

SENATE BILL No. 1182

EXECUTIVE BUDGET BILL

March 3, 2010, Introduced by Senators CHERRY and SWITALSKI 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, 2011; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 of community health for the fiscal year ending September 30, 2011,
 2 from the funds indicated in this part. The following is a summary
 3 of the appropriations in this part:

4 **DEPARTMENT OF COMMUNITY HEALTH**

5 APPROPRIATION SUMMARY

6	Full-time equated unclassified positions.....	6.0	
7	Full-time equated classified positions.....	4,356.8	
8	Average population	893.0	
9	GROSS APPROPRIATION.....		\$ 14,396,931,000
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		54,224,300
13	ADJUSTED GROSS APPROPRIATION.....		\$ 14,342,706,700
14	Federal revenues:		
15	Total other federal revenues.....		8,982,050,000
16	Federal FMAP stimulus revenues (ARRA)		851,400,600
17	Special revenue funds:		
18	Total local revenues.....		232,374,700
19	Total private revenues.....		80,272,500
20	Merit award trust fund.....		149,220,500
21	Total other state restricted revenues.....		2,030,926,600
22	State general fund/general purpose.....		\$ 2,016,461,800
23	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
24	Full-time equated unclassified positions.....	6.0	
25	Full-time equated classified positions.....	175.2	
26	Director and other unclassified--6.0 FTE positions ...		\$ 598,600
27	Departmental administration and management--165.2 FTE		

1	positions	22,770,500
2	Worker's compensation program.....	8,855,200
3	Rent and building occupancy.....	10,862,500
4	Developmental disabilities council and projects--10.0	
5	FTE positions	<u>2,847,500</u>
6	GROSS APPROPRIATION.....	\$ 45,934,300
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	13,900,700
10	Special revenue funds:	
11	Total private revenues.....	35,900
12	Total other state restricted revenues.....	2,514,000
13	State general fund/general purpose.....	\$ 29,483,700
14	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
15	ADMINISTRATION AND SPECIAL PROJECTS	
16	Full-time equated classified positions..... 107.5	
17	Mental health/substance abuse program administration--	
18	106.5 FTE positions	\$ 13,917,000
19	Gambling addiction--1.0 FTE position.....	3,000,000
20	Protection and advocacy services support	194,400
21	Community residential and support services.....	1,893,500
22	Highway safety projects.....	400,000
23	Federal and other special projects.....	2,497,200
24	Family support subsidy.....	19,470,500
25	Housing and support services.....	<u>9,306,800</u>
26	GROSS APPROPRIATION.....	\$ 50,679,400
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	35,352,200
3	Special revenue funds:	
4	Total private revenues.....	190,000
5	Total other state restricted revenues.....	3,000,000
6	State general fund/general purpose.....	\$ 12,137,200
7	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
8	SERVICES PROGRAMS	
9	Full-time equated classified positions..... 9.5	
10	Medicaid mental health services.....	\$ 2,035,793,800
11	Community mental health non-Medicaid services.....	283,912,600
12	Medicaid adult benefits waiver.....	32,054,900
13	Multicultural services.....	5,459,000
14	Medicaid substance abuse services.....	42,917,500
15	CMHSP, purchase of state services contracts.....	127,817,700
16	Civil service charges.....	1,499,300
17	Federal mental health block grant--2.5 FTE positions .	15,392,100
18	Community substance abuse prevention, education, and	
19	treatment programs	77,421,200
20	Children's waiver home care program.....	21,049,800
21	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,155,600
22	Children with serious emotional disturbance waiver ...	<u>7,188,000</u>
23	GROSS APPROPRIATION.....	\$ 2,662,661,500
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of human	
27	services	1,769,000

1	Federal revenues:	
2	Total other federal revenues	1,495,945,900
3	Federal FMAP stimulus revenues (ARRA)	153,921,200
4	Special revenue funds:	
5	Total local revenues	25,228,900
6	Total other state restricted revenues	20,655,200
7	State general fund/general purpose	\$ 965,141,300
8	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
9	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
10	AND PRISON MENTAL HEALTH SERVICES	
11	Total average population	893.0
12	Full-time equated classified positions	2,590.5
13	Caro Regional Mental Health Center - psychiatric	
14	hospital - adult--468.3 FTE positions	\$ 55,267,100
15	Average population	185.0
16	Kalamazoo Psychiatric Hospital - adult--483.1 FTE	
17	positions	53,493,900
18	Average population	189.0
19	Walter P. Reuther Psychiatric Hospital - adult--433.3	
20	FTE positions	50,087,200
21	Average population	234.0
22	Hawthorn Center - psychiatric hospital - children and	
23	adolescents--230.9 FTE positions	26,003,000
24	Average population	75.0
25	Center for forensic psychiatry--578.6 FTE positions ..	64,528,600
26	Average population	210.0
27	Forensic mental health services provided to the	

1	department of corrections--396.3 FTE positions.....	50,727,300
2	Revenue recapture.....	750,000
3	IDEA, federal special education.....	120,000
4	Special maintenance.....	332,500
5	Purchase of medical services for residents of	
6	hospitals and centers	445,600
7	Gifts and bequests for patient living and treatment	
8	environment	<u>1,000,000</u>
9	GROSS APPROPRIATION.....	\$ 302,755,200
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	Interdepartmental grant from the department of	
13	corrections	50,727,300
14	Federal revenues:	
15	Total other federal revenues.....	28,728,400
16	Federal FMAP stimulus revenues (ARRA)	2,154,900
17	Special revenue funds:	
18	CMHSP, purchase of state services contracts.....	127,817,700
19	Other local revenues.....	16,915,200
20	Total private revenues.....	1,000,000
21	Total other state restricted revenues.....	15,724,300
22	State general fund/general purpose.....	\$ 59,687,400
23	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
24	Full-time equated classified positions..... 91.7	
25	Public health administration--7.3 FTE positions.....	\$ 1,513,800
26	Minority health grants and contracts--3.0 FTE	
27	positions	1,117,000

1	Promotion of healthy behaviors.....	675,900
2	Vital records and health statistics--81.4 FTE	
3	positions	<u>9,286,000</u>
4	GROSS APPROPRIATION.....	\$ 12,592,700
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	Interdepartmental grant from the department of human	
8	services	1,150,600
9	Federal revenues:	
10	Total federal revenues.....	4,969,200
11	Special revenue funds:	
12	Total other state restricted revenues.....	5,268,200
13	State general fund/general purpose.....	\$ 1,204,700
14	Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS	
15	Full-time equated classified positions..... 430.6	
16	Health systems administration--193.6 FTE positions ...	\$ 20,124,900
17	Emergency medical services program state staff--8.5	
18	FTE positions	1,321,200
19	Radiological health administration--21.4 FTE positions	3,074,500
20	Emergency medical services grants and services	660,000
21	Health professions--152.0 FTE positions	25,675,400
22	Background check program--5.5 FTE positions	579,900
23	Health policy and regulation, administration	
24	--30.2 FTE positions	3,781,200
25	Nurse scholarship, education, and research program--	
26	3.0 FTE positions	1,737,800
27	Certificate of need program administration--14.0 FTE	

1	positions	2,036,000
2	Rural health services--1.0 FTE position.....	1,409,600
3	Michigan essential health provider.....	872,700
4	Primary care services--1.4 FTE positions.....	<u>4,175,300</u>
5	GROSS APPROPRIATION.....	\$ 65,448,500
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	Interdepartmental grant from the department of	
9	treasury, Michigan state hospital finance authority.	116,300
10	Federal revenues:	
11	Total federal revenues.....	24,664,600
12	Special revenue funds:	
13	Total local revenues.....	100,000
14	Total private revenues.....	455,000
15	Total other state restricted revenues.....	31,544,200
16	State general fund/general purpose.....	\$ 8,568,400
17	Sec. 108. INFECTIOUS DISEASE CONTROL	
18	Full-time equated classified positions.....	50.7
19	AIDS prevention, testing, and care programs--12.7 FTE	
20	positions	\$ 46,456,800
21	Immunization local agreements.....	13,725,200
22	Immunization program management and field support--	
23	15.0 FTE positions	2,119,000
24	Pediatric AIDS prevention and control--1.0 FTE	
25	position	1,231,300
26	Sexually transmitted disease control local agreements	3,360,700
27	Sexually transmitted disease control management and	

1	field support--22.0 FTE positions.....	<u>3,744,600</u>
2	GROSS APPROPRIATION.....	\$ 70,637,600
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	43,447,000
6	Special revenue funds:	
7	Total private revenues.....	14,707,700
8	Total other state restricted revenues.....	9,606,300
9	State general fund/general purpose.....	\$ 2,876,600
10	Sec. 109. LABORATORY SERVICES	
11	Full-time equated classified positions..... 109.0	
12	Laboratory services--109.0 FTE positions.....	<u>\$ 16,653,600</u>
13	GROSS APPROPRIATION.....	\$ 16,653,600
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	Interdepartmental grant from the department of	
17	natural resources and environment.....	461,100
18	Federal revenues:	
19	Total federal revenues.....	1,818,100
20	Special revenue funds:	
21	Total other state restricted revenues.....	7,966,400
22	State general fund/general purpose.....	\$ 6,408,000
23	Sec. 110. EPIDEMIOLOGY	
24	Full-time equated classified positions..... 127.7	
25	AIDS surveillance and prevention program.....	\$ 2,254,100
26	Asthma prevention and control--2.6 FTE positions.....	857,100
27	Bioterrorism preparedness--68.6 FTE positions.....	49,259,700

1	Epidemiology administration--39.0 FTE positions	8,090,500
2	Lead abatement program--7.0 FTE positions	2,442,500
3	Newborn screening follow-up and treatment services--	
4	10.5 FTE positions	4,740,800
5	Tuberculosis control and prevention	<u>867,000</u>
6	GROSS APPROPRIATION	\$ 68,511,700
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues	61,104,800
10	Special revenue funds:	
11	Total private revenues	25,000
12	Total other state restricted revenues	5,572,800
13	State general fund/general purpose	\$ 1,809,100
14	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
15	Implementation of 1993 PA 133, MCL 333.17015	\$ 20,000
16	Local health services	100,000
17	Local public health operations	37,379,700
18	Medicaid outreach cost reimbursement to local health	
19	departments	<u>9,000,000</u>
20	GROSS APPROPRIATION	\$ 46,499,700
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues	9,000,000
24	Special revenue funds:	
25	Total local revenues	5,150,000
26	Total other state restricted revenues	100,000
27	State general fund/general purpose	\$ 32,249,700

**Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND
HEALTH PROMOTION**

Full-time equated classified positions.....	75.5	
Alzheimer's information network.....		\$ 99,500
Cancer prevention and control program--12.0 FTE		
positions		14,565,700
Chronic disease control and health promotion		
administration--33.4 FTE positions.....		6,696,700
Diabetes and kidney program--12.2 FTE positions		2,578,100
Public health traffic safety coordination--1.0 FTE		
position		287,500
Smoking prevention program--14.0 FTE positions		4,656,500
Violence prevention--2.9 FTE positions		<u>1,676,700</u>
GROSS APPROPRIATION.....		\$ 30,560,700

Appropriated from:

Federal revenues:

Total federal revenues.....	22,953,100
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Special revenue funds:

Total private revenues.....	61,600
Total other state restricted revenues	5,825,700
State general fund/general purpose	\$ 1,720,300

**Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH
SERVICES**

Full-time equated classified positions.....	53.6	
Childhood lead program--6.0 FTE positions.....		\$ 1,597,300
Dental programs--3.0 FTE positions		869,400
Dental program for persons with developmental		

1	disabilities	151,000
2	Family, maternal, and children's health services	
3	administration--43.6 FTE positions.....	5,890,700
4	Family planning local agreements.....	9,085,700
5	Local MCH services.....	7,018,100
6	Pregnancy prevention program.....	1,707,300
7	School health and education programs--1.0 FTE	
8	position	405,500
9	Special projects.....	2,290,200
10	Sudden infant death syndrome program.....	<u>321,300</u>
11	GROSS APPROPRIATION.....	\$ 29,336,500
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	24,352,500
15	Special revenue funds:	
16	Total local revenues.....	75,000
17	Total other state restricted revenues.....	1,505,200
18	State general fund/general purpose.....	\$ 3,403,800
19	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
20	NUTRITION PROGRAM	
21	Full-time equated classified positions..... 45.0	
22	Women, infants, and children program administration	
23	and special projects--45.0 FTE positions.....	\$ 13,631,700
24	Women, infants, and children program local agreements	
25	and food costs	<u>253,825,500</u>
26	GROSS APPROPRIATION.....	\$ 267,457,200
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	208,847,000
3	Special revenue funds:	
4	Total private revenues.....	58,610,200
5	State general fund/general purpose.....	\$ 0
6	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
7	Full-time equated classified positions.....	47.8
8	Children's special health care services	
9	administration--45.0 FTE positions.....	\$ 5,150,700
10	Bequests for care and services--2.8 FTE positions....	1,514,600
11	Outreach and advocacy.....	3,773,500
12	Nonemergency medical transportation.....	1,527,600
13	Medical care and treatment.....	<u>236,106,900</u>
14	GROSS APPROPRIATION.....	\$ 248,073,300
15	Appropriated from:	
16	Federal revenues:	
17	Total other federal revenues.....	140,504,600
18	Federal FMAP stimulus revenues (ARRA).....	12,863,300
19	Special revenue funds:	
20	Total private revenues.....	1,000,000
21	Total other state restricted revenues.....	3,841,000
22	State general fund/general purpose.....	\$ 89,864,400
23	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
24	Full-time equated classified positions.....	11.0
25	Grants administration services--11.0 FTE positions...	\$ 1,555,900
26	Justice assistance grants.....	13,000,000
27	Crime victim rights services grants.....	<u>12,500,000</u>

1	GROSS APPROPRIATION.....	\$	27,055,900
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		16,567,500
5	Special revenue funds:		
6	Total other state restricted revenues.....		10,488,400
7	State general fund/general purpose.....	\$	0
8	Sec. 117. OFFICE OF SERVICES TO THE AGING		
9	Full-time equated classified positions.....		43.5
10	Office of services to aging administration--43.5 FTE		
11	positions	\$	7,190,900
12	Community services.....		34,149,400
13	Nutrition services.....		35,360,200
14	Foster grandparent volunteer program.....		2,233,600
15	Retired and senior volunteer program.....		627,300
16	Senior companion volunteer program.....		1,604,400
17	Employment assistance.....		3,792,500
18	Respite care program.....		<u>5,868,700</u>
19	GROSS APPROPRIATION.....	\$	90,827,000
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues.....		56,781,900
23	Special revenue funds:		
24	Total private revenues.....		610,000
25	Merit award trust fund.....		4,468,700
26	Total other state restricted revenues.....		1,400,000
27	State general fund/general purpose.....	\$	27,566,400

1	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
2	Full-time equated classified positions.....	388.0
3	Medical services administration--388.0 FTE positions .	\$ 63,206,700
4	Facility inspection contract.....	132,800
5	MICild administration.....	<u>4,327,800</u>
6	GROSS APPROPRIATION.....	\$ 67,667,300
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	46,246,700
10	Special revenue funds:	
11	Total local revenues.....	107,000
12	Total private revenues.....	100,000
13	Total other state restricted revenues.....	105,300
14	State general fund/general purpose.....	\$ 21,108,300
15	Sec. 119. MEDICAL SERVICES	
16	Hospital services and therapy.....	\$ 1,329,191,000
17	Hospital disproportionate share payments.....	45,000,000
18	Physician services.....	505,169,200
19	Medicare premium payments.....	399,145,000
20	Pharmaceutical services.....	305,134,300
21	Home health services.....	5,336,200
22	Hospice services.....	114,175,200
23	Transportation.....	12,993,300
24	Auxiliary medical services.....	2,741,000
25	Dental services.....	125,352,200
26	Ambulance services.....	11,871,200
27	Long-term care services.....	1,621,772,100

1	Medicaid home- and community-based services waiver ...	189,566,800
2	Adult home help services	305,534,800
3	Personal care services	14,605,900
4	Program of all-inclusive care for the elderly	16,600,000
5	Health plan services	4,371,469,100
6	MIChild program	53,063,700
7	Plan first family planning waiver	11,269,900
8	Medicaid adult benefits waiver	104,856,800
9	Special indigent care payments	88,518,500
10	Federal Medicare pharmaceutical program	180,945,800
11	Promotion of healthy behavior waiver	10,000,000
12	Maternal and child health	20,279,500
13	Subtotal basic medical services program	9,844,591,500
14	School-based services	64,630,600
15	Special Medicaid reimbursement	332,191,500
16	Subtotal special medical services payments	<u>396,822,100</u>
17	GROSS APPROPRIATION	\$ 10,241,413,600
18	Appropriated from:	
19	Federal revenues:	
20	Total other federal revenues	6,710,189,900
21	Federal FMAP stimulus revenues (ARRA)	682,461,200
22	Special revenue funds:	
23	Total local revenues	56,980,900
24	Total private revenues	3,477,100
25	Merit award trust fund	144,751,800
26	Total other state restricted revenues	1,902,593,600
27	State general fund/general purpose	\$ 740,959,100

Sec. 120. INFORMATION TECHNOLOGY

Information technology services and projects	\$	35,364,200
Michigan Medicaid information system		<u>16,801,100</u>
GROSS APPROPRIATION	\$	52,165,300
Appropriated from:		
Federal revenues:		
Total federal revenues		36,675,900
Special revenue funds:		
Total other state restricted revenues		3,216,000
State general fund/general purpose	\$	12,273,400

PART 2**PROVISIONS CONCERNING APPROPRIATIONS****GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$4,196,608,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,214,931,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH**MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION****AND SPECIAL PROJECTS**

Community residential and support services	\$	286,400
Housing and support services		599,800

1	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
2	Community substance abuse prevention, education, and		
3	treatment programs	\$	9,671,100
4	Medicaid mental health services		521,781,800
5	Community mental health non-Medicaid services		283,912,600
6	Medicaid adult benefits waiver		10,966,000
7	Multicultural services		4,803,800
8	Medicaid substance abuse services		11,522,400
9	Children's waiver home care program		5,254,000
10	Nursing home PASARR		2,705,100
11	PUBLIC HEALTH ADMINISTRATION		
12	Minority health grants and contracts	\$	190,000
13	HEALTH POLICY, REGULATION, AND PROFESSIONS		
14	Primary care services	\$	88,900
15	INFECTIOUS DISEASE CONTROL		
16	AIDS prevention, testing, and care programs	\$	1,000,000
17	Immunization local agreements		1,750,000
18	Sexually transmitted disease control local agreements		235,200
19	LABORATORY SERVICES		
20	Laboratory services	\$	13,700
21	LOCAL HEALTH ADMINISTRATION AND GRANTS		
22	Implementation of 1993 PA 133, MCL 333.17015	\$	8,000
23	Local public health operations		32,229,700
24	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
25	Cancer prevention and control program	\$	450,000
26	Chronic disease prevention		261,600
27	Diabetes and kidney program		54,500

1	Smoking prevention program.....		800,000
2	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
3	Childhood lead program.....	\$	51,100
4	Pregnancy prevention program.....		90,000
5	School health education programs.....		250,000
6	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
7	Medical care and treatment.....	\$	895,700
8	Outreach and advocacy.....		1,237,500
9	MEDICAL SERVICES		
10	Dental services.....	\$	2,005,600
11	Long-term care services.....		269,214,200
12	Transportation.....		2,572,700
13	Medicaid adult benefits waiver.....		6,186,600
14	Hospital services and therapy.....		5,316,800
15	Physician services.....		4,251,500
16	OFFICE OF SERVICES TO THE AGING		
17	Community services.....	\$	12,233,500
18	Nutrition services.....		8,787,000
19	Foster grandparent volunteer program.....		679,800
20	Retired and senior volunteer program.....		175,000
21	Senior companion volunteer program.....		215,000
22	Respite care program.....		5,384,800
23	CRIME VICTIM SERVICES COMMISSION		
24	Crime victim rights services grants.....	\$	<u>6,800,000</u>
25	TOTAL OF PAYMENTS TO LOCAL UNITS		
26	OF GOVERNMENT.....	\$	1,214,931,400
27	Sec. 202. (1) The appropriations authorized under this bill		

1 are subject to the management and budget act, 1984 PA 431, MCL
2 18.1101 to 18.1594.

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

5 Sec. 203. As used in this bill:

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

7 (b) "ARRA" means the American recovery and reinvestment act of
8 2009, Public Law 111-5.

9 (c) "CMHSP" means a community mental health services program
10 as that term is defined in section 100a of the mental health code,
11 1974 PA 258, MCL 330.1100a.

12 (d) "Current fiscal year" means the fiscal year ending
13 September 30, 2011.

14 (e) "Department" means the Michigan department of community
15 health.

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

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

18 (h) "EPSDT" means early and periodic screening, diagnosis, and
19 treatment.

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

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

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

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

27 (m) "Health plan" means, at a minimum, an organization that

1 meets the criteria for delivering the comprehensive package of
2 services under the department's comprehensive health plan.

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

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

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

8 (q) "IDG" means interdepartmental grant.

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

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

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

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

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

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

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

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

27 (z) "WIC" means women, infants, and children supplemental

1 nutrition program.

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

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

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

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

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

1 until they have been transferred to another line item in this bill
2 under section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

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

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

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

25 Sec. 211. (1) If the revenue collected by the department from
26 fees and collections exceeds the amount appropriated in part 1, the
27 revenue may be carried forward with the approval of the state

1 budget director into the subsequent fiscal year. The revenue
2 carried forward under this section shall be used as the first
3 source of funds in the subsequent fiscal year.

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

9 Sec. 212. (1) On or before February 1 of the current fiscal
10 year, the department shall report to the house and senate
11 appropriations subcommittees on community health, the house and
12 senate fiscal agencies, and the state budget director on the
13 detailed name and amounts of federal, restricted, private, and
14 local sources of revenue that support the appropriations in each of
15 the line items in part 1 of this bill.

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

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

27 (a) Detailed spending plan by appropriation line item

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

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

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

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

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

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

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

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

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

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

8 Sec. 218. The department shall include the following in its
9 annual list of proposed basic health services as required in part
10 23 of the public health code, 1978 PA 368, MCL 333.2301 to
11 333.2321:

12 (a) Immunizations.

13 (b) Communicable disease control.

14 (c) Sexually transmitted disease control.

15 (d) Tuberculosis control.

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

17 (f) Screening newborns for the conditions listed in section
18 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
19 recommended by the newborn screening quality assurance advisory
20 committee created under section 5430 of the public health code,
21 1978 PA 368, MCL 333.5430.

22 (g) Community health annex of the Michigan emergency
23 management plan.

24 (h) Prenatal care.

25 Sec. 219. (1) The department may contract with the Michigan
26 public health institute for the design and implementation of
27 projects and for other public health-related activities prescribed

1 in section 2611 of the public health code, 1978 PA 368, MCL
2 333.2611. The department may develop a master agreement with the
3 institute to carry out these purposes for up to a 3-year period.
4 The department shall report to the house and senate appropriations
5 subcommittees on community health, the house and senate fiscal
6 agencies, and the state budget director on or before November 1 and
7 May 1 of the current fiscal year all of the following:

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

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

12 (c) The expected project duration.

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

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

22 Sec. 220. All contracts with the Michigan public health
23 institute funded with appropriations in part 1 shall include a
24 requirement that the Michigan public health institute submit to
25 financial and performance audits by the state auditor general of
26 projects funded with state appropriations.

27 Sec. 223. The department may establish and collect fees for

1 publications, videos and related materials, conferences, and
2 workshops. Collected fees shall be used to offset expenditures to
3 pay for printing and mailing costs of the publications, videos and
4 related materials, and costs of the workshops and conferences. The
5 department shall not collect fees under this section that exceed
6 the cost of the expenditures.

7 Sec. 259. From the funds appropriated in part 1 for
8 information technology, the department shall pay user fees to the
9 department of technology, management, and budget for technology-
10 related services and projects. Such user fees shall be subject to
11 provisions of an interagency agreement between the department and
12 the department of technology, management, and budget.

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

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

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

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

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

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

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

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

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

14 (b) The destination of each travel occurrence.

15 (c) The dates of each travel occurrence.

16 (d) A brief statement of the reason for each travel
17 occurrence.

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

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

25 Sec. 269. The amount appropriated in part 1 for medical
26 services pharmaceutical services includes funds to cover
27 reimbursement of mental health medications under the Medicaid

1 program.

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

8 **DEPARTMENTWIDE ADMINISTRATION**

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

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

17 **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL**
18 **PROJECTS**

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

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

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

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

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

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

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

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

27 (f) A system of continuous quality improvement.

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

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

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

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

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

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

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

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

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

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

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

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

1 senate fiscal agencies, and the state budget director that includes
2 the information required by this section.

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

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

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

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

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

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

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

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

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

27 (g) An analysis of information provided by CMHSPs in response

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

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

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

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

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

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

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

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

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

23 (k) An estimate of the number of direct care workers in local
24 residential settings and paraprofessional and other nonprofessional
25 direct care workers in settings where skill building, community
26 living supports and training, and personal care services are
27 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal

1 year employed directly or through contracts with provider
2 organizations.

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

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

9 Sec. 405. The employee wage pass-through funded in previous
10 years to the community mental health services programs for direct
11 care workers in local residential settings and for paraprofessional
12 and other nonprofessional direct care workers in settings where
13 skill building, community living supports and training, and
14 personal care services are provided shall continue to be paid to
15 direct care workers.

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

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

25 (3) The coordinating agencies shall continue current efforts
26 to collaborate on the delivery of services to those clients with
27 mental illness and substance abuse diagnoses.

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

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

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

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

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

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

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

1 children.

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

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

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

22 Sec. 414. Medicaid substance abuse treatment services shall be
23 managed by selected PIHPs pursuant to the centers for Medicare and
24 Medicaid services' approval of Michigan's 1915(b) waiver request to
25 implement a managed care plan for specialized substance abuse
26 services. The selected PIHPs shall receive a capitated payment on a
27 per eligible per month basis to assure provision of medically

1 necessary substance abuse services to all beneficiaries who require
2 those services. The selected PIHPs shall be responsible for the
3 reimbursement of claims for specialized substance abuse services.
4 The PIHPs that are not coordinating agencies may continue to
5 contract with a coordinating agency. Any alternative arrangement
6 must be based on client service needs and have prior approval from
7 the department.

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

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

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

27 (b) A PIHP must state in writing to the health professional or

1 facility any defect in the claim within 30 days after receipt of
2 the claim.

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

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

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

21 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to
22 the fullest extent possible when providing services and support
23 programs for individuals with mental illness, developmental
24 disabilities, or substance abuse issues. Consumer choices shall
25 include skill-building assistance, rehabilitative and habilitative
26 services, supported and integrated employment services program
27 settings, and other work preparatory services provided in the

1 community or by accredited community-based rehabilitation
2 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or
3 restrict any choices from the array of services and program
4 settings available to consumers without reasonable justification
5 that those services are not in the consumer's best interest.

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

11 Sec. 458. By April 15 of the current fiscal year, the
12 department shall provide an updated plan for implementing
13 recommendations of the Michigan Mental Health Commission made in
14 the Commission's report dated October 15, 2004 to the house and
15 senate appropriations subcommittees on community health, the house
16 and senate fiscal agencies, and the state budget director.

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

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

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

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

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

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

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

1 services. At a minimum, the written expectations shall provide for
2 the integration of those services as follows:

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

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

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

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

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

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

1 antipsychotic prescriptions by each PIHP for Medicaid
2 beneficiaries.

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

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

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

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

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

1 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 and senate appropriations subcommittees on community health and the
18 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.

27 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

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

6 Sec. 707. The funds appropriated in part 1 for the nursing
7 scholarship program, established in section 16315 of the public
8 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
9 the number of nurses practicing in Michigan. The board of nursing
10 is encouraged to structure scholarships funded under this bill in a
11 manner that rewards recipients who intend to practice nursing in
12 Michigan.

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

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

26 Sec. 710. From the funds appropriated in part 1 for primary
27 care services, an amount not to exceed \$2,172,700.00 is

1 appropriated to enhance the service capacity of the federally
2 qualified health centers and other health centers that are similar
3 to federally qualified health centers.

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

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

19 Sec. 713. The department shall continue support of
20 multicultural agencies that provide primary care services from the
21 funds appropriated in part 1.

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

1 to contact every complainant and the subject of a complaint during
2 an investigation.

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

7 Sec. 722. A medical professional who was newly accepted into
8 the Michigan essential health provider program in fiscal year 2008-
9 2009 is eligible for 4 years of loan repayments.

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

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

25 **INFECTIOUS DISEASE CONTROL**

26 Sec. 801. In the expenditure of funds appropriated in part 1
27 for AIDS programs, the department and its subcontractors shall

1 ensure that high-risk individuals ages 9 through 18 receive
2 priority for prevention, education, and outreach services.

3 Sec. 803. The department shall continue the AIDS drug
4 assistance program maintaining the prior year eligibility criteria
5 and drug formulary. This section does not prohibit the department
6 from providing assistance for improved AIDS treatment medications.
7 If the appropriation in part 1 or actual revenue is not sufficient
8 to maintain the prior year eligibility criteria and drug formulary,
9 the department may revise the eligibility criteria and drug
10 formulary in a manner that is consistent with federal program
11 guidelines.

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

17 **EPIDEMIOLOGY**

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

27 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

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

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

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

1 environment.

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

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

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

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

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

19 (2) For purposes of complying with 2004 PA 164, \$100,000.00 of
20 the funds appropriated in part 1 for the smoking prevention program
21 shall be used for the quit kit program that includes the nicotine
22 patch or nicotine gum.

23 Sec. 1007. (1) The funds appropriated in part 1 for violence
24 prevention may be used for programs aimed at the prevention of
25 spouse, partner, or child abuse and rape.

26 (2) In awarding grants from the amounts appropriated in part 1
27 for violence prevention, the department shall give equal

1 consideration to public and private nonprofit applicants.

2 Sec. 1009. From the funds appropriated in part 1 for the
3 diabetes and kidney program, a portion of the funds may be
4 allocated to the National Kidney Foundation of Michigan for kidney
5 disease prevention programming including early identification and
6 education programs and kidney disease prevention demonstration
7 projects.

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

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

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

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

1 care outreach and service delivery support, family planning local
2 agreements, and pregnancy prevention programs. Using applicable
3 federal definitions, the report shall include information on all of
4 the following:

5 (a) Funding allocations.

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

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

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

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

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

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

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

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

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

20 Sec. 1129. The department shall provide a report annually to
21 the house and senate appropriations subcommittees on community
22 health, the house and senate fiscal agencies, and the state budget
23 director on the number of children with elevated blood lead levels
24 from information available to the department. The report shall
25 provide the information by county, shall include the level of blood
26 lead reported, and shall indicate the sources of the information.

27 Sec. 1133. The department shall release infant mortality rate

1 data to all local public health departments 72 hours or more before
2 releasing infant mortality rate data to the public.

3 Sec. 1135. (1) Provision of the school health education
4 curriculum, such as the Michigan model or another comprehensive
5 school health education curriculum, shall be in accordance with the
6 health education goals established by the Michigan model for
7 comprehensive school health education state steering committee. The
8 state steering committee shall be comprised of a representative
9 from each of the following offices and departments:

10 (a) The department of education.

11 (b) The department of community health.

12 (c) The health administration in the department of community
13 health.

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

16 (e) The department of human services.

17 (f) The department of state police.

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

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

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

7 Sec. 1153. The department shall ensure that individuals
8 residing in rural communities have sufficient access to the
9 services offered through the WIC program.

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

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

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

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

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

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

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

27 Sec. 1204. Children who are determined medically eligible for

1 and enroll in the children's special health care services program
2 and who also have Medicaid will have the option to enroll in a
3 Medicaid health plan and have their care co-managed by the
4 children's special health care services program.

5 **CRIME VICTIM SERVICES COMMISSION**

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

12 **OFFICE OF SERVICES TO THE AGING**

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

18 Sec. 1403. (1) The office of services to the aging shall
19 require each region to report to the office of services to the
20 aging and to the legislature home-delivered meals waiting lists
21 based upon standard criteria. Determining criteria shall include
22 all of the following:

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

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

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

27 (d) Any other qualifications normally necessary for the

1 recipient to receive home-delivered meals.

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

6 Sec. 1404. The area agencies and local providers may receive
7 and expend fees for the provision of day care, care management,
8 respite care, and certain eligible home- and community-based
9 services. The fees shall be based on a sliding scale, taking client
10 income into consideration. The fees shall be used to expand
11 services.

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

21 Sec. 1413. Local counties may request to change membership in
22 the area agencies on aging if the change is to an area agency on
23 aging that is contiguous to that county pursuant to office of
24 services to the aging policies and procedures for area agency on
25 aging designation. The office of services to the aging shall adjust
26 allocations to area agencies on aging to account for any changes in
27 county membership. The office of services to the aging shall ensure

1 annually that county boards of commissioners are aware that county
2 membership in area agencies on aging can be changed subject to
3 office of services to the aging policies and procedures for area
4 agency on aging designation.

5 Sec. 1417. The department shall provide to the senate and
6 house appropriations subcommittees on community health, senate and
7 house fiscal agencies, and state budget director a report by March
8 30 of the current fiscal year that contains all of the following:

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

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

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

17 **MEDICAL SERVICES**

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

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

1 Sec. 1604. (1) A Medicaid recipient shall remain eligible and
2 a qualifying applicant shall be determined eligible for medical
3 assistance during a period of incarceration or detention. Medicaid
4 coverage is limited during such a period to off-site inpatient
5 hospitalization only.

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

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

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

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

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

1 select or remain with the Medicaid participating obstetrician of
2 her choice.

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

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

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

27 (5) The department shall develop an enrollment process for

1 pregnant women covered under this section that facilitates the
2 selection of a managed care plan at the time of application.

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

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

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

25 (2) Notwithstanding subsection (1), medical services
26 reimbursement for hospital services provided to dual
27 Medicare/medical services recipients with Medicare part B coverage

1 only shall equal, when combined with payments for Medicare and
2 other third-party resources, if any, those amounts established for
3 medical services-only patients, including capital payments.

4 Sec. 1620. (1) For fee-for-service recipients who do not
5 reside in nursing homes, the pharmaceutical dispensing fee shall be
6 \$2.50 or the pharmacy's usual or customary cash charge, whichever
7 is less. For nursing home residents, the pharmaceutical dispensing
8 fee shall be \$2.75 or the pharmacy's usual or customary cash
9 charge, whichever is less.

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

14 Sec. 1621. The department may implement prospective drug
15 utilization review and disease management systems. The prospective
16 drug utilization review, a pharmacist-approved medication therapy
17 program, and disease management systems authorized by this section
18 shall have physician oversight, shall focus on patient, physician,
19 and pharmacist education, and shall be developed in consultation
20 with the national pharmaceutical council, Michigan state medical
21 society, Michigan osteopathic association, Michigan pharmacists
22 association, Michigan health and hospital association, and Michigan
23 nurses association.

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

27 (2) The department shall notify all HMOs, physicians,

1 pharmacies, and other medical providers that are enrolled in the
2 Medicaid program that Medicaid policy allows for the dispensing of
3 a 100-day supply for maintenance drugs.

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

9 Sec. 1627. (1) The department shall use procedures and rebates
10 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
11 to secure quarterly rebates from pharmaceutical manufacturers for
12 outpatient drugs dispensed to participants in the MIChild program,
13 maternal outpatient medical services program and children's special
14 health care services.

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

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

22 Sec. 1631. Except as otherwise prohibited by federal or state
23 law or regulations, the department shall require Medicaid
24 recipients to pay the following co-payments:

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

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

27 (c) Fifty dollars for the first day of an inpatient hospital

1 stay.

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

3 Sec. 1637. (1) All adult Medicaid recipients shall be offered
4 the opportunity to sign a Medicaid personal responsibility
5 agreement.

6 (2) The personal responsibility agreement shall include at
7 minimum the following provisions:

8 (a) That the recipient shall not smoke.

9 (b) That the recipient shall attend all scheduled medical
10 appointments.

11 (c) That the recipient shall exercise regularly.

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

14 (e) That the recipient shall abstain from abusing controlled
15 substances and narcotics.

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

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

22 Sec. 1643. Of the funds appropriated in part 1 for graduate
23 medical education in the hospital services and therapy line-item
24 appropriation, not less than \$12,585,400.00 shall be allocated for
25 the psychiatric residency training program that establishes and
26 maintains collaborative relations with the schools of medicine at
27 Michigan State University and Wayne State University if the

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

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

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

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

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

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

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

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

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

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

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

26 (a) Continuity of care is assured by allowing enrollees to
27 continue receiving required medically necessary services from their

1 current providers for a period not to exceed 1 year if enrollees
2 meet the managed care medical exception criteria.

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

5 (c) Mandatory enrollment of Medicaid beneficiaries living in
6 counties defined as rural by the federal government, which is any
7 nonurban standard metropolitan statistical area, is allowed if
8 there is only 1 HMO serving the Medicaid population, as long as
9 each Medicaid beneficiary is assured of having a choice of at least
10 2 physicians by the HMO.

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

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

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

1 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
2 HMO covered services delivered other than through the HMO's
3 providers if medically necessary and approved by the HMO,
4 immediately required, and that could not be reasonably obtained
5 through the HMO's providers on a timely basis. Such services shall
6 be considered approved if the HMO does not respond to a request for
7 authorization within 24 hours of the request. Reimbursement shall
8 not exceed the Medicaid fee-for-service payment for those services.

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

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

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

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

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

1 HMO. If the recipient is discharged from the emergency room, the
2 hospital shall notify the recipient's HMO within 24 hours of the
3 diagnosis and treatment received.

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

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

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

18 (2) A hospital access agreement specified in subsection (1)
19 shall be considered an affiliated provider contract pursuant to the
20 requirements contained in chapter 35 of the insurance code of 1956,
21 1956 PA 218, MCL 500.3501 to 500.3580.

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

1 1657, 1658, 1660, 1661, 1662, 1681, 1684, 1688, 1689, 1690, 1699,
2 1739, 1740, 1752, 1756, 1764, 1772, 1816, 1819, 1820, 1821, and
3 1824.

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

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

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

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

26 (5) The department shall provide, on an annual basis, budget-
27 neutral incentives to Medicaid HMOs and local health departments to

1 improve performance on measures related to the care of children.

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

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

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

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

25 Sec. 1662. (1) The department shall assure that an external
26 quality review of each contracting HMO is performed that results in
27 an analysis and evaluation of aggregated information on quality,

1 timeliness, and access to health care services that the HMO or its
2 contractors furnish to Medicaid beneficiaries.

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

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

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

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

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

1 residents of this state. The department shall develop detailed
2 eligibility criteria through the medical services administration
3 public concurrence process, consistent with the provisions of this
4 bill. Health coverage for children in families between 150% and
5 200% of the federal poverty level shall be provided through a
6 state-based private health care program.

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

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

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

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

1 (a) "Dental care corporation", "health care corporation",
2 "insurer", and "prudent purchaser agreement" mean those terms as
3 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
4 550.52.

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

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

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

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

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

21 Sec. 1671. From the funds appropriated in part 1, the
22 department shall continue a comprehensive approach to the marketing
23 and outreach of the MICHild program. The marketing and outreach
24 required under this section shall be coordinated with current
25 outreach, information dissemination, and marketing efforts and
26 activities conducted by the department.

27 Sec. 1673. The department may establish premiums for MICHild

1 eligible persons in families with income above 150% of the federal
2 poverty level. The monthly premiums shall not be less than \$10.00
3 or exceed \$15.00 for a family.

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

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

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

16 (c) Durable medical equipment and prosthetic and orthotic
17 devices.

18 (d) Dental services as outlined in the approved MICHild state
19 plan.

20 (e) Substance abuse treatment services that may include
21 inpatient, outpatient, and residential substance abuse treatment
22 services.

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

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

26 (h) Emergency ambulance services.

27 Sec. 1680. Payment increases for enhanced wages and new or

1 enhanced employee benefits provided in previous years through the
2 Medicaid nursing home wage pass-through program shall be continued.

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

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

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

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

27 (4) Any unexpended penalty money, at the end of the year,

1 shall carry forward to the following year.

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

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

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 year, 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 year. 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 program waiting list to identify
9 the 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 (4) The department shall maintain policies, guidelines,
18 procedures, standards, and regulations in order to limit the self-
19 determination option with respect to the home- and community-based
20 services waiver program to those services furnished by approved
21 home-based service providers meeting provider qualifications
22 established in the waiver and approved by the centers for Medicare
23 and Medicaid services.

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

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

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

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

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

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

27 (a) Finance activities within the medical services

1 administration related to this project.

2 (b) Reimburse participating school districts pursuant to the
3 fund-sharing ratios negotiated in the state-local agreements
4 authorized in subsection (1).

5 (c) Offset general fund costs associated with the medical
6 services program.

7 Sec. 1693. The special Medicaid reimbursement appropriation in
8 part 1 may be increased if the department submits a medical
9 services state plan amendment pertaining to this line item at a
10 level higher than the appropriation. The department is authorized
11 to appropriately adjust financing sources in accordance with the
12 increased appropriation.

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

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

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

1 Sec. 1699. (1) The department may make separate payments
2 directly to qualifying hospitals serving a disproportionate share
3 of indigent patients in the amount of \$45,000,000.00, and to
4 hospitals providing graduate medical education training programs.
5 If direct payment for GME and DSH is made to qualifying hospitals
6 for services to Medicaid clients, hospitals will not include GME
7 costs or DSH payments in their contracts with HMOs.

8 (2) The DSH pool shall be distributed using the distribution
9 methodology used in fiscal year 2003-2004.

10 Sec. 1711. The department shall maintain the 2-tier
11 reimbursement methodology for Medicaid emergency physicians
12 professional services that was in effect on September 30, 2002.

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

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

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

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

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

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

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

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

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

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

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

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

27 Sec. 1804. The department, in cooperation with the department

1 of human services, shall work with the federal government's public
2 assistance reporting information system to identify Medicaid
3 recipients who are veterans who may be eligible for federal
4 veterans health care benefits or other benefits.

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

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

12 Sec. 1820. The department shall recognize accrediting
13 organizations for Medicaid health plans and shall consider
14 accreditation results when reviewing the performance of Medicaid
15 health plans.

16 Sec. 1821. The department shall attempt to establish
17 appropriate performance standards for Medicaid health plans a year
18 in advance of the application of those standards. The determination
19 of performance shall be based on and include such recognized
20 concepts as 1-year continuous enrollment and HEDIS audited data.

21 Sec. 1822. The department, the department's contracted
22 Medicaid pharmacy benefit manager, and all Medicaid health plans
23 shall implement coverage for a mental health prescription drug
24 within 30 days of that drug's approval by the department's pharmacy
25 and therapeutics committee.

26 Sec. 1824. Individuals who live in homes for the aged or adult
27 foster care facilities shall be eligible to apply for enrollment

1 for services from the home- and community-based waiver program.

2 Sec. 1830. (1) A physician quality assurance assessment
3 program shall be implemented, in accordance with related
4 legislation passed during the 2010-2011 legislative session. The
5 state retainer amount shall be used to fund Medicaid program
6 expenditures.

7 (2) If a physician quality assurance assessment program is not
8 implemented or does not generate general fund savings sufficient to
9 fund Medicaid program expenditures in fiscal year 2010-2011, the
10 following shall occur:

11 (a) Effective October 1, 2010, Medicaid payments for providers
12 described in subsection (b) shall be adjusted to achieve general
13 fund savings equivalent to the amount that would be achieved by a
14 physician quality assurance assessment program.

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