) "Department" means the Michigan department of community

18 health.

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

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

21 (f) "EPSDT" means early and periodic screening, diagnosis, and

22 treatment.

23 (g) "Federal poverty level" means the poverty guidelines

24 published annually in the federal register by the United States

25 department of health and human services under its authority to

26 revise the poverty line under 42 USC 9902.

27 (h) "FMAP" means federal medical assistance percentage.

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

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

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

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

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

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

11 (o) "IDG" means interdepartmental grant.

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

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

14 (r) "MIHP" means maternal infant health program.

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

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

24 (u) "Title XVIII" means title XVIII of the social security
25 act, 42 USC 1395 to 1395hhh.

26 (v) "Title XIX" means title XIX of the social security act, 42
27 USC 1396 to 1396v.

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

3 (x) "WIC" means women, infants, and children supplemental
4 nutrition program.

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

10 Sec. 206. (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$100,000,000.00 for
12 federal contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item
14 in this bill under section 393(2) of the management and budget act,
15 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

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

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

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

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

23 (2) On or before February 1 of the current fiscal year, the
 24 department shall report to the house of representatives and senate
 25 appropriations subcommittees on community health, the house and
 26 senate fiscal agencies, and the state budget director on the
 27 detailed name and amounts of federal, restricted, private, and

1 local sources of revenue that support the appropriations in each of
2 the line items in part 1 of this bill.

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

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

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

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

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

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

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

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

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

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

18 Sec. 218. The department shall include the following in its
19 annual list of proposed basic health services as required in part
20 23 of the public health code, 1978 PA 368, MCL 333.2301 to
21 333.2321:

22 (a) Immunizations.

23 (b) Communicable disease control.

24 (c) Sexually transmitted disease control.

25 (d) Tuberculosis control.

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

27 (f) Screening newborns for the conditions listed in section

1 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
2 recommended by the newborn screening quality assurance advisory
3 committee created under section 5430 of the public health code,
4 1978 PA 368, MCL 333.5430.

5 (g) Community health annex of the Michigan emergency
6 management plan.

7 (h) Prenatal care.

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

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

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

23 (c) The expected project duration.

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

27 (2) On or before September 30 of the current fiscal year, the

1 department shall provide to the same parties listed in subsection
2 (1) a copy of all reports, studies, and publications produced by
3 the Michigan public health institute, its subcontractors, or the
4 department with the funds appropriated in part 1 and allocated to
5 the Michigan public health institute.

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

11 Sec. 223. In addition to the appropriations in part 1, the
12 department may establish and collect fees for publications, videos
13 and related materials, conferences, and workshops. Collected fees
14 shall be used to offset expenditures to pay for printing and
15 mailing costs of the publications, videos and related materials,
16 and costs of the workshops and conferences. The department shall
17 not collect fees under this section that exceed the cost of the
18 expenditures.

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

25 Sec. 261. Funds appropriated in part 1 for the Medicaid
26 management information system upgrade are contingent upon approval
27 of an advanced planning document from the centers for Medicare and

1 Medicaid services. If the necessary matching funds are identified
2 and legislatively transferred to this line item, the corresponding
3 federal Medicaid revenue shall be appropriated at a 90/10
4 federal/state match rate. This appropriation may be designated as a
5 work project and carried forward to support completion of this
6 project.

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

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

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

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

18 (d) The travel is necessary to comply with federal
19 requirements.

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

22 (f) The travel is financed entirely by federal or nonstate
23 funds.

24 (2) Not later than January 1 of each year, each department
25 shall prepare a travel report listing all travel by classified and
26 unclassified employees outside this state in the immediately
27 preceding fiscal year that was funded in whole or in part with

1 funds appropriated in the department's budget. The report shall be
2 submitted to the senate and house of representatives standing
3 committees on appropriations, the senate and house fiscal agencies,
4 and the state budget director. The report shall include the
5 following information:

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

8 (b) The destination of each travel occurrence.

9 (c) The dates of each travel occurrence.

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

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

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

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

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

1 attorney general authorizes.

2 **DEPARTMENTWIDE ADMINISTRATION**

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

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

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

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

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

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

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

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

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

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

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

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

27 (f) A system of continuous quality improvement.

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

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

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

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

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

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

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

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

3 Sec. 404. (1) Not later than May 31 of the current fiscal
4 year, the department shall provide a report on the community mental
5 health services programs to the members of the house of
6 representatives and senate appropriations subcommittees on
7 community health, the house and senate fiscal agencies, and the
8 state budget director that includes the information required by
9 this section.

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

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

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

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

22 (d) Data describing service outcomes that includes, but is not
23 limited to, an evaluation of consumer satisfaction, consumer
24 choice, and quality of life concerns including, but not limited to,
25 housing and employment.

26 (e) Information about access to community mental health
27 services programs that includes, but is not limited to, the

1 following:

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

3 (ii) The number of people who requested services but did not
4 receive services.

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

7 (g) An analysis of information provided by CMHSPs in response
8 to the needs assessment requirements of the mental health code,
9 1974 PA 258, MCL 330.1001 to 330.2106, including information about
10 the number of persons in the service delivery system who have
11 requested and are clinically appropriate for different services.

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

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

17 (i) The amount of the contract, organized by type of service
18 provided.

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

20 (iii) Administrative costs for services provided to CMHSPs or
21 PIHPs.

22 (j) Information on the community mental health Medicaid
23 managed care program, including, but not limited to, both of the
24 following:

25 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
26 eligibility group, including per eligible individual expenditure
27 averages.

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

3 (k) An estimate of the number of direct care workers in local
4 residential settings and paraprofessional and other nonprofessional
5 direct care workers in settings where skill building, community
6 living supports and training, and personal care services are
7 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
8 year employed directly or through contracts with provider
9 organizations.

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

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

16 Sec. 405. The employee wage pass-through funded in previous
17 years to the community mental health services programs for direct
18 care workers in local residential settings and for paraprofessional
19 and other nonprofessional direct care workers in settings where
20 skill building, community living supports and training, and
21 personal care services are provided shall continue to be paid to
22 direct care workers.

23 Sec. 406. (1) The funds appropriated in part 1 for the state
24 disability assistance substance abuse services program shall be
25 used to support per diem room and board payments in substance abuse
26 residential facilities. Eligibility of clients for the state
27 disability assistance substance abuse services program shall

1 include needy persons 18 years of age or older, or emancipated
2 minors, who reside in a substance abuse treatment center.

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

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

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

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

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

1 administrative expenditures by coordinating agency shall be
2 reported.

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

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

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

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

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

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

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

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

1 illness, serious emotional disturbance, or developmental disability
2 from possible jail incarceration when appropriate.

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

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

26 Sec. 418. On or before the tenth of each month, the department
27 shall report to the senate and house of representatives

1 appropriations subcommittees on community health, the senate and
2 house fiscal agencies, and the state budget director on the amount
3 of funding paid to PIHPs to support the Medicaid managed mental
4 health care program in the preceding month. The information shall
5 include the total paid to each PIHP, per capita rate paid for each
6 eligibility group for each PIHP, and number of cases in each
7 eligibility group for each PIHP, and year-to-date summary of
8 eligibles and expenditures for the Medicaid managed mental health
9 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) The \$40,000,000.00 in funding transferred from
14 the community mental health non-Medicaid services line to support
15 the Medicaid adult benefits waiver program shall be used to provide
16 state match for increases in federal funding for primary care and
17 specialty services provided to Medicaid adult benefits waiver
18 enrollees and for economic increases for the Medicaid specialty
19 services and supports program.

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

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

27 (4) If enrollment in the Medicaid adult benefits waiver

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

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

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

26 Sec. 458. By April 15 of the current fiscal year, the
27 department shall provide an updated plan for implementing

1 recommendations of the Michigan mental health commission made in
2 the commission's report dated October 15, 2004 to the house of
3 representatives and senate appropriations subcommittees on
4 community health, the house and senate fiscal agencies, and the
5 state budget director.

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

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

19 Sec. 468. To foster a more efficient administration of and to
20 integrate care in publicly funded mental health and substance abuse
21 services, the department shall maintain criteria for the
22 incorporation of a city, county, or regional substance abuse
23 coordinating agency into a local community mental health authority
24 that will encourage those city, county, or regional coordinating
25 agencies to incorporate as local community mental health
26 authorities. If necessary, the department may make accommodations
27 or adjustments in formula distribution to address administrative

1 costs related to the maintenance of the criteria under this section
2 and to the incorporation of the additional coordinating agencies
3 into local community mental health authorities provided that all of
4 the following are satisfied:

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

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

13 (c) The accommodations or adjustments do not negatively affect
14 other coordinating agencies.

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

24 (a) Coordination and consolidation of administrative functions
25 and redirection of efficiencies into service enhancements.

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

1 (c) Alignment of coordinating agencies and PIHPs boundaries to
2 maximize opportunities for collaboration and integration of
3 administrative functions and clinical activities.

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

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

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

24 Sec. 483. (1) A Medicaid recipient shall remain eligible and a
25 qualifying applicant shall be determined eligible for medical
26 assistance during a period of incarceration or detention. Medicaid
27 coverage is limited during such a period to off-site inpatient

1 hospitalization only.

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

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

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

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

21 Sec. 602. Unexpended and unencumbered amounts and accompanying
22 expenditure authorizations up to \$1,000,000.00 remaining on
23 September 30 of the current fiscal year from the amounts
24 appropriated in part 1 for gifts and bequests for patient living
25 and treatment environments shall be carried forward for 1 fiscal
26 year. The purpose of gifts and bequests for patient living and

1 treatment environments is to use additional private funds to
2 provide specific enhancements for individuals residing at state-
3 operated facilities. Use of the gifts and bequests shall be
4 consistent with the stipulation of the donor. The expected
5 completion date for the use of gifts and bequests donations is
6 within 3 years unless otherwise stipulated by the donor.

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

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

16 (a) The number of days of care purchased from state hospitals
17 and centers.

18 (b) The number of days of care purchased from private
19 hospitals in lieu of purchasing days of care from state hospitals
20 and centers.

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

23 (d) Waiting lists for placements in state hospitals and
24 centers.

25 (2) The department shall annually report the information in
26 subsection (1) to the house of representatives and senate
27 appropriations subcommittees on community health, the house and

1 senate fiscal agencies, and the state budget director.

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

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

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

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

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

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

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

14 **PUBLIC HEALTH ADMINISTRATION**

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

20 Sec. 651. By April 30 of the current fiscal year, the
21 department shall submit a report to the house and senate fiscal
22 agencies and the state budget director on the activities and
23 efforts of the department to improve the health status of the
24 citizens of this state with regard to the goals and objectives
25 stated in the "Healthy Michigan 2010" report, and the measurable
26 progress made toward those goals and objectives.

1 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

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

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

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

22 Sec. 708. Nursing facilities shall report in the quarterly
23 staff report to the department, the total patient care hours
24 provided each month, by state licensure and certification
25 classification, and the percentage of pool staff, by state
26 licensure and certification classification, used each month during

1 the preceding quarter. The department shall make available to the
2 public, the quarterly staff report compiled for all facilities
3 including the total patient care hours and the percentage of pool
4 staff used, by classification.

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

10 Sec. 711. The department may make available to interested
11 entities customized listings of nonconfidential information in its
12 possession, such as names and addresses of licensees. In addition
13 to the appropriations in part 1, the department may establish and
14 collect a reasonable charge to provide this service. The revenue
15 received from this service shall be used to offset expenses to
16 provide the service. Any balance of this revenue collected and
17 unexpended at the end of the fiscal year shall revert to the
18 appropriate restricted fund.

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

26 Sec. 714. The department shall report to the legislature on
27 the timeliness of nursing facility complaint investigations and the

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

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

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

24 Sec. 804. The department, in conjunction with efforts to
25 implement the Michigan prisoner reentry initiative, shall cooperate
26 with the department of corrections to share data and information as

1 they relate to prisoners being released who are HIV positive or
2 positive for the hepatitis C antibody.

3 EPIDEMIOLOGY

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

13 LOCAL HEALTH ADMINISTRATION AND GRANTS

14 Sec. 901. The amount appropriated in part 1 for implementation
15 of the 1993 additions of or amendments to sections 9161, 16221,
16 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
17 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
18 333.17515, shall reimburse local health departments for costs
19 incurred related to implementation of section 17015(18) of the
20 public health code, 1978 PA 368, MCL 333.17015.

21 Sec. 902. If a county that has participated in a district
22 health department or an associated arrangement with other local
23 health departments takes action to cease to participate in such an
24 arrangement after October 1 of the current fiscal year, the
25 department shall have the authority to assess a penalty from the

1 local health department's operational accounts in an amount equal
2 to no more than 6.25% of the local health department's local public
3 health operations funding. This penalty shall only be assessed to
4 the local county that requests the dissolution of the health
5 department.

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

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

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

22 (4) By April 1 of the current fiscal year, the department
23 shall make available a report to the senate and house of
24 representatives appropriations subcommittees on community health,
25 the senate and house fiscal agencies, and the state budget director
26 on the planned allocation of the funds appropriated for local
27 public health operations.

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

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

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

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

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

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

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

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

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

26 Sec. 1009. From the funds appropriated in part 1 for the

1 diabetes and kidney program, a portion of the funds may be
2 allocated to the National Kidney Foundation of Michigan for kidney
3 disease prevention programming including early identification and
4 education programs and kidney disease prevention demonstration
5 projects.

6 Sec. 1019. From the funds appropriated in part 1 for chronic
7 disease prevention, \$50,000.00 may be allocated for stroke
8 prevention, education, and outreach. The objectives of the program
9 shall include education to assist persons in identifying risk
10 factors, and education to assist persons in the early
11 identification of the occurrence of a stroke in order to minimize
12 stroke damage.

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/or adolescents
6 served and amounts expended for each group for the immediately
7 preceding 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. 1107. Of the amount appropriated in part 1 for prenatal
8 care outreach and service delivery support, not more than 9% shall
9 be expended for local administration, data processing, and
10 evaluation.

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

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

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

27 Sec. 1110. Agencies that currently receive pregnancy

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

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

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

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

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

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

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

4 (a) The department of education.

5 (b) The department of community health.

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

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

10 (e) The department of human services.

11 (f) The department of state police.

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

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

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

1 funds.

2 Sec. 1153. The department shall ensure that individuals
3 residing in rural communities have sufficient access to the
4 services offered through the WIC program.

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

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

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

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

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

15 (c) Provide genetic diagnostic and counseling services for
16 eligible families.

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

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

24 **CRIME VICTIM SERVICES COMMISSION**

25 Sec. 1302. From the funds appropriated in part 1 for justice

1 assistance grants, up to \$200,000.00 shall be allocated for
2 expansion of forensic nurse examiner programs to facilitate
3 training for improved evidence collection for the prosecution of
4 sexual assault. The funds shall be used for program coordination
5 and training.

6 **OFFICE OF SERVICES TO THE AGING**

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

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

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

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

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

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

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

26 Sec. 1404. The area agencies and local providers may receive

1 and expend fees for the provision of day care, care management,
2 respite care, and certain eligible home- and community-based
3 services. The fees shall be based on a sliding scale, taking client
4 income into consideration. The fees shall be used to expand
5 services.

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

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

26 Sec. 1417. The department shall provide to the senate and
27 house of representatives appropriations subcommittees on community

1 health, senate and house fiscal agencies, and state budget director
2 a report by March 30 of the current fiscal year that contains all
3 of the following:

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

6 (b) Detail expenditure by each area agency on aging by
7 individual program and administration including both state funded
8 resources and locally funded resources.

9 **MEDICAL SERVICES**

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

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

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

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

26 (3) The premiums described in this section shall be classified

1 as private funds.

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

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

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

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

22 (2) An applicant qualified as described in subsection (1)
23 shall be given a letter of authorization to receive Medicaid
24 covered services related to her pregnancy. All qualifying
25 applicants shall be entitled to receive all medically necessary
26 obstetrical and prenatal care without preauthorization from a
27 health plan. All claims submitted for payment for obstetrical and

1 prenatal care shall be paid at the Medicaid fee-for-service rate in
2 the event a contract does not exist between the Medicaid
3 participating obstetrical or prenatal care provider and the managed
4 care plan. The applicant shall receive a listing of Medicaid
5 physicians and managed care plans in the immediate vicinity of the
6 applicant's residence.

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

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

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

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

25 (7) The department shall encourage physicians to provide
26 women, whose qualifying condition for Medicaid is pregnancy, with a
27 referral to a Medicaid participating dentist at the first

1 pregnancy-related appointment.

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

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

21 Sec. 1620. (1) For fee-for-service recipients who do not
22 reside in nursing homes, the pharmaceutical dispensing fee shall be
23 \$2.50 or the pharmacy's usual or customary cash charge, whichever
24 is less. For nursing home residents, the pharmaceutical dispensing
25 fee shall be \$2.75 or the pharmacy's usual or customary cash
26 charge, whichever is less.

27 (2) The department shall require a prescription copayment for

1 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
2 brand-name drug, except as prohibited by federal or state law or
3 regulation.

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

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

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

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

26 Sec. 1627. (1) The department shall use procedures and rebates
27 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,

1 to secure quarterly rebates from pharmaceutical manufacturers for
2 outpatient drugs dispensed to participants in the MICHild program,
3 maternal outpatient medical services program, children's special
4 health care services, and adult benefit waiver program.

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

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

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

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

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

26 (2) Except as otherwise prohibited by federal or state law or
27 regulations, the department shall require Medicaid recipients to

1 pay the following copayments:

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

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

4 (c) Fifty dollars for the first day of an inpatient hospital
5 stay.

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

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

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

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

21 (2) The personal responsibility agreement shall include at
22 minimum the following provisions:

23 (a) That the recipient shall not smoke.

24 (b) That the recipient shall attend all scheduled medical
25 appointments.

26 (c) That the recipient shall exercise regularly.

27 (d) That if the recipient has children, those children shall

1 be up to date on their immunizations.

2 (e) That the recipient shall abstain from abusing controlled
3 substances and narcotics.

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

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

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

25 Sec. 1648. The department shall maintain and make available an
26 online resource to enable medical providers to obtain enrollment
27 and benefit information of Medicaid recipients. There shall be no

1 charge to providers for the use of the online resource.

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

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

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

22 (3) The criteria for medical exceptions to HMO enrollment
23 shall be based on submitted documentation that indicates a
24 recipient has a serious medical condition, and is undergoing active
25 treatment for that condition with a physician who does not
26 participate in 1 of the HMOs. If the person meets the criteria
27 established by this subsection, the department shall grant an

1 exception to mandatory enrollment at least through the current
2 prescribed course of treatment, subject to periodic review of
3 continued eligibility.

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

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

14 Sec. 1653. Implementation and contracting for managed care by
15 the department through HMOs shall be subject to the following
16 conditions:

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

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

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

1 2 physicians by the HMO.

2 (d) Enrollment of recipients of children's special health care
3 services in HMOs shall be voluntary during the fiscal year.
4 Children's special health care services recipients shall be
5 informed of the opportunity to enroll in HMOs.

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

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

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

26 Sec. 1655. (1) The department may require a 12-month lock-in
27 to the HMO selected by the recipient during the initial and

1 subsequent open enrollment periods, but allow for good cause
2 exceptions during the lock-in period.

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

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

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

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

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

25 (3) Subsections (1) and (2) shall not be construed as a
26 requirement to alter an existing agreement between an HMO and their
27 contracting hospitals nor as a requirement that an HMO must

1 reimburse for services that are not considered to be medically
2 necessary.

3 Sec. 1658. (1) HMOs shall have contracts with hospitals within
4 a reasonable distance from their enrollees. If a hospital does not
5 contract with the HMO in its service area, that hospital shall
6 enter into a hospital access agreement as specified in the medical
7 services administration Bulletin Hospital 01-19.

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

12 Sec. 1659. The following sections of this bill are the only
13 ones that shall apply to the following Medicaid managed care
14 programs, including the comprehensive plan, MIChoice long-term care
15 plan, and the mental health, substance abuse, and developmentally
16 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,
17 456, 1607, 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660,
18 1661, 1662, 1699, 1711, and 1783.

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

23 (2) The primary responsibility of assuring a child's hearing
24 and vision screening is with the child's primary care provider. The
25 primary care provider shall provide age-appropriate screening or
26 arrange for these tests through referrals to local health
27 departments. Local health departments shall provide preschool

1 hearing and vision screening services and accept referrals for
2 these tests from physicians or from Head Start programs in order to
3 assure all preschool children have appropriate access to hearing
4 and vision screening. Local health departments shall be reimbursed
5 for the cost of providing these tests for Medicaid eligible
6 children by the Medicaid program.

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

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

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

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

26 (2) The department shall require HMOs to be responsible for
27 the coordination of MIHP services as described in Medicaid policy.

1 These responsibilities shall be specified in the information
2 distributed by the HMOs to their members.

3 (3) The department shall assure the coordination of MIHP
4 services with the WIC program, state-supported substance abuse,
5 smoking prevention, and violence prevention programs, the
6 department of human services, and any other state or local program
7 with a focus on preventing adverse birth outcomes and child abuse
8 and neglect.

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

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

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

23 (3) The department shall provide a copy of the analysis of the
24 Medicaid HMO annual audited health employer data and information
25 set reports and the annual external quality review report to the
26 senate and house of representatives appropriations subcommittees on
27 community health, the senate and house fiscal agencies, and the

1 state budget director, within 30 days of the department's receipt
2 of the final reports from the contractors.

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

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

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

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

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

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

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

16 (a) "Dental care corporation", "health care corporation",
17 "insurer", and "prudent purchaser agreement" mean those terms as
18 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
19 550.52.

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

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

24 (7) The department may make payments on behalf of children
25 enrolled in the MICHild program from the line-item appropriation
26 associated with the program as described in the MICHild state plan
27 approved by the United States department of health and human

1 services, or from other medical services.

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

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

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

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

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

23 (c) Durable medical equipment and prosthetic and orthotic
24 devices.

25 (d) Dental services as outlined in the approved MICHild state
26 plan.

27 (e) Substance abuse treatment services that may include

1 inpatient, outpatient, and residential substance abuse treatment
2 services.

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

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

6 (h) Emergency ambulance services.

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

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

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

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

1 allotments in the long-term care accounts.

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

7 (4) Any unexpended penalty money, at the end of the year,
8 shall carry forward to the following year.

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

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

1 audit of that cost report.

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

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

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

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

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

17 Sec. 1690. (1) The department shall submit a report to the
18 house and senate appropriations subcommittees on community health,
19 the house and senate fiscal agencies, and the state budget director
20 by April 1 of the current fiscal year, to include all data
21 collected on the quality assurance indicators in the preceding
22 fiscal year for the home- and community-based services waiver
23 program, as well as quality improvement plans and data collected on
24 critical incidents in the waiver program and their resolutions.

25 (2) The department shall submit a report to the house and
26 senate appropriations subcommittees on community health, the house
27 and senate fiscal agencies, and the state budget director by April

1 1 of the current fiscal year, to include all data collected on the
2 quality assurance indicators in the preceding fiscal year for the
3 adult home help program, as well as quality improvement plans and
4 data collected on critical incidents in the adult home help program
5 and their resolutions.

6 Sec. 1691. Payment increases provided in previous years to
7 adult home help workers shall be continued. Wages may increase as
8 funds become available.

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

18 (2) From the funds appropriated in part 1 for medical services
19 school based services payments, the department is authorized to do
20 all of the following:

21 (a) Finance activities within the medical services
22 administration related to this project.

23 (b) Reimburse participating school districts pursuant to the
24 fund-sharing ratios negotiated in the state-local agreements
25 authorized in subsection (1).

26 (c) Offset general fund costs associated with the medical
27 services program.

1 Sec. 1693. The special Medicaid reimbursement appropriation in
2 part 1 may be increased if the department submits a medical
3 services state plan amendment pertaining to this line item at a
4 level higher than the appropriation. The department is authorized
5 to appropriately adjust financing sources in accordance with the
6 increased appropriation.

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

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

19 Sec. 1699. The department may make separate payments directly
20 to qualifying hospitals serving a disproportionate share of
21 indigent patients in the amount of \$50,000,000.00, and to hospitals
22 providing graduate medical education training programs. If direct
23 payment for GME and DSH is made to qualifying hospitals for
24 services to Medicaid clients, hospitals will not include GME costs
25 or DSH payments in their contracts with HMOs.

26 Sec. 1711. (1) The department shall maintain the 2-tier
27 reimbursement methodology for Medicaid emergency physicians

1 professional services that was in effect on September 30, 2002,
2 subject to the following conditions:

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

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

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

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

24 Sec. 1717. (1) The department shall create 2 pools for
25 distribution of disproportionate share hospital funding. The first
26 pool, totaling \$45,000,000.00, shall be distributed using the
27 distribution methodology used in fiscal year 2003-2004. The second

1 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
2 hospitals and hospital systems that received less than \$900,000.00
3 in disproportionate share hospital payments in fiscal year 2007-
4 2008 based on a formula that is weighted proportional to the
5 product of each eligible system's Medicaid revenue and each
6 eligible system's Medicaid utilization, except that no payment of
7 less than \$1,000.00 shall be made.

8 (2) By September 30 of the current fiscal year, the department
9 shall report to the senate and house appropriations subcommittees
10 on community health and the senate and house fiscal agencies on the
11 new distribution of funding to each eligible hospital from the 2
12 pools.

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

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

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

6 Sec. 1733. (1) The department shall seek additional federal
7 funds to permit the state to provide financial support for
8 electronic prescribing and other health information technology
9 initiatives.

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

13 Sec. 1734. The department shall seek federal money for
14 demonstration programs that will permit this state to provide
15 financial incentives for positive health behavior practiced by
16 Medicaid recipients, including, but not limited to, consumer-driven
17 strategies that enable Medicaid recipients to choose coverage that
18 meets their individual needs and that authorize monetary or other
19 rewards for demonstrating positive health behavior changes.

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

25 Sec. 1783. The department shall permit the enrollment of
26 individuals dually eligible for Medicare and Medicaid into Medicaid
27 health plans if those health plans also maintain a Medicare

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

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

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

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

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